

## FRANCHISE DISCLOSURE DOCUMENT



Everything Yogurt Brands, LLC  
25 Washington Street  
Morristown, New Jersey 07960  
(973) 285-4800

[www.villarestaurantgroup.com](http://www.villarestaurantgroup.com)  
[ckempf@villarestaurantgroup.com](mailto:ckempf@villarestaurantgroup.com)

The Franchisee will either operate one “Green Leaf’s Beyond Great Salads” restaurant which may for an additional fee, include our “Bananas Smoothies & Frozen Yogurt” concept or the Franchisee may choose to operate the “Bananas Smoothies & Frozen Yogurt” concept as a standalone franchise. In certain instances we may require you to use a name other than Green Leaf’s Beyond Great Salads and/or Bananas Smoothies & Frozen Yogurt, in which case you will use our mark – “The Market By Villa.” The “Green Leaf’s Beyond Great Salads” restaurant by itself or in conjunction with the “Bananas Smoothies & Frozen Yogurt” concept may or may not include breakfast, but will include lunch and dinner and feature gourmet sandwiches prepared with meats, vegetables, poultry and fish, and additional offerings of freshly baked breads, soups, freshly prepared salads, and related foods and beverages. The “Bananas Smoothies & Frozen Yogurt” concept enables you to also sell any combination of our proprietary brand frozen yogurt, smoothies and frosties prepared with our proprietary products. Also available with our “Bananas Smoothies & Frozen Yogurt” concept is our Gretel’s Pretzels brand hand rolled pretzels made with our proprietary pretzels flour. The “Bananas Smoothies & Frozen Yogurt” concept may also feature other related food and beverage items, such as premium flavored coffees, espresso, cappuccino, muffins, ice cream, nuts, bulk or packaged candies, bagels, cookies, cakes and flavored popcorn as well as specialty items such as specially made apparel and gifts.

The total investment to begin operation of the restaurant is from \$224,500 - \$654,200 (plus real estate cost and grand opening expense, see Item 7) depending upon the concept(s) you choose and how many of our products you wish to sell from the Franchised Business. This includes the \$25,000 - \$35,000 Green Leaf’s Beyond Great Salads initial franchise fee (outside the Continental United States [Alaska, Hawaii & U.S. Territories] the initial franchise fee is \$35,000) plus the additional fee of \$2,200 for the “Bananas Smoothies & Frozen Yogurt” concept (\$22,000 if the “Bananas Smoothies & Frozen Yogurt” concept is purchased by itself as a stand alone concept) that must be paid to Us and/or Our affiliates. The total investment to open a Green Leaf’s concept is from \$284,500 - \$484,000. The total investment to open a Bananas Smoothies & Frozen Yogurt concept is from \$224,500 - \$457,000. The total investment for a simultaneous purchase and operation of a Green Leaf’s Beyond Great Salads concept and Bananas Smoothies & Frozen Yogurt concept is from \$346,700 - \$654,200.

The minimum total investment necessary to begin operation as an Area Developer is from \$72,500 - \$130,000 assuming a minimum of two restaurants being developed per restaurant for the Green Leaf’s Beyond Great Salads and/or Bananas Smoothies & Frozen Yogurt franchise. When you enter into an Area Development Agreement, you will also enter into your first Franchise Agreement. The total initial investment to begin operation of a single restaurant is set out above. This total investment does not include your estimated initial investment for beginning operation of each franchised concept which cost are set out in the preceding paragraph. Estimated initial investment costs will vary for international transactions. The Area Development Agreement requires an upfront payment of one-half of the total Initial Investment Fee (based upon the number of restaurants being developed in the Continental U.S. or an international territory) and is due at the time of execution of the Deposit Agreement. The balance of the initial franchise fee for each franchised location

required by the Area Development Agreement is paid upon execution of each franchise agreement pursuant to the agreed upon Development Schedule. The minimum number of franchised locations required by an Area Development Agreement is two locations. The maximum number of franchised locations required under the Area Development Agreement is negotiated and is dependent upon the territory requested.

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 can sign a binding agreement with, or make any payment to the franchisor or an affiliate in connection with the proposed franchise sale. **Note, however, that no government agency has verified the information contained in this document.**

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact the Franchise Administration Department at 25 Washington Street, Morristown, NJ 07960 or call (973) 285-4800.

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

Buying a franchise is a complex investment. The information in this disclosure document can help you make up your mind. More information on franchising, such as "A Consumer's Guide to Buying a Franchise," which can help you understand how to use this disclosure document is available from the Federal Trade Commission. You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, DC 20580. You can also visit the FTC's home page at [www.ftc.gov](http://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.

ISSUING DATE: ~~March 20, 2025~~ ~~March 22, 2024~~

## How to Use This Franchise Disclosure Document

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

QUESTIONS	WHERE TO FIND INFORMATION
<b>How much can I earn?</b>	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 Exhibits F and G.
<b>How much will I need to invest?</b>	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.
<b>Does the franchisor have the financial ability to provide support to my business?</b>	Item 21 or Exhibit I includes financial statements. Review these statements carefully.
<b>Is the franchise system stable, growing, or shrinking?</b>	Item 20 summarizes the recent history of the number of company-owned and franchised outlets.
<b>Will my business be the only Everything Yogurt Brands, LLC business in my area?</b>	Item 12 and the “territory” provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
<b>Does the franchisor have a troubled legal history?</b>	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
<b>What’s it like to be an Everything Yogurt Brands, LLC franchisee?</b>	Item 20 or Exhibits F and G lists current and former franchisees. You can contact them to ask about their experiences.
<b>What else should I know?</b>	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

## What You Need To Know About Franchising *Generally*

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

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

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

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

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

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

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

### Some States Require Registration

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

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

## Special Risks to Consider About This Franchise

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

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

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.

**EVERYTHING YOGURT BRANDS, LLC  
FRANCHISE DISCLOSURE DOCUMENT**

**TABLE OF CONTENTS**

<b>Item</b>	<b>Page</b>
1. THE FRANCHISOR, AND ANY PARENTS, PREDECESSOR AND AFFILIATES .....	1
2. BUSINESS EXPERIENCE .....	4
3. LITIGATION.....	6
4. BANKRUPTCY.....	7
5. INITIAL FEES.....	8
6. OTHER FEES .....	10
7. ESTIMATED INITIAL INVESTMENT .....	12
8. RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES .....	24
9. FRANCHISEE’S OBLIGATIONS.....	29
10. FINANCING.....	30
11. FRANCHISOR’S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS AND TRAINING .....	31
12. TERRITORY .....	<del>36</del> <sup>37</sup>
13. TRADEMARKS .....	39
14. PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION .....	<del>40</del> <sup>41</sup>
15. OBLIGATIONS TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS .....	41
16. RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL.....	42
17. RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION .....	<del>42</del> <sup>43</sup>
18. PUBLIC FIGURES .....	45
19. FINANCIAL PERFORMANCE REPRESENTATIONS.....	<del>45</del> <sup>46</sup>
20. OUTLETS AND FRANCHISEE INFORMATION .....	47
21. FINANCIAL STATEMENTS .....	<del>50</del> <sup>51</sup>

22. CONTRACTS ..... ~~505~~

23. RECEIPTS ..... 51

Exhibit A	Franchise Agreement with Exhibits
Exhibit B	Area Development Agreement
Exhibit C	State Addendum to FDD
Exhibit D	List of Administrators
Exhibit E	Agents for Service of Process
Exhibit F	List of Current Franchisees
Exhibit G	List of Former Franchisees
Exhibit H	Confidential Operating Manual Table of Contents
Exhibit I	Audited Financial Statements
Exhibit J	Sublease Agreement
Exhibit K	Franchisee Organizations We have Created, Sponsored or Endorsed
Exhibit L	Receipt (in duplicate)

**ITEM 1**  
**THE FRANCHISOR, AND ANY PARENTS, PREDECESSOR AND AFFILIATES**

The Franchisor

Everything Yogurt, Inc. was initially incorporated in the State of New York in 1975 and opened the first Everything Yogurt facility in April 1976 in New York. (These restaurants have since closed). In 1978 Everything Yogurt New Jersey, Inc. was formed and in 1983 Everything Yogurt, Inc., was merged into it. The corporation changed its name on April 16, 1988 to Everything Yogurt, Inc. and on March 16, 1995 the name was changed to Restaurant Systems International, Inc., and on February 10, 2003 to Everything Yogurt Brands, Inc. On August 14, 2003 the company stock was acquired by Villa Pizza, Inc. (25 Washington Street, Morristown, New Jersey 07960) and the franchise agreements were thereafter assigned to Everything Yogurt Brands, LLC, a Delaware limited liability company (“we” or “us”) formed August 14, 2003 and started operating August 14, 2003 to offer franchises for Greenleaf’s Grille, Greenleaf’s, South Philly Steaks & Fries and Everything Yogurt Treats. We also maintain support for the franchises assigned us. When describing things belonging to us or giving you information relative to the franchises offered for sale by this disclosure document, we use the word “our”). We maintain our principal place of business at 25 Washington Street, Morristown, New Jersey 07960. We conduct our business under the trade names GREENLEAF’S GRILLE, GREENLEAF’S, GREEN LEAF’S BEYOND GREAT SALADS, GREEN LEAF’S BEYOND GREAT SALADS & BANANAS SMOOTHIES & FROZEN YOGURT, EVERYTHING YOGURT TREATS, EVERYTHING YOGURT & SALAD CAFÉ, THE MARKET BY VILLA, and SOUTH PHILLY STEAKS & FRIES. We offer in this disclosure document the “Green Leaf’s Beyond Great Salads” concept as a standalone or for an additional fee of \$2,200 it can be combined with the “Bananas Smoothies & Frozen Yogurt” concept or you may purchase the “Bananas Smoothies & Frozen Yogurt” concept as a standalone. Our other concepts are offered for sale in separate disclosure documents.

We operate and grant franchises for the operation of various fast-service restaurants. We began granting franchises bearing the name Everything Yogurt in August 1983, and have operated restaurants of that type since April 1981. However, the Everything Yogurt concept, which features frozen yogurt is no longer available for purchase as an independent concept but is only available when you buy our Bananas Smoothies & Frozen Yogurt concept as a standalone or together with our Green Leaf’s Beyond Great Salads franchise.

We also operate and formerly offered franchises for restaurants bearing the name Bananas, Frosty Fruit Shakes and Bananas Ultimate Juice Bar since August, 1993 and April, 1995 respectively. The two systems were merged into one concept on February 15, 1998 and the concept was renamed Treat Street. It has since been renamed Bananas Smoothies & Frozen Yogurt (discussed below).

On December 22, 1993, we began operating and granting franchises for the operation of restaurants bearing the name Gretel’s Pretzels (originally this concept bore the name The Gourmet Pretzel Company until the name was changed in December 1994 to Gretel’s Pretzels). However, this concept is no longer available for purchase as an independent franchise concept but is only available as part of our Bananas Smoothies & Frozen Yogurt concept (discussed below).

As of 2008 the Bananas Smoothies & Frozen Yogurt franchise may be purchased as a standalone franchise or as an additional concept that can be purchased in conjunction with the Green Leaf’s Beyond Great Salads franchise. The Bananas Smoothies & Frozen Yogurt concept offers a combination of at least one of our branded products (*i.e.*, Everything Yogurt brand proprietary yogurt, Bananas smoothies and frosties made with our proprietary products, and/or our hand-rolled Pretzels, made with our proprietary pretzel flour). In certain instances we may require you to use a name other than Green Leaf’s Beyond Great Salads and/or Bananas Smoothies & Frozen Yogurt, in which case you will use our mark – “The Market By Villa.”

We also operated and granted franchises for the concept Everything Yogurt & Salad Café. These franchises were offered from 1991 through 2000. We have operated restaurants using this concept since 1991.

We formerly granted franchises for the operation of restaurants bearing the trade name Salad Café. We began offering such franchises under this tradename on April 30, 1995, but ceased offering Salad Café's as of the year 2000.

We also sell franchises for the operation of restaurants bearing the tradename South Philly Steaks & Fries (a separate offering and not part of this disclosure document). We have offered franchises under this tradename since September 1986.

We operate and have since 2004 granted franchises for the operation of restaurants under the tradename Green Leaf's Beyond Great Salads. Between 1998 and 2003, we had offered franchises under the tradename Greenleaf's Grille. Between 1998 and 2000, we had offered franchises for the operation of restaurants under the tradename Greenleaf's.

We offer either Green Leaf's Beyond Great Salads franchises or "Bananas Smoothies & Frozen Yogurt" franchises as standalone concepts or the Green Leaf's Beyond Great Salads and our Bananas Smoothies & Frozen Yogurt concept together under this disclosure document. In certain instances we may require you to use a name other than Green Leaf's Beyond Great Salads and/or Bananas Smoothies & Frozen Yogurt, in which case you will use our mark – "The Market By Villa."

We also offer and grant licenses for the operation of self-service kiosks, mobile carts and self-service units under the mark Bananas Smoothies & Frozen Yogurt which may offer a limited menu of any combination of our Everything Yogurt, Bananas and/or Gretel's Pretzels or Green Leaf's items. Such kiosks, carts and/or units are typically operated by large food service providers, hospitals, universities, transportation centers, chain accounts, airports and other institutional facilities. There may or may not be license fees, service fees, royalty fees or advertising fees paid to us in connection with these licenses. We also offer Area Development Agreements domestically. The Developer pays a development fee in an amount dependent upon the size of the area and number of locations to be opened, and other factors we specify. The Developer must also sign the then current Franchise Agreement, which may differ from the current Franchise Agreement included within this Franchise Disclosure Document.

Our agents for service of process are listed in Exhibit E.

#### Our Parents, Predecessor and Affiliates

We have no parents; as noted above, our predecessor, Everything Yogurt, Inc., a New York corporation, was incorporated in September 1975. In 1978 Everything Yogurt New Jersey, Inc. was formed and in 1983 Everything Yogurt, Inc. was merged into it. The corporation changed its name to Restaurant Systems International, Inc. At that time the company stock was acquired. The company was headquartered at 1110 South Avenue, Staten Island, NY 10314-3403. The company ultimately changed its name to Everything Yogurt Brands, Inc. and on August 14, 2003 was acquired by Villa Pizza, Inc. and the franchise agreements thereafter were assigned to Everything Yogurt Brands, LLC, a Delaware limited liability company.

Our predecessors formerly offered franchises for restaurants bearing the names Everything Yogurt, Bananas Frosty Fruit Shakes and Bananas Ultimate Juice Bar. In addition, they offered franchises for the operation of restaurants under the names The Gourmet Pretzel Company which name was subsequently changed to Gretel's Pretzels. None of these concepts represent separate franchises being sold today. From 1998 through the date of our purchase of the concepts, our predecessors also operated and granted franchises

for the operation of restaurants offering our Everything Yogurt & Salad Café concept and the Gretel's Pretzels concept.

Our affiliates, include Villa Enterprises Management, Ltd., Inc. and Villa Pizza, LLC., have owned and operated restaurants under the names "Villa Pizza," "Villa Fresh Italian Kitchen," "Villa Italian Kitchen," "Villa Pronto," "Villa Pizza Express," "The Villa Co.," "Café Villa," "Villa Pizza Cucina," "Villa Pizza Cucina Italiana," "Villázso," "Casa Java" and "Tony + Benny's" (sometimes collectively referred to as "Villa") between 1964 and the present. In June 1999 Villa's affiliate acquired the rights and obligations from Cozzoli's Pizza Systems, Inc. as franchisor under certain existing Cozzoli's Pizza franchise agreements and is no longer being offered. These restaurants offer a limited menu of pizza, pasta, Italian specialties and desserts. Villa Pizza and Tony + Benny's franchises are not offered under this disclosure document.

Except as described above, none of our affiliates have offered franchises in any other lines of business. Villa's principal business address is the same as ours. We, or an affiliate, may establish leasehold corporations that may enter into primary leases for restaurants and sublease the premises to you. None of these affiliates offers or has offered franchises in any line of business or has operated businesses of the type operated by Franchisees. We have no other affiliates that provide products or services to our Franchisees.

### The Franchises Offered

If approved by us, you (franchisees, whether individuals, partnerships, corporations, limited liability companies and the partners of partnerships, principals of corporations and members of limited liability companies will be referred to as "you") will have the right to sign a franchise agreement (the "Franchise Agreement") for the establishment and operation of one or more of the following designated restaurant business using the Proprietary Marks and System of that business at a specified location (the "Franchised Business").

### Green Leaf's Beyond Great Salads

If you sign a Franchise Agreement for a Green Leaf's Beyond Great Salads restaurant you will be engaged in operating a restaurant, which may or may not include breakfast, but will include lunch and dinner offerings featuring gourmet sandwiches prepared with meats, vegetables, poultry and fish, and additional offerings of freshly baked breads, soups, freshly prepared salads, and related foods and beverages. When you enter into a Green Leaf's Beyond Great Salads franchise you also may acquire the right to offer for your Green Leaf's Beyond Great Salads restaurant our Bananas Smoothies & Frozen Yogurt concept described below.

Green Leaf's Beyond Great Salads is a quick service restaurant offering a healthier alternative to other quick service restaurants which are typically located in retail malls, food courts, strip shopping centers, airports, institutional feeding facilities, urban retail centers and/or major office buildings. A typical Green Leaf's Beyond Great Salads restaurant requires a site from approximately 650 to 1,000 square feet, with a minimum 16 feet of frontage. You may operate in tandem or in combination with our Bananas Smoothies & Frozen Yogurt concept and/or a South Philly Steaks & Fries or you may operate it alone. The South Philly Steaks & Fries franchise concept is offered under a separate disclosure document. You will market services to the general public.

### Bananas Smoothies & Frozen Yogurt

If you sign a Franchise Agreement for our Bananas Smoothies & Frozen Yogurt concept you will be engaged in the business of preparing and selling products from a menu featuring offerings of at least one of our core products: our proprietary frozen yogurt, Bananas Smoothies & Frozen Yogurt brand smoothies and frosties and/or Gretel's Pretzels brand hand rolled pretzels made with our proprietary ingredients and prepared

in a twist, a dipper or as pretzels topped with a variety of toppings. The Bananas Smoothies & Frozen Yogurt concept features our proprietary frozen yogurt with or without toppings, frozen yogurt sundaes, shakes, fresh fruit, fresh fruit or vegetable juices and other related food and beverage items approved by us from time to time, such as premium flavored coffees, espresso, cappuccino, muffins, ice cream, nuts, bulk or packaged candies, bagels, cookies, cakes and flavored popcorn as well as specialty item such as specially made apparel and gifts. Drinks may contain various healthful additives, such as calcium, spirulina and protein powder.

A typical Bananas Smoothies & Frozen Yogurt franchise will be located in retail malls, airports, food halls, food courts, strip shopping centers, or other in-line locations and requires approximately 300 to 1000 square feet, with a minimum of 12 feet of frontage.

From time-to-time, we will enter into franchise agreements, license agreements, area development agreements and/or other similar arrangements whereby a franchisee, area developer, or multi-unit operator will open and operate our concepts at public transportation facilities such as airports or other transportation related facilities. We have also on limited occasions granted rights of first refusal to specific locations. The terms of these agreements may vary from our standard franchise agreement, area development agreement and license agreement which may be offered under this disclosure document, and are adapted to meet particular circumstances.

### Competition

The market is well developed. You will have to compete with other individually owned as well as other franchised businesses offering similar type products and services in the general vicinity of your operating premises. The Bananas Smoothies & Frozen Yogurt concept will also compete with restaurants featuring frozen yogurt, fresh fruit shakes and/or hand rolled pretzels and other items, including but not limited to, premium flavored coffees, espresso, cappuccino, muffins, ice cream, nuts, bulk packaged candy, bagels, cookies, cakes and flavored popcorn, as well as specialty items, such as specially made apparel and gifts.

### Industry-Specific Regulations

You should consider that certain aspects of any restaurant business are regulated by federal, state and local laws, rules and ordinances in addition to the laws, regulations and ordinances applicable to businesses generally, such as the Americans with Disabilities Act, Federal Wage and Hour Laws, and the Occupation, Health and Safety Act. The U.S. Food and Drug Administration, the U.S. Department of Agriculture, as well as state and local departments of health and other agencies have laws and regulations concerning the preparation of food and sanitary conditions of restaurant facilities. State and local agencies routinely conduct inspections for compliance with these requirements. Under the Clean Air Act and state implementing laws, certain state and local areas are required to attain, by the applicable statutory guidelines, the national quality standards for ozone, carbon monoxide and particulate matters. Certain provisions of such laws impose limits on emissions resulting from commercial food preparation. You must comply with federal, state and local health regulations concerning food preparation, handling, storage and sale; United States Department of Agriculture (USDA) standards; truth in labeling laws; and license, certificate and permit requirements for restaurant operation and occupancy.

## **ITEM 2 BUSINESS EXPERIENCE**

The following is the list of directors, principal officers, and other executives who have management responsibility in the operation of our business relating to the licenses described in this disclosure document. The principal occupation and business experience of each person during the past five years, including the names and locations of prior employers is described below. Unless otherwise indicated, the location of the employer is Morristown, New Jersey.

President and Director: Biagio Scotto

Mr. Scotto is the President and Director of Everything Yogurt Brands, LLC and has served in that capacity since August 2003, which is located at 25 Washington St., Morristown, NJ 07960.

Chief Executive Officer and Director: Anthony Scotto

Mr. Scotto is the Chief Executive Officer and Director of Everything Yogurt Brands, LLC and has served in that capacity since August 2003, which is located at 25 Washington St., Morristown, NJ 07960.

Secretary and Director: Biagio Pugliese

Mr. Pugliese is the Secretary and Director of Everything Yogurt Brands, LLC since August 2003, which is located at 25 Washington St., Morristown, NJ 07960.

Chief Financial Officer: Frank Clark

In May 2019, Mr. Clark became Chief Financial Officer for Franchisor, which is located at 25 Washington Street, Morristown, NJ 07960. Prior to that, Mr. Clark served as the Vice President of Finance & Administration for Construction Specialties, Inc. (Lebanon, New Jersey) since April 1992.

Vice President of Development: Cheryl Kempf

In April 2023, Ms. Kempf became Vice President of Development after having previously served as Vice President of Real Estate since March 2017. She previously served as Assistant Vice President of Real Estate since March 2015. Prior to that, Ms. Kempf served as Senior Director of Asset Management since March 2013 and as Director of Asset Management since July 2010 for Franchisor, which is located at 25 Washington Street, Morristown, NJ 07960.

Divisional Vice President of Operations: Kelly Hernandez

In June 2017, Ms. Hernandez became the Divisional Vice President of Operations after having served as the Director of Corporate Operations since May 2016. Prior to that, Ms. Hernandez served as Director of Franchise Operations since March 2012 for Franchisor, which is located at 25 Washington Street, Morristown, NJ 07960.

Director of Business Development: Christopher McNamee

In January 2022, Mr. McNamee became Director of Business Development after having served as the Senior Manager of Business Development since 2018. Since March 2015, he served as Business Development Manager after having previously served as Business Development Representative since March 2013. Prior to that, Mr. McNamee served as the Business Development Coordinator since February 2012. Mr. McNamee had served as Legal & Development Coordinator for the Franchisor since January 2011 and prior to that served as Legal Assistant since joining Franchisor in August 2010, which is located at 25 Washington Street, Morristown, NJ 07960.

## ITEM 3 LITIGATION

### 1. AFFILIATE LITIGATION

Ameream LLC v. Villa Pizza Enterprises of New Jersey, Inc. d/b/a Tony + Benny's, d/b/a Green Leaf's Beyond Great Salads and Bananas Smoothies & Frozen Yogurt and Villa Restaurant Group, Superior Court of New Jersey, Bergen County, Law Division, Docket No. BER-L-000638-21, filed January 28, 2021 by Plaintiff Ameream LLC for monetary recovery concerning leases at the American Dream Mall in Rutherford, New Jersey. ~~On August 26, 2024, this case was dismissed after trial in favor of Villa Pizza Enterprises. This case is pending.~~

### 2. TRADEMARK

Everything Yogurt Brands, LLC v. Jonathan Rollo, Greenleaf Gourmet Chopshop, LLC, Greenleaf Operations LLC, and Mission Yogurt Inc. – Filed August 10, 2023 in United States District Court, Central District of California Western Division (Case No. 2:23-cv-06526-FMO-JC). Plaintiff (EYB) filed a Complaint for Trademark Infringement, False Designation of Origin, Federal Trademark Dilution, Unfair Competition, Dilution, and False Advertising, in addition to filing a Motion for a Preliminary Injunction. On January 3, 2024 Plaintiff's (EYB) Motion for Preliminary Injunction was denied. The infringement case is pending. This matter has been dismissed pursuant to a settlement agreement that was reached between the parties and deemed enforceable by the Court, which limits the areas where the defendants can operate certain restaurants.

### 3. UNPAID ROYALTIES.

Villa Pizza, LLC, Everything Yogurt Brands, LLC and Villa Ristorante, Inc. v. Fast Casual Enterprises, LLC, Richard Kim, Timothy Tary and Jungwon Baeg filed October 2016 in the Superior Court of New Jersey, Morris County (MRS-L-2356-16) by Plaintiff based upon franchise agreements seeking monetary relief for unpaid fees, rent and other payments. Plaintiff obtained a judgment by default against Fast Casual Enterprises, LLC on January 10, 2018 in the amount of \$239,544.78. In September 2018, Richard Kim and Timothy Tary entered into a Settlement Agreement with the Plaintiffs promising to pay a sum certain and failing to do so agreeing to a consent judgment.

Villa Pizza, LLC, and Everything Yogurt Brands, LLC v. 1314 Food Services, Inc., Michael Dzanoucakis, Servat Ibrahim and Amjad Ibrahim – Filed June 3, 2021 in the Superior Court of New Jersey, Morris County (MRS-L-1246-21) by Plaintiffs for monetary recovery of unpaid royalties under Franchise Agreements for restaurants located at the Tanager Outlets-Riverhead (Riverhead, NY). The parties reached a settlement and dismissed the matter.

Everything Yogurt Brands, LLC and Villa Pizza, LLC v. Asif Shahzad, Aqsa Hashmi, Taco Jersey Green, Inc. and Hashmi Management, Inc. – Filed August 6, 2021 in the Superior Court of New Jersey, Morris County (MRS-L-1709-21) by Plaintiffs for monetary recovery of unpaid royalties under Franchise Agreements for restaurants located at Garden State Plaza (Paramus, NJ), Staten Island Mall (Staten Island, NY) and Kings Plaza Shopping Center (Brooklyn, NY). The parties have reached a settlement for payment of unpaid royalties.

### 4. FORMER AFFILIATE LITIGATION

Former affiliates of Everything Yogurt Brands, Inc. (assignor of the Company), R&S Ventures, Inc., E. Yogurt Concepts of America, Inc. and EY Ventures, Inc. are or were parties to pending or completed litigation in which they were not represented by counsel. There are numerous judgments against R&S

Ventures, Inc. If the Company were to be held responsible for these judgments, it may have a serious negative impact on it. The Company does not possess accurate records with regard to these former affiliates and is unable, through the use of due diligence, to obtain complete records; however, the Company is aware of the following judgments:

- a. Mayfair Properties, Inc. v. R&S Ventures, Inc.  
Index No. 10704/93  
State of Wisconsin, Milwaukee County

Yogurt Queen, Inc., a subtenant of R&S Ventures, Inc., defaulted on the rent and abandoned the premises located at Mayfair Mall in Wisconsin on or about August 9, 1992. A judgment was entered against R&S, as tenant, for nonpayment of rent including interest in the amount of \$37,930.52;

- b. DeBartolo Capital Partnership v. R&S Ventures  
Case No. 95CV1 533  
Common Pleas Court, Mahoning County, Ohio

R&S Ventures, Inc. subleased premises at Summit Mall, Ohio to Spray Development Co. as subtenant, on December 7, 1988 and the lease was terminated by the landlord for subtenant's failure to pay rent. The subtenant vacated the premises, without paying its rent arrears. A judgment was entered against R&S Ventures, Inc. as tenant, for nonpayment of rent including interest in the amount of \$18,463.15;

- c. Centermark Properties of West Covina v. R&S Ventures, Inc.  
Case No. KC014078

Superior Court of the State of California, East District, Los Angeles County  
David Sung, as subtenant of R&S Ventures, Inc., executed a sublease agreement for premises located at West Covina Mall in California for a ten-year period. The subtenant defaulted on his rent and abandoned the premises on or about January 14, 1995. A judgment was entered against R&S Ventures, Inc. for nonpayment of rent, future rent and interest in the amount of \$143,609.06;

- d. W.G. Park L.P. vs. R&S Ventures, Inc.,  
Case No. 01-13409  
Court of Common Pleas, Montgomery County, Pennsylvania,

R&S Ventures leased a premises at the Willow Grove Mall in Willow Grove, Pennsylvania and subleased same to Yash Paul Chawla. Mr. Chawla did not pay rent pursuant to his sublease. The Landlord obtained a judgment against R&S Ventures in the amount of \$19,512.00.

Other than the above mentioned actions, no litigation is required to be disclosed by this disclosure document.

#### **ITEM 4 BANKRUPTCY**

Biagio Scotto, was president of Villa Pizza Specialties, Inc., a Texas corporation, which operates one store in Texas and filed a Chapter 11 bankruptcy, case number 15-31057 in the United States Bankruptcy Court – District of New Jersey. That case was closed on February 14, 2017.

No other bankruptcy information is required to be disclosed in this disclosure document.

## **ITEM 5 INITIAL FEES**

### Green Leaf's Beyond Great Salads

We charge franchisees a standard initial franchise fee of \$25,000 (outside the Continental United States [Hawaii & U.S. Territories] the initial franchise fee is \$35,000) due upon execution of the Franchise Agreement for our Green Leaf's Beyond Great Salads franchise. If you decide to also purchase our Bananas Smoothies & Frozen Yogurt concept using one or more of the Bananas core products there is an additional initial franchise fee of \$2,200.

We offer a special discount of 20% off the Initial Franchise Fee of the Green Leaf's Beyond Great Salads franchise for all our U.S. Military Veterans.

The Initial Franchise Fee is non-refundable. The purpose of the Initial Franchise Fee is to reimburse us for costs, including but not limited to, training and design assistance.

If you have not signed the necessary lease documentation within nine months after signing the Franchise Agreement, you or we may terminate the Franchise Agreement. In that event, we will refund from 20% to 100% of the initial franchise fee depending upon the costs and expenses we have incurred as long as you and your owners sign a general release satisfactory to us. If you fail to open the restaurant within six months after the site has been made available (or a different date if specified in the lease), we may terminate the Franchise Agreement. In that event we will refund from 20% to 100% of the initial franchise fee depending upon the costs and expenses we have incurred in connection with the franchise as long as you and your owners sign a general release satisfactory to us. There are no refunds under other circumstances.

You may make an initial deposit in the sum of \$12,500 for the Green Leaf's Beyond Great Salads concept only or \$12,500 for both the Green Leaf's Beyond Great Salads and Bananas Smoothies & Frozen Yogurt (or 10% of the purchase prices if you are buying one of our company restaurants) for a single franchise restaurant location. A copy of the Deposit Agreement is included as Exhibit One J to the Franchise Agreement. If we accept the deposit and we both sign the Deposit Agreement you may purchase a franchise under the terms available at the time the deposit is made. The deposit will be applied to the Initial Franchise Fee if the franchise is purchased within ninety (90) days from the date the deposit was accepted.

If you do not purchase a franchise (or complete the purchase of one of our available for sale company restaurants) within the ninety (90) day period we will refund fifty (50%) percent of the initial deposit within ten (10) days from the expiration of the ninety (90) day period. The deposit is applicable to the purchase by the depositing Party only, and is not assignable.

### Bananas Smoothies & Frozen Yogurt

We charge franchisees a standard Initial Franchise Fee of \$22,000 upon execution of the Franchise Agreement for our Bananas Smoothies & Frozen Yogurt concept.

We offer a special discount of 20% off the Initial Franchise Fee of the Bananas Smoothies & Frozen Yogurt franchise for all our U.S. Military Veterans.

The Initial Franchise Fee is non-negotiable. The purpose of the Initial Franchise Fee is to reimburse us for costs, including but not limited to, training and design assistance.

If you have not signed the necessary lease documentation within nine months after signing the Franchise Agreement, you or we may terminate the Franchise Agreement. In that event, we will refund from 20% to 100% of the initial franchise fee depending upon the costs and expenses we have incurred as long as you and your owners sign a general release satisfactory to us. If you fail to open the restaurant within six months after the site has been made available (or a different date if specified in the lease), we may terminate the Franchise Agreement. In that event we will refund from 20% to 100% of the initial franchise fee depending upon the costs and expenses we have incurred in connection with the franchise as long as you and your owners sign a general release satisfactory to us. There are no refunds under other circumstances.

You may make an Initial Deposit in the sum of \$12,500 (or 10% of the purchase price if you are buying one of our company restaurants) for a single franchise location. A copy of the Deposit Agreement is included as Exhibit "One J" to the Franchise Agreement. If we accept the deposit and we both sign the Deposit Agreement you may purchase a franchise under the terms available at the time the deposit is made. The deposit will be applied to the Initial Franchise Fee if the franchise is purchased within ninety (90) days from the date the deposit was accepted.

If you do not purchase a franchise (or complete the purchase of one of our available for sale company restaurants) within the ninety (90) day period we will refund fifty (50%) percent of the initial deposit within ten (10) days from the expiration of the ninety (90) day period. The deposit is applicable to the purchase by the depositing Party only, and is not assignable.

#### Simultaneous Franchise Fee Incentive Program

If you purchase the Green Leaf's Beyond Great Salads franchise you may also at the same time purchase the Bananas Smoothies & Frozen Yogurt for an additional fee of \$2,200. For example, if a Green Leaf's Beyond Great Salads and Bananas are purchased simultaneously, the initial franchise fee for the Green Leaf's Beyond Great Salads is \$25,000 and the additional franchise fee for Bananas Smoothies & Frozen Yogurt is \$22,000, a total of \$47,000. Because the restaurants are being sold simultaneously, we will offer you a reduced franchise fee for the second restaurant. Therefore, the total initial franchise fee due to us for the purchase of these two restaurants will be \$27,200 (instead of the full initial franchise fee of \$47,000). This Simultaneous Incentive Program does not apply to renewals or transfers. We reserve the right to discontinue this program at any time.

We offer a special discount of 20% off the Initial Franchise Fee of the simultaneous purchase of Green Leaf's Beyond Great Salads and Bananas Smoothies & Frozen Yogurt franchises for all our U.S. Military Veterans.

#### Franchise Fee Incentive Program for Multi-Unit Franchisees

For an existing Franchisee purchasing an additional franchise, you will be eligible for the following:

Multi-Unit discount:

2 <sup>nd</sup> Franchise Location	20% discount on the then current initial franchise fee
3 <sup>rd</sup> Franchise Location	25% discount on the then current initial franchise fee
4 <sup>th</sup> Franchise Location	30% discount on the then current initial franchise fee
5 <sup>th</sup> or more Franchise Location	50% discount on the then current initial franchise fee

The discount program does not apply to transfers. We also reserve the right to discontinue this program at any time.

Area Development Agreement

If you are qualified and enter into an Area Development Agreement with us, you must pay an initial Development Fee when you sign the Area Development Agreement with us. The amount of the Area Development Fee depends upon the number of restaurants to be opened. The Area Development Agreement requires an upfront payment of one-half of the total Initial Franchise Fee (based upon the number of restaurants being developed) and is due at the time of execution of the Deposit Agreement. For example, if 2 restaurants are developed under the Area Development Agreement inside the Continental U.S., the Development Fee will be \$50,000 USD (\$25,000 USD per restaurant). One-half (or \$25,000 USD) is due upon signing the Deposit Agreement. After paying the Development Fee (as explained above), at the time of executing each Franchise Agreement for each restaurant to be developed under the Area Development Agreement after the first one, you must pay the balance of the initial franchise fee. These fees are non refundable and are due and payable upon signing each Franchise Agreement.

After paying the Development Fee (as explained above), at the time of executing each Franchise Agreement for each restaurant to be developed under the Area Development Agreement after the first one, you must pay the balance of the initial franchise fee. These fees are non refundable and are due and payable upon signing each Franchise Agreement.

**ITEM 6  
OTHER FEES**

<b>Type of Fee <sup>1</sup></b>	<b>Amount</b>	<b>Due Date</b>	<b>Remarks</b>
Royalty	5% of Gross Sales <sup>2</sup>	On Tuesday of each week based on Gross Sales <sup>2</sup> for the preceding week	You must submit royalty reports weekly by facsimile, electronic mail or such other system(s) we may designate on a system-wide basis. We will require payment by check draft for Royalties due or we may require you to submit reports manually and send in a check. <sup>3</sup> We may offer a credit on continuing Royalty Fees of up to \$2,500 for new Franchisee sponsorships <sup>3a</sup>
Local advertising payment <sup>4</sup>	3% of Gross Sales	As incurred	3% of gross sales each calendar quarter except in Regional Shopping Mall, Urban Retail Center, Major Office Building, Airport or Institutional Feeding Facility
National Advertising Fund	Current: 1% of Gross Sales Maximum 3% of Gross Sales	On Tuesday of each week based on Gross Sales for the preceding week	We have created a National Advertising Fund (“Fund”) for which you must contribute a minimum of 1% of Gross Sales each week if the Franchised Business is located in a Regional Shopping Mall, Urban Retail Center, Major Office Building, Airport or Institutional Feeding Facility.

Type of Fee <sup>1</sup>	Amount	Due Date	Remarks
			We may increase the required minimum, but in no case shall the Fund be increased to more than a total of 3% of Gross Sales.
Site evaluation	Out-of-pocket expenses for visiting and inspecting proposed site	As incurred	Payable only if on-site inspection of proposed site is necessary. We reserve the right to charge a fee for conducting evaluations although a fee is not imposed at this time. <sup>5</sup>
Design and construction assistance expense	\$250 - \$750	As incurred	For out-of-pocket expenses incurred in connection with replicating and shipping architectural and construction plans.
Audit by Franchisor	Cost of audit; interest due; \$500 adjournment fee	As incurred	Costs of audit payable only if audit reveals understatement of 2% or more; however, interest will be charged if Gross Sales are underestimated by any amount; adjournment fee payable if you fail to prepare required documents for audit meeting
Transfer fee	\$10,000 or if Franchisor's actual cost incurred exceeds \$10,000, then in that event, the actual cost Franchisor incurred to complete the transfer	On or before date of transfer	Upon execution of transfer documents and completion of training
Renewal fee	50% of the then-current Initial Franchise Fee	On or before date of expiration of Franchise Agreement	Upon execution of renewal documents
Costs and attorneys' fee	Will vary under circumstances	As incurred	Payable on your failure to comply with the Franchise Agreement
Interest on overdue payments	Lesser of 1½ % per month or maximum rate permitted by law	As incurred	Payable on overdue amounts after ten (10) days
Conversion fee prior to the end of the term of the Franchise Agreement	10% of the then-current Initial Franchise Fee of the concept to which you wish to convert	On or before the date upon which the conversion is to become effective	Upon execution of conversion documents
Additional Assistance <sup>6</sup>	\$100 for each person per day	30 days after billing	We reserve the right to charge for additional assistance and ongoing training

Notes:

- <sup>1</sup> All fees are uniformly imposed, payable to us and are non-refundable.
- <sup>2</sup> Gross Sales means all revenues generated by the Franchised Business, including cash, check, credit charge, account or exchange from the sale of food or merchandise for service performed including catering and delivery, but excluding customer refund meals, use or excise taxes.
- <sup>3</sup> Before opening you must sign and deliver to us check drafts from your bank needed to permit us to debit your bank account for each week's Royalty payments and other payments that you make to us. If you fail to report Gross Sales, we may debit your bank account in an amount equal to the amount transferred from your account the last reporting period for which a report of Gross Sales of the Franchised Business was provided to us, together with a late fee and/or interest for that amount at the maximum rate allowed by law. We will credit any overpayment against the next week's amount due. Any deficiency is debited from your account.
- <sup>3a</sup> We currently have a new Franchisee Sponsorship Program that allows you to receive a check for Two-Thousand-Five Hundred (\$2,500) Dollars when you sponsor one new Franchisee who we approve in our sole and absolute discretion as a Franchisee and who executes our then current Franchise Agreement and all other required franchise documents within twelve (12) months of the date you refer the prospect to us. To qualify, the prospect must not have previously contacted us about a franchise nor ever been a sponsored prospect before or who owns or shares ownership in an existing restaurant and after executing our Franchise Agreement and other related documents the Franchisee you referred must open the franchise restaurant for business. This sponsorship program only applies to the Restaurant described in Item 7 (excluding any conversions). We reserve the right to discontinue this program at any time, however, we will honor any sponsorship made during the existence of the program.
- <sup>4</sup> If the Franchised Business is not located in a Regional Shopping Mall, Urban Retail Center, Major Office Building, Airport or Institutional Feeding Facility (as defined in the Franchise Agreement), you must spend a minimum of 3% of Gross Sales quarterly as a Local Advertising Expenditure and submit reports by the tenth of each month following the end of the calendar quarter by facsimile, electronic mail or such other system or systems as we may designate on a system wide basis.
- <sup>5</sup> If We implement a site evaluation fee in the future, you will be responsible for a franchise representative's travel and living expenses and a daily charge for the representative. Travel expenses include airline and/or rental vehicle, while living expenses would include motel and food cost. Currently the cost of a representative per day ranges between \$100 to \$250.
- <sup>6</sup> We will not charge you for operating assistance unless you fail to comply with any provision of the Franchise Agreement, or fail to maintain the standards of quality we set. In those circumstances, we have the right to assign a person to your restaurant to train your employees and to ensure the standards of quality and service are maintained. You are responsible for that person's travel and living expenses. We also have the right to make reasonable charges for forms and other materials provided to you in connection with this assistance.

**ITEM 7  
ESTIMATED INITIAL INVESTMENT**

**YOUR ESTIMATED INITIAL INVESTMENT  
Green Leaf's Beyond Great Salads Concept**

<b>Type of Expenditure</b>	<b>Amount</b>	<b>Method of Payment</b>	<b>When Due</b>	<b>To Whom Payment Is To Be Made</b>
Franchise Fee <sup>1</sup>	\$25,000 - \$35,000	Lump sum (unless Deposit Agreement)	Upon signing the Franchise Agreement	Us

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment Is To Be Made
Equipment and Furnishings <sup>2</sup>	\$80,000 - \$110,000	As billed	As ordered	Suppliers
Signs <sup>3</sup>	\$9,000 - \$15,000	As billed	As ordered	Suppliers
Real Estate <sup>4</sup>	(Note 4)	As required	As required	Sellers or Landlord
Building Construction <sup>5</sup>	\$110,000 - \$200,000	As billed	As incurred	Contractors and/or Sub- Contractors
Insurance <sup>6</sup>	\$3,000 - \$6,000	As billed	As required	Insurer
Opening Inventory <sup>7</sup>	\$3,500 - \$7,000	Vendors' Terms	Vendors' Terms	Approved Suppliers
Utility Deposits <sup>8</sup>	\$2,000	As arranged	As incurred	Utility Companies
Business Licenses (local health and safety regulation and compliance costs) <sup>9</sup>	\$1,000 - \$4,000	Lump sum	Before commencing business	Governmental Authorities
Travel, Lodging and meals for Initial Training <sup>10</sup>	\$3,000 - \$5,000	As incurred	Before commencing business	Third Parties
Grand Opening Advertising <sup>11</sup>	(Note 11)	As required	As incurred	Suppliers
Professional Fees <sup>12</sup>	\$10,000 - \$25,000	As arranged	As incurred	Professionals
Additional Funds (three months) <sup>13</sup>	\$25,000 - \$50,000		As needed	Various
Computer Equipment <sup>14</sup>	\$10,000 - \$20,000	As billed	As ordered	Suppliers
Advertising and Marketing	\$3,000 - \$5,000	Lump sum	15 days before opening	Advertising Agency
<b>TOTAL <sup>15</sup></b>	<b>\$284,500 - \$484,000 plus real estate costs, see Note 4, and grand opening costs, see Note 11</b>			Note 15

<sup>1</sup> The initial franchise fee is discussed in detail in Item 5.

For an existing Franchisee purchasing an additional franchise, you will be eligible for the following:

Multi-Unit discount:

2 <sup>nd</sup> Franchise Location	20% discount on the then current initial franchise fee
3 <sup>rd</sup> Franchise Location	25% discount on the then current initial franchise fee
4 <sup>th</sup> Franchise Location	30% discount on the then current initial franchise fee
5 <sup>th</sup> or more Franchise Location	50% discount on the then current initial franchise fee

The discount program does not apply to transfers. We also reserve the right to discontinue this program at any time.

- <sup>2</sup> GREEN LEAF'S BEYOND GREAT SALADS - You will need to purchase certain types of equipment and furnishings including for example, soft serve machine, commercial refrigeration and freezer units, smallwares, blenders, microwave ovens, convection oven, refrigerated salad display case, computer hardware and software Point of Sale system, and other kitchen equipment for quick service restaurants. Some or all of the equipment may be subject to local use taxes as required by the state laws governing your Franchised Business. Shipping and handling charges also vary based on size of the order and shipping destination. The costs are not included in the equipment amounts provided. The low-end equipment costs anticipate that the location was a food service business and contains certain equipment that could be used by your Franchised Business. In certain instances we may require you to use a name other than Green Leaf's Beyond Great Salads and/or Bananas Smoothies & Frozen Yogurt, in which case you will use our mark – "The Market By Villa."
- <sup>3</sup> You will need to purchase the required signs including signs for the exterior of the restaurant and interior menu signs.
- <sup>4</sup> You must purchase or lease the site approved by us for the Franchised Business. The cost of purchase or rental for such real estate will vary considerably depending on local real estate values, the size and location of the property purchased or leased, and other local conditions. You should investigate the cost of real estate and rental costs in the particular area in which you wish to establish a Franchised Business. You may be required to provide the Landlord with a security deposit. Since the rental costs vary considerably and because the number of months comprising the security deposit will vary, we cannot estimate the amount of the initial investment necessary for real estate.

The Green Leaf's Beyond Great Salads restaurants will be situated in shopping malls or other high volume commercial districts. The following chart describes the size requirements.

	<u>Site Size Minimum</u>	<u>Site Size Maximum</u>	<u>Frontage Minimum</u>
Green Leaf's Beyond Great Salads	650 sq. feet	1000 sq. feet	16 sq. feet

Actual minimums and maximums will vary depending upon food court seating versus restaurant seating as available/needed.

You are free to purchase, lease, or sublease a site for the Franchised Business from any source, provided that any lease or sublease for the premises of the Franchised Business is approved by us. As noted in Item 1 and in Item 9 of this disclosure document, our affiliates may sometimes sublease the premises for the Franchised Business to you.

- <sup>5</sup> You must pay for or provide financing for the construction of each Franchised Business, including, but not limited to, the installation of fixtures, equipment, interior decor as well as design and construction. The cost of design and construction of the typical Franchised Business will vary

considerably depending on the size of the restaurant, cost of local financing and other local conditions, including but not limited to, labor costs and materials as well as local building ordinances which may mandate higher construction costs. Construction costs at the lower end are based on the assumption that the location was previously a food service operation. Therefore, it is anticipated that construction in a location formerly used for food service may be completed at considerable savings over construction at a non-food service site. Each Franchised Business must be constructed in compliance with plans and specifications furnished by you subject to Landlord's and our discretion or approval.

- 6 You must have certain specified insurance. The timing of your payments is a matter to be resolved between you and your insurer. Various factors will affect your ultimate cost and therefore, we estimate the total cost with the precaution that you should get quotes from the carrier of your choice before proceeding.
- 7 Opening inventory will include all approved products and may also include a trial inventory for training. You will gauge the amount of inventory by projected sales.
- 8 Utility deposits are for gas, electric, water, sewer and telephone service.
- 9 Local, municipal, county and state regulations vary on what licenses and permits are required by you to operate a Franchised Business. Such fees are paid to governmental authorities when incurred before commencing business.
- 10 The estimate includes transportation, lodging and meals for trainees. Generally, these costs will vary widely with the distance traveled, the accommodations selected, and the mode of transportation selected.
- 11 If the Franchised Business is not located in a Regional Shopping Mall, Urban Retail Center or Major Office Building, Airport or Institutional Feeding Facility then you must spend a minimum of \$3,000.00 during the first thirty days of operation on grand opening advertising. This shall include the purchase of a grand opening media kit from us or our designee. We shall advise you on how to expend such grand opening advertising monies, but we make no representations concerning the extent or effectiveness of such advertising and promotion.
- 12 You may need to employ an attorney, accountant, construction permit expeditor, architect or other consultants.
- 13 You will need to support ongoing expenses, such as payroll and utilities to the extent that these costs are not covered by sales revenue. New businesses often generate negative cash flow.

We estimate that the amount stated will be sufficient to cover ongoing expenses for the initial phase of the business which we calculate to be three months. This is only an estimate, however, and there is no assurance that additional working capital will not be necessary during this start-up phase or after. We relied on our past experience with franchised and company-owned restaurants when preparing the figures.

- 14 You must purchase or lease a computer and an electronic Point of Sale system, and we do specify the brand or model. You may not use any hardware and/or software in the operation of the restaurant without the Franchisor's prior approval, which approval will not be unreasonably withheld. (See Item 11).
- 15 Our current estimates of your initial investment for the franchised businesses offered are set forth above. The various schedules presented illustrate your initial investment if you acquire the franchised businesses separately or in combination. The actual amounts you incur may be higher, however, if particular circumstances apply to the location of your Franchised Business or to your region of the country. We calculate the initial phase of business to be three months following the completion of construction. We relied on our past experience in the franchised restaurant industry with franchisee and company-owned restaurants when preparing these figures.

Except as otherwise noted, none of these payments are refundable. These payments are only estimates and your costs may be higher, depending on your particular circumstances, for example whether you are located within an airport, casino, transportation area or some other non-traditional location. You should review these figures carefully with a business advisor, accountant or attorney before making any decision to purchase a franchise. We do not offer any financing for your initial investment. The availability and terms of financing with third-party lenders will depend on factors such as the availability of financing generally, your credit-worthiness and policies of lending institutions concerning the type of business to be operated.

## YOUR ESTIMATED INITIAL INVESTMENT

### Bananas Smoothies & Frozen Yogurt concept

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment Is To Be Made
Franchise Fee <sup>1</sup>	\$22,000	Lump sum (unless Deposit Agreement)	Upon signing the Franchise Agreement	Us
Equipment <sup>2</sup>	\$70,000 - \$125,000	As billed	As ordered	Suppliers
Signs <sup>3</sup>	\$5,000 - \$12,000	As billed	As ordered	Suppliers
Real Estate <sup>4</sup>	(Note 4)	As required	As required	Sellers or Landlord
Building Construction <sup>5</sup>	\$70,000 - \$175,000	As billed	As incurred	Contractors Sub-Contractors
Insurance <sup>6</sup>	\$2,000 – \$5,000	As billed	As required	Insurer
Opening Inventory <sup>7</sup>	\$1,500 – \$7,000	Vendors' Terms	Vendors' Terms	Approved Suppliers
Utility Deposits <sup>8</sup>	\$2,000	As arranged	As incurred	Utility Companies
Business Licenses	\$1,000 – \$4,000	Lump sum	Before commencing business	Governmental Authorities
Travel, Lodging and Meals for Initial Training <sup>10</sup>	\$3,000 - \$5,000	As incurred	Before commencing business	Third Parties
Professional Fees <sup>11</sup>	\$10,000 - \$25,000	As arranged	As incurred	Professionals
Additional Funds (three months) <sup>12</sup>	\$25,000 - \$50,000		As needed	Various
Computer Equipment <sup>13</sup>	\$10,000 – \$20,000	As billed	As ordered	Suppliers
Advertising and Marketing	\$3,000 - \$5,000	Lump sum	15 days before opening	Advertising Agency

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment Is To Be Made
<b>TOTAL<sup>14</sup>:</b>	<b>\$224,500 - \$457,000 plus real estate cost, see Note 4, and grand opening cost, see Note 11</b>			

**NOTES:**

<sup>1</sup> The initial franchise fees are discussed in detail in Item 5.

For an existing Franchisee purchasing an additional franchise, you will be eligible for the following Multi-Unit discount:

- 2<sup>nd</sup> Franchise Location                      20% discount on the then current initial franchise fee
- 3<sup>rd</sup> Franchise Location                        25% discount on the then current initial franchise fee
- 4<sup>th</sup> Franchise Location                        30% discount on the then current initial franchise fee
- 5<sup>th</sup> or more Franchise Location 50% discount on the then current initial franchise fee

The discount program does not apply to transfers. We also reserve the right to discontinue this program at any time.

<sup>2</sup> You will need to purchase certain types of equipment for the operation of your Bananas Smoothies & Frozen Yogurt restaurant depending on what types of products you intend to sell from your Bananas Smoothies & Frozen Yogurt restaurant. This equipment includes for example, soft serve machines (in the event that you offer Everything Yogurt brand yogurt), commercial refrigeration and freezer units, smallwares, blenders and juice dispensers (if you offer Bananas Smoothies & Frozen Yogurt brand frosties and smoothies), dough mixing machines (if in the event that you offer Gretel’s Pretzel’s brand pretzels), heated/humidified pretzel display case, convection ovens, ice cream case, coffee, espresso and cappuccino machines, showcases, computer hardware and software, Point of Sale System, and other kitchen equipment for quick service restaurants. In certain instances we may require you to use a name other than Green Leaf’s Beyond Great Salads and/or Bananas Smoothies & Frozen Yogurt, in which case you will use our mark – “The Market By Villa.”

Some or all of the equipment may be subject to local use taxes as required by the State jurisdiction governing your Franchised Business. Shipping and handling charges also vary based on size of the order and shipping destination. The costs are not included in the equipment amounts provided. The low-end equipment costs anticipate that the location was a food service business and contains certain equipment that could be used by your Franchised Business.

<sup>3</sup> You will need to purchase the required signs including signs for the exterior of the restaurant(s) and interior menu signs.

<sup>4</sup> You must purchase or lease the site approved by us for the Franchised Business. The cost of purchase or rental for such real estate will vary considerably depending on local real estate values, the size and location of the property purchased or leased, and other local conditions. You should investigate the cost of real estate and rental costs in the particular area in which you wish to establish a Franchised Business. You may be required to provide the Landlord with a security deposit. Since the rental costs vary considerably and because the number of months comprising the security deposit will vary, we cannot estimate the amount of the initial investment necessary for real estate.

Bananas Smoothies & Frozen Yogurt franchised restaurants or combinations of restaurants are situated in shopping malls or other high volume commercial districts. The following chart describes the size requirements.

	<u>Mall Locations</u>			<u>In-Line Locations</u>		
	<u>Site Size Minimum</u>	<u>Site Size Maximum</u>	<u>Frontage</u>	<u>Site Size Minimum</u>	<u>Site Size Maximum</u>	<u>Frontage</u>
Bananas Smoothies & Frozen Yogurt	300	700	15–18 ft.	425	1000	12–20 ft.

Actual minimums and maximums will vary depending upon food court seating versus restaurant seating as available/needed.

You are free to purchase, lease, or sublease a site for the franchised restaurants from any source, provided that any lease or sublease for the premises of the franchised restaurant must meet our standards. As noted in Item 1 and in Item 9 of this disclosure document, our affiliates may sometimes sublease the premises for the Franchised Business to you.

- 5 You must pay for or provide financing for the construction of each Franchised Business, including, but not limited to, the installation of fixtures, equipment, interior decor as well as design and construction. The cost of design and construction of the typical Franchised Business will vary considerably depending on the size of the restaurant, whatever demolition of the existing space is required, local financing and other local conditions, including but not limited to, labor costs and materials as well as local building ordinances which may mandate higher construction costs. Construction costs at the lower end are based on the assumption that the location was previously a food service operation. Therefore, it is anticipated that construction in a location formerly used for food service may be completed at considerable savings over construction at a non-food service site. Each Franchised Business must be constructed in compliance with plans and specifications furnished by you subject to Landlord's and our discretion or approval.
- 6 You must have certain specified insurance. The timing of your payments is a matter to be resolved between you and your insurer. Various factors will affect your ultimate cost and therefore, we estimate the total cost with the precaution that you should get quotes from the carrier of your choice before proceeding.
- 7 Opening inventory will include all approved products and may also include a trial inventory for training. You will gauge the amount of inventory by projected sales.
- 8 Utility deposits are for gas, electric, water, sewer and telephone service.
- 9 Local, municipal, county and state regulations vary on what licenses and permits are required by you to operate a franchised restaurant. Such fees are paid to governmental authorities, when incurred before commencing business.
- 10 The estimate includes transportation, lodging and meals for trainees. Generally, these costs will vary widely with the distance traveled, the accommodations selected, and the mode of transportation selected.

- 11 You may need to employ an attorney, accountant, construction permit expeditor, architect or other consultants.
- 12 You will need to support ongoing expenses, such as payroll and utilities to the extent that these costs are not covered by sales revenue. New businesses often generate negative cash flow.
- 13 You must purchase or lease a computer, and an electronic Point of Sale system and we do specify the brand or model. You may not use any hardware and/or software in the operation of the restaurant without the Franchisor's prior approval, which approval will not be unreasonably withheld. (See Item 11)
- 14 Our current estimates of your initial investment for the franchised businesses offered are set forth above. The various schedules presented illustrate your initial investment if you acquire the franchised businesses separately or in combination. The actual amounts you incur may be higher, however, if particular circumstances apply to the location of your Franchised Business or to your region of the country. We calculate the initial phase of business to be three months following the completion of construction. We relied on our past experience in the franchised restaurant industry with franchisee and company-owned restaurants when preparing these figures.

Except as otherwise noted, none of these payments are refundable. These payments are only estimates and your costs may be higher, depending on your particular circumstances, for example whether you are located within an airport, casino, transportation area or some other non-traditional location. You should review these figures carefully with a business advisor, accountant or attorney before making any decision to purchase a franchise. We do not offer any financing for your initial investment. The availability and terms of financing with third-party lenders will depend on factors such as the availability of financing generally, your credit-worthiness and policies of lending institutions concerning the type of business to be operated.

### **YOUR ESTIMATED INITIAL INVESTMENT**

#### **For simultaneous purchase of Green Leaf's Beyond Great Salads Concept and Bananas Smoothies & Frozen Yogurt Concept**

<b>Type of Expenditure</b>	<b>Amount</b>	<b>Method of Payment</b>	<b>When Due</b>	<b>To Whom Payment Is To Be Made</b>
Franchise Fee <sup>1</sup>	\$27,200 - \$37,200	Lump sum (unless Deposit Agreement )	Upon signing the Franchise Agreement	Us
Equipment and Furnishings <sup>2</sup>	\$100,000 - \$175,000	As billed	As ordered	Suppliers
Signs <sup>3</sup>	\$9,000 - \$15,000	As billed	As ordered	Suppliers
Real Estate <sup>4</sup>	(Note 4)	As required	As required	Sellers or Landlord
Building Construction <sup>5</sup>	\$150,000 - \$300,000	As billed	As incurred	Contractors and/or Sub-Contractors

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment Is To Be Made
Insurance <sup>6</sup>	\$3,000 - \$6,000	As billed	As required	Insurer
Opening Inventory <sup>7</sup>	\$3,500 - \$7,000	Vendors' Terms	Vendors' Terms	Approved Suppliers
Utility Deposits <sup>8</sup>	\$2,000 - \$5,000	As arranged	As incurred	Utility Companies
Business Licenses (local health and safety regulation and compliance costs) <sup>9</sup>	\$1,000 - \$4,000	Lump sum	Before commencing business	Governmental Authorities
Travel, Lodging and meals for Initial Training <sup>10</sup>	\$3,000 - \$5,000	As incurred	Before commencing business	Third Parties
Grand Opening Advertising <sup>11</sup>	(Note 11)	As required	As incurred	Suppliers
Professional Fees <sup>12</sup>	\$10,000 - \$25,000	As arranged	As incurred	Professionnels
Additional Funds (three months) <sup>13</sup>	\$25,000 - \$50,000		As needed	Various
Computer Equipment <sup>14</sup>	\$10,000 - \$20,000	As billed	As ordered	Suppliers
Advertising and Marketing	\$3,000 - \$5,000	Lump sum	15 days before opening	Advertising Agency
<b>TOTAL <sup>15</sup></b>	<b>\$346,700 - \$654,200 plus real estate costs, see Note 4, and grand opening cost, see Note 11</b>			

Notes:

<sup>1</sup> The initial franchise fee is discussed in detail in Item 5.

<sup>2</sup> GREEN LEAF'S BEYOND GREAT SALADS & BANANAS SMOOTHIES & FROZEN YOGURT - You will need to purchase certain types of equipment and furnishings including for example, soft serve machine, commercial refrigeration and freezer units, smallwares, juice dispensers (if you offer Bananas Smoothies & Frozen Yogurt brand frosties and smoothies), dough mixing machines (if in the event you offer Gretel's Pretzels brand pretzels), heated humidified pretzel display case, conventional

ovens, ice cream case, coffee espresso and cappuccino machines, blenders, microwave ovens, convection oven, refrigerated salad display case, computer hardware and software, Point of Sale system, and other kitchen equipment for quick service restaurants. Some or all of the equipment may be subject to local use taxes as required by the state laws governing your Franchised Business. Shipping and handling charges also vary based on size of the order and shipping destination. The costs are not included in the equipment amounts provided. The low-end equipment costs anticipate that the location was a food service business and contains certain equipment that could be used by your Franchised Business. In certain instances we may require you to use a name other than Green Leaf's Beyond Great Salads and/or Bananas Smoothies & Frozen Yogurt, in which case you will use our mark – "The Market By Villa."

- 3 You will need to purchase the required signs including signs for the exterior of the restaurant and interior menu signs.
- 4 You must purchase or lease the site approved by us for the Franchised Business. The cost of purchase or rental for such real estate will vary considerably depending on local real estate values, the size and location of the property purchased or leased, and other local conditions. You should investigate the cost of real estate and rental costs in the particular area in which you wish to establish a Franchised Business. You may be required to provide the Landlord with a security deposit. Since the rental costs vary considerably and because the number of months comprising the security deposit will vary, we cannot estimate the amount of the initial investment necessary for real estate.

The Green Leaf's Beyond Great Salads & Bananas Smoothies & Frozen Yogurt restaurants will be situated in shopping malls or other high volume commercial districts. The following chart describes the size requirements.

	<u>Site Size Minimum</u>	<u>Site Size Maximum</u>	<u>Frontage Minimum</u>
Green Leaf's Beyond Great Salads & Bananas Smoothies & Frozen Yogurt	650 sq. feet	1000 sq. feet	18 sq. feet

Actual minimums and maximums will vary depending upon food court seating versus restaurant seating as available/needed.

You are free to purchase, lease, or sublease a site for the Franchised Business from any source, provided that any lease or sublease for the premises of the Franchised Business is approved by us. As noted in Item 1 and in Item 9 of this disclosure document, our affiliates may sometimes sublease the premises for the Franchised Business to you.

- 5 You must pay for or provide financing for the construction of each Franchised Business, including, but not limited to, the installation of fixtures, equipment, interior decor as well as design and construction. The cost of design and construction of the typical Franchised Business will vary considerably depending on the size of the restaurant, cost of local financing and other local conditions, including but not limited to, labor costs and materials as well as local building ordinances which may mandate higher construction costs. Construction costs at the lower end are based on the assumption that the location was previously a food service operation. Therefore, it is anticipated that construction in a location formerly used for food service may be completed at considerable savings over construction at a non-food service site. Each Franchised Business must be constructed in compliance with plans and specifications furnished by you subject to Landlord's and our discretion or approval.

- 6 You must have certain specified insurance. The timing of your payments is a matter to be resolved between you and your insurer. Various factors will affect your ultimate cost and therefore, we estimate the total cost with the precaution that you should get quotes from the carrier of your choice before proceeding.
- 7 Opening inventory will include all approved products and may also include a trial inventory for training. You will gauge the amount of inventory by projected sales.
- 8 Utility deposits are for gas, electric, water, sewer and telephone service.
- 9 Local, municipal, county and state regulations vary on what licenses and permits are required by you to operate a Franchised Business. Such fees are paid to governmental authorities when incurred before commencing business.
- 10 The estimate includes transportation, lodging and meals for trainees. Generally, these costs will vary widely with the distance traveled, the accommodations selected, and the mode of transportation selected.
- 11 If the Franchised Business is not located in a Regional Shopping Mall, Urban Retail Center or Major Office Building, Airport or Institutional Feeding Facility then you must spend a minimum of \$3,000.00 during the first thirty days of operation on grand opening advertising. This shall include the purchase of a grand opening media kit from us or our designee. We shall advise you on how to expend such grand opening advertising monies, but we make no representations concerning the extent or effectiveness of such advertising and promotion.
- 12 You may need to employ an attorney, accountant, construction permit expeditor, architect or other consultants.
- 13 You will need to support ongoing expenses, such as payroll and utilities to the extent that these costs are not covered by sales revenue. New businesses often generate negative cash flow.

We estimate that the amount stated will be sufficient to cover ongoing expenses for the initial phase of the business which we calculate to be three months. This is only an estimate, however, and there is no assurance that additional working capital will not be necessary during this start-up phase or after. We relied on our past experience with franchised and company-owned restaurants when preparing the figures.

- 14 You must purchase or lease a computer, and electronic Point of Sale system and we do specify the brand or model. You may not use any hardware and/or software in the operation of the restaurant without the Franchisor's prior approval, which approval will not be unreasonably withheld. (See Item 11).
- 15 Our current estimates of your initial investment for the franchised businesses offered are set forth above. The various schedules presented illustrate your initial investment if you acquire the franchised businesses separately or in combination. The actual amounts you incur may be higher, however, if particular circumstances apply to the location of your Franchised Business or to your region of the

country. We calculate the initial phase of business to be three months following the completion of construction. We relied on our past experience in the franchised restaurant industry with franchisee and company-owned restaurants when preparing these figures.

Except as otherwise noted, none of these payments are refundable. These payments are only estimates and your costs may be higher, depending on your particular circumstances, for example whether you are located within an airport, casino, transportation area or some other non-traditional location. You should review these figures carefully with a business advisor, accountant or attorney before making any decision to purchase a franchise. We do not offer any financing for your initial investment. The availability and terms of financing with third-party lenders will depend on factors such as the availability of financing generally, your credit-worthiness and policies of lending institutions concerning the type of business to be operated.

### YOUR ESTIMATED INITIAL INVESTMENT FOR AREA DEVELOPERS

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment Is To Be Made
Area Development Fee (Note 1)	\$50,000 - \$70,000	One Installment	On Signing Deposit Agreement	Us
Legal and Accounting	\$2,500 - \$10,000	As third party specifies	As Incurred	Attorney, Accountant
Additional Funds	\$20,000 - \$50,000	As Supplier requires	Monthly except bi-weekly payroll	Start-up capital, employees
<b>Total (Note 1, 2,3,4)</b>	<b>\$72,500 - \$130,000 (excluding the total investment to open the first restaurant. Note 4 below.)</b>			

Note 1: The Area Development Fee listed above is for two (2) locations which are the minimum number of locations we require to enter into an Area Development Agreement. Inside the Continental U.S., the total investment is \$72,500 to \$110,000 USD for two (2) locations (\$25,000 USD initial franchise fee for each location). Outside the Continental U.S. [Alaska, Hawaii and U.S. Territories] the total investment is \$92,500 to \$130,000 USD for two (2) locations (\$35,000 USD initial franchise fee for each location). The maximum number of locations we will contract for under the Area Development Agreement is negotiated and dependent upon the territory requested.

Note 2: If you participate in the Area Development Program you must own and operate a minimum of two franchised locations. Included in the amount set forth is the full franchise fee of \$25,000 USD for each of the two Green Leaf's Beyond Great Salads and/or Bananas Smoothies & Frozen Yogurt franchised restaurant concepts in the Continental U.S. (\$35,000 USD for each franchised restaurant when located outside of the Continental U.S. [Alaska, Hawaii and U.S. Territories]) of which one half of the total initial franchise fee is due upon signing

the Deposit Agreement (\$25,000 USD) and the balance of the initial franchise fee for the second location (in this example would be \$25,000 USD) is paid upon signing the Franchise Agreement.

Note 3: All fees payable to us are fully earned when paid and non-refundable.

Note 4: This Area Development investment does not include your estimated initial investment for beginning operation of each franchised restaurant. Those costs are set out in Item 7.

## **ITEM 8 RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES**

You will be required to purchase the prescribed products which currently include but are not limited to, proprietary branded frozen yogurt from our Approved Suppliers. We currently designate Ferraro Foods, PFG, Tapia Brothers, and Kaleel Brothers as Approved Suppliers of proprietary products. We will derive revenue from the purchase of certain proprietary products bought by you. We estimate that the purchase of proprietary and other products by you will represent approximately 0.2% of the initial investment in a franchised restaurant. The cost of equipment purchased in accordance with specifications represents approximately 23% - 31% of your total purchases in connection with the establishment of your restaurant.

We attempt to negotiate purchase agreements with suppliers (including price terms) for the benefit of all Green Leaf's Beyond Great Salads, Bananas Smoothies & Frozen Yogurt, Everything Yogurt, Gretel's Pretzels, South Philly Steaks & Fries, and South Philly Cheesesteaks & Fries restaurants, including those owned by franchisees; however, we (or our affiliates) have the right to retain 100% of all discounts, rebates, commissions or other consideration paid by Approved Suppliers and to use them for whatever purposes we elect and you may claim no rights thereto. The Approved Suppliers may pay us an administrative fee which averages approximately 7% of sales by Approved Suppliers to the Franchised Business. This fee is based on sales to the Franchised Businesses in order to reimburse us for our costs incurred in connection with the administration of the distribution system and product liability requirements. We do not provide material benefits (e.g., renewal or additional franchises) to a franchisee based on his use of designated or Approved Suppliers. During the fiscal year ended December ~~2931~~, ~~2024~~~~2023~~ our affiliates derived revenues of approximately \$~~100,000~~~~100,000~~ from these miscellaneous purchases.

From time to time we collect monies for miscellaneous items such as product purchases, etc. or an advertising item for a specific marketing campaign.

An Approved Supplier of beverage products has agreed, subject to certain conditions, to pay our affiliate, Villa Management, rebates based on purchases from company-owned Green Leaf's and Bananas restaurants, as well as purchases from our Franchisees who choose to sell such supplier's beverage products exclusively. (Our affiliate has agreed to sell such supplier's products exclusively through December 26, 2026 with respect to company-owned restaurants.) Under this program, our Affiliate receives from this Approved Supplier: (1) rebate to be used for various marketing and promotional programs aggregating greater than \$5.00 per gallon of post-mix products, of which we will remit to you \$1.59 per gallon with respect to your purchases, if you participate; (2) a price protection rebate equal to the amount, if any, by which gross weighted average national account prices increase by a certain percentage over the prior year; (3) a \$2,500 vendor rebate for each new restaurant that sells the designated vendor's beverage products exclusively and remains open for a contractually agreed period, which rebate we will use in our discretion for marketing and grand opening support of your restaurant; (4) growth incentive rebate based upon a per gallon post mix product purchases by the entire company-owned and franchise system and per case of packaged beverage products that are purchased by the entire company owned and franchise system and (5) rebates of \$2.25 per case of packaged beverage products, which are to be used for certain marketing programs. Except as described above, Our Franchisees which participate in the Beverage Program will be able to receive beverage equipment on loan and at a per gallon cost from the supplier for the term of their

franchise or duration of the Beverage Agreement, whichever is first to occur. Franchisees will not receive a portion of the rebates described in Nos. (2) and (5) above, because the amounts involved, if received at all, are so *de minimis*, that the accounting and calculation involved would be extremely difficult and costly. In addition, the rebates described in No (5), above, will not be shared with our Franchisees, but will be used in their entirety to cover system-wide marketing expenditures. As noted above, under the Franchise Agreement, you have no contractual right to any of these rebates, and we may use them at our discretion.

We have an agreement with an Approved Supplier wherein we have agreed that they are the approved supplier of bottled brand teas and juice drinks, enhanced waters and other beverage products for the Franchised Business. By this agreement, the Approved Supplier will make certain payments to us in exchange for their bottled drinks being the approved non-carbonated beverages which may be offered for the sale from the Franchised Business. We also have an agreement with an Approved Supplier to supply bread and bread products to your franchised business.

We may from time to time revise our standards and specifications, including minimum standards of quality, delivery, performance, warranties, design, appearance, and other restrictions to insure uniformity and quality in all company-owned and Franchised Businesses. You are required to purchase or lease all equipment, supplies, logo-bearing paper products, and other products and materials used in the operation of the Franchised Business in accordance with our specifications as set forth in the Manual, or otherwise in writing.

We also require that most items are purchased or leased solely from suppliers that have been approved in writing by us (and not thereafter disapproved) as meeting our standards and specifications, pursuant to designation in the Manual or otherwise in writing. To obtain approval as a supplier of a particular item, the supplier must demonstrate to our continuing reasonable satisfaction that it has the ability to meet our current standards and specifications for such items, possesses adequate quality controls and has the capacity to supply your needs promptly and reliably.

We maintain a list of approved suppliers for the Franchised Business and that list may be modified from time to time. If you send us a written request, we will send you and your suppliers a set of System standards and specifications for items which must be purchased or leased in accordance with our standards and specifications. We may, from time to time, change and revise the System standards, and specifications, and you and approved suppliers must comply with the new or changed standards and specifications.

If you desire to purchase or lease from an unapproved supplier, you must submit a written request for approval to us, or request the supplier itself to do so. We will have the right to require that our representatives be permitted to inspect the supplier's facilities, and that samples from the supplier be delivered for testing, at our option, either to us or to an independent, certified laboratory designated by us. You, or the suppliers, will be required to pay a charge not to exceed the reasonable cost of any inspection conducted and the actual cost of any testing undertaken. We reserve the right, at our option, to re-inspect the facilities and products of any such approved supplier and to revoke our approval on the supplier's failure to continue to meet any of our criteria for approval. We may consider compliance with purchasing requirements through the operational review process in determining whether to renew or grant additional franchises.

~~We will advise~~ When you make a written request to use an alternate supplier, we will notify you in writing of the approval or disapproval of a proposed supplier within 90 to 120 days of a request for approval. If an inspection of the facilities or products of any previously approved supplier results in its disapproval, we will give you written notice within a reasonable time of the inspection, and we will provide you with a reasonable time to obtain an alternate supplier, if necessary.

We and our affiliates are presently the only approved supplier for the following items: frozen yogurt mix and pretzel dough. In addition, we and our affiliates may be approved suppliers for certain food items, and

equipment (for each of which there is at least one additional approved supplier). Neither we nor our affiliates are approved suppliers for other products, equipment or services.

We do not provide material benefits (e.g., renewal or additional franchises) to a franchisee based on his or her use of designated or Approved Suppliers. If you want to use another supplier, you must make a written request to us for approval, which approval will not be unreasonably withheld. You must obtain approval in writing.

There are no franchise purchasing or distribution cooperatives.

There are no approved suppliers in which any of our officers owns an interest.

We currently require that in order to qualify as an approved supplier of architectural and engineering services, the architectural and engineering firm selected by you must meet the following criteria:

1. must have a minimum of 5 years experience in commercial architecture with an emphasis on food service and restaurant design;
2. provide us with a minimum of 3 letters of recommendation from other national food service retail clients;
3. hold an architectural/engineering license in the respective state of the project;
4. must agree to meet the following drawing submission time frames:
  - a. Kitchen Equipment Floor Plan Development - 3 working days from receipt of conceptual sketch from us;
  - b. Final Working Drawings Preparation - 10 working days from receipt of final approved kitchen equipment floor plan from us; and
5. must have competency and familiarity with all applicable federal, state and local laws, codes and ordinances.

We have the right to approve the terms of any lease or sublease for the premises of your franchise. Typically, one of our affiliates will execute a mutually satisfactory lease, and you may execute a sublease on substantially the same terms. Sometimes we may authorize you to execute a lease with the owner of the premises that is acceptable to both you and us, along with an Addendum to Lease in favor of us or one of our affiliates. Any lease that you sign must be exclusively for the operation of a franchised restaurant, and must provide that upon termination or expiration of the franchise, for any reason, the Franchisor or one of its affiliates will have the right, but not the obligation, to assume the lease, and replace you as tenant. If we exercise that right, we will fully indemnify you from all liability for future rent and all other future obligations under the lease (though not from any liability for unpaid rent or any then-existing liabilities or obligations under the lease). You must agree to sign any documents required to assign the lease to us or our designee.

In order to assure uniform reporting of financial information throughout the System, we reserve the right to require you to obtain computer hardware and software for maintaining your accounting books and records. Such computer hardware may include point of sale and telecommunications devices, and may be a single program or set of programs (see item 11).

### Advertising by Franchisee

You may not engage in any advertising program or use any other advertising, including local advertising placed on television, print or any other media (including but not limited to websites, online advertising, social media marketing or presence, digital marketing and sponsorships), or prepare or use any marketing materials, unless We have approved it in writing.

### Insurance

You must maintain in force, naming us as an additional insured, at a minimum the following insurance:

1. Property insurance on a "Special Form" perils basis, covering the full replacement value of the Franchised Restaurant (Improvements and Betterments) and all of its Business Personal Property. Policy shall carry a Replacement Cost Valuation, a prescribed Amount endorsement, (no coinsurance) and a deductible not to exceed \$2,500. Amount of coverage shall be not less than the full replacement cost of all such property. We may request, from time to time, a reasonable increase in the amount of such property insurance in order to account for inflationary trends.
2. Equipment Breakdown covering the full replacement value of the Franchised Restaurant equipment, including business interruption and Spoilage resulting from such breakdown.
3. Business Interruption insurance, in sufficient amount to cover net profit plus continuing expenses (including payments to us for loss of royalties, advertising fees and other required remittance due under our Franchise Agreement for a period of six months) for a period of at least one year, as a result of any insurable interruption in Franchisee's business operations.
4. Crime insurance, to include Employee Dishonesty, Money & Securities, Counterfeit Currency and Forgery & Alteration.
5. Comprehensive General Liability insurance, including premises/ operations, products/completed operations, liquor liability if applicable, contractual liability, and liability for the acts of independent contractors, with Bodily Injury/Property Damage Liability limits of not less than One Million Dollars (\$1,000,000) Per Occurrence and Two Million Dollars (\$2,000,000) Per Location Aggregate. Employee Benefit Liability to be included.
6. Workers' Compensation/Employer's Liability insurance, with limits of not less than One Million Dollars (\$1,000,000), as well as such other insurance as may be required by statute or regulation of the state or locality in which the Franchised Restaurant is located and operated.
7. Comprehensive Automobile Liability insurance covering both owned and non-owned vehicles owned and/or operated by Franchisee, with limits of not less than One Million Dollars (\$1,000,000) Bodily Injury/Property Damage liability or, in the alternative, One Million Dollars (\$1,000,000) Bodily Injury and Two Hundred Fifty Thousand (\$250,000) Property Damage Liability.
8. Commercial Umbrella Liability insurance, with limits of not less than Two Million Dollars (\$2,000,000) Per Occurrence and Two Million Dollars (\$2,000,000) Aggregate, and arranged to cover over all above primary underlying coverages without gap (General Liability, Liquor Liability (if applicable), Employee Benefit Liability, Employers Liability, and Automobile Liability).
9. Contractor's Insurance. In connection with any construction, renovation, refurbishing, or remodeling of the restaurant, Franchisee will cause the general contractor to maintain Comprehensive General Liability insurance

(including products/completed operations and independent contractors coverage) with limits of at least One Million Dollars (\$1,000,000) Per Occurrence and Two Million Dollars (\$2,000,000) Aggregate, naming FRANCHISOR as an additional insured; Comprehensive Automobile Liability; Workers' Compensation; and such other insurance as may be required by law. In the event of new construction, the general contractor shall maintain Builders' Risk coverage on a "Special Form" perils basis, sufficient to cover the completed value of such new construction, naming FRANCHISEE as Loss Payee.

10. Rental value insurance (in an amount sufficient to cover the rents and other fees due the landlord and/or Merchants' Association under the lease, if any, during any period of business interruption or inability to operate the Franchised Restaurant) or such greater amounts of insurance as required by the lease for the Franchised Restaurant.

11. Sign coverage for 100% replacement value of sign.

12. Coverage enhancements:

- Personal Property off Premises
- Property in Transit
- Ordinance or Law
- Spoilage of Perishable Goods
- Off-premises Power Interruption
- Food Spoilage/Contamination
- EDP Equipment and software
- Fine Arts
- Personal Effects
- Valuable Papers and Records
- Outdoor Signs
- Interior Glass
- Fire Suppression System Recharge
- Sewer or Drain Backup
- Accounts Receivable
- Cyber Liability & Expense Reimbursement
- Trade Name Restoration
- Named Windstorm, Flood and Earthquake

13. You shall carry any additional insurance covering such additional risks or providing higher limits as we may request. For instance, we may require you to have Employer Practices Liability Insurance (EPLI) and name us as an additional insured.

All insurance policies must be issued by carriers rated not less than A-1X by Best's Rating Guide (or equivalent) we have approved and who are authorized to do business in the state where the restaurant is located, must contain the types and minimum amounts of coverage, exclusions and maximum deductibles as we prescribe from time to time, must name us, our designees and our affiliates as additional insureds, must provide for 30 days' prior written notice to us of any material modification, cancellation or expiration of such policy and must include all other provisions we may require from time to time. Franchisee shall deliver copies of policies or certificates of insurance 7 days prior to opening the Restaurant for business.

**ITEM 9  
FRANCHISEE'S OBLIGATIONS**

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

	<b>OBLIGATION</b>	<b>SECTION IN FRANCHISE AGREEMENT</b>	<b>SECTION IN AREA DEVELOPMENT AGREEMENT</b>	<b>DISCLOSURE DOCUMENT ITEM</b>
a	Site selection and acquisition/lease	§3; Sublease in its entirety	§5	Items 8, 11 and 12
b	Pre-Opening purchases/leases	§§3, 4, 5 and 6	§§3, 4, 5 and 6	Items 5, 7 and 8
c	Site development and other pre-opening requirements	§5 and Para. 11.01	§§3 and 5	Items 8 and 11
d	Initial and ongoing training	§7	None	Items 7 and 11
e	Opening	§3	§§2, 3 and 4	Items 7 and 11
f	Fees	§§10, 15, 16, 18 Sublease Agreement Exhibit J	§4	Items 5 and 6
g	Compliance with standards and policies/ Operations & Training Manual	§§12, 13 and 14	§§3, 5, 7 and 8	Items 11 and 14
h	Trademarks and proprietary information	§12	§§7 and 8	Items 13 and 14
i	Restrictions on products/services offered	§§1 and 8	§§3, 5, 7 and 8	Items 8 and 16
j	Warranty and customer service requirements	Not Applicable	None	Item 16
k	Territorial development and sales quotas	§3	§§2, 3 and 5	Item 12
l	Ongoing product/service purchases	§§8 and 11	§§3, 5 and 8	Items 8 and 16

	<b>OBLIGATION</b>	<b>SECTION IN FRANCHISE AGREEMENT</b>	<b>SECTION IN AREA DEVELOPMENT AGREEMENT</b>	<b>DISCLOSURE DOCUMENT ITEM</b>
m	Maintenance, appearance and remodeling requirements	§§4, 5 and 6	§§3, 4, 6 and 8	Item 8
n	Insurance	§17	§§3 and 12	Item 7
o	Advertising	§16	§§3, 7 and 8	Items 6 and 11
p	Indemnification	§24	§12	None
q	Owner's participation/management/staffing	§§7 and 8	§6	Item 15
r	Records/reports	§15	§§3, 4, 5 and 10	Items 6 and 9
s	Inspections/Audits	§15	§§3, 4, 5 and 10	Items 6 and 11
t	Transfer	§18	§11	Items 6 and 17
u	Renewal	§2	§2 and 3	Items 6 and 17
v	Post termination obligations	Para. 18.04 §22, Para 29.03, Exhibit One D and Exhibit One D-1	§9 and 10 Exhibit Two B Exhibit Two C	Item 17 Item 15
w	Non-competition covenants	§22 and Para. 29.03	§7, 10 and 13	Item 17
x	Dispute Resolution	§§44(e), 44(f), 44(h), 44(i); §19 of Sublease	§29	Item 17
y	Taxes/Permits	§23	None	Items 1 and 7

## **ITEM 10 FINANCING**

We do not offer direct or indirect financing to you nor do We or any of Our affiliates receive any direct or indirect payments or other consideration from any person for the placement of financing with a lender, although we cooperate with the Small Business Administration approved lenders and will work with You to help You process SBA funding through any approved lender. We do not customarily guarantee any of your notes, leases, or other obligations to third parties although our affiliate has, from time to time, given certain limited guaranties on leases (but there is no obligation to do so). In certain limited situations, our affiliate may provide a limited guaranty of your lease with a third party, if you have acceptable credit and it is the only way to obtain an exceptional location.

Item Financed	Amount Financed	Down Payment	Term (years)	APR %	Monthly Payment	Prepay Penalty	Security Required	Liability upon Default	Loss of Legal Right on Default
Leased Space <sup>1</sup>	None	Primary Lease determines	Primary Lease determines	N/A	Primary Lease determines	None	Personal Guaranty	Loss of Franchise, sublease terminates, attorney fees and expenses	None

**Note:**

<sup>1</sup> In most cases you will lease the franchised premises directly from a third party landlord. If we are a lessee of the franchised premises and we obtain the permission of the lessor, we will sublease the premises to you upon the terms and conditions of the Primary Lease (Section 1 of Sublease Agreement [Exhibit J, disclosure document]). If, as a result of our relationship with the landlord, we are granted a credit from the landlord, we will retain the credit (Section 8 of Sublease Agreement). You are bound under the sublease not to assign or transfer the sublease without our permission (Section 9 of Sublease Agreement) and to indemnify us for all cost and expenses we incur as a result of an action brought by you or by us on our behalf (Section 7 of Sublease Agreement). All Franchise Agreement advertising contributions are characterized as additional rent (Section 9 of Sublease Agreement). A violation under the Franchise Agreement will constitute a violation of the Sublease Agreement (Section 11 of Sublease Agreement). We may also re-enter the leased premises for non-payment of rent or other violation of the Primary and Sublease Agreement (Section 12 of Sublease Agreement).

Whether, and on what terms, you can obtain financing from third parties will depend on a variety of factors, including your own credit worthiness, the type of security you can offer, the policies of lending institutions, and the availability and cost of commercial credit generally. You may not be able to obtain a loan.

**ITEM 11**

**FRANCHISOR’S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS AND TRAINING**

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

Pre-Opening Obligations

We will provide the following pre-opening assistance:

1. We will provide You with assistance in choosing and evaluating a location. (Franchise Agreement, Section 3);
2. We will also provide guidance to You in developing Your restaurant. We will provide You with specifications for inventory and supplies, equipment, furniture, fixtures and related elements of décor, and the exterior and interior signs required for the restaurant (Franchise Agreement, Section 4);
3. We will provide initial training to You (or Your principal owner) and Your full-time Restaurant Manager. This training is described in detail in this Item. (Franchise Agreement, Section 7);
4. We will loan to You a copy of Our confidential Operations & Training Manual (Franchise Agreement, Section 13). The table of contents is attached to this disclosure document as Exhibit H.

### Time to Open

We estimate the time from the date you sign the Franchise Agreement to the date you open your restaurant to be between six and nine months. If you do not sign a lease for the selected site within nine months of the signing the Franchise Agreement, you or we may terminate the Franchise Agreement. However, this time estimate may vary depending on numerous factors including location, acquisition or lease of a suitable site, construction schedules and financing.

### Continuing Obligations

1. We will provide the periodic operating assistance to You with regard to the System, including improvements and changes that We determine are necessary. This assistance may include food preparation and supplying menus and food recipes, preparation and requirements, advertising and promotions, and evaluating and testing new food developments (Franchise Agreement, Paragraph 9(a));
2. We may furnish, from time to time, other manuals, business information and literature as we determine will be helpful in improving the operation of the restaurant. (Franchise Agreement, Paragraph 9(b));
3. We will provide additional instructional and training materials that We determine may be helpful in improving the operation of Your restaurant. (Franchise Agreement, Paragraph 9(b));
4. We have established a National Advertising Fund for the development of advertising and related programs and materials. Although we are entitled under the Franchise Agreement to establish a contribution as high as 3% of gross sales, we have elected to begin with a rate of 1% of gross sales (Franchise Agreement Section 10.02).

### Site Selection

We must approve your selected site for the Franchised Business. We will look at evidence of your commitment and ability to obtain a site and evaluate the site based on the type of retail environment in which the site is located and demographic factors including the density of traffic within the primary trade area. You must lease or acquire a location within a pre-determined number of days after execution of the Franchise Agreement. The number of days is negotiated by us with you at the execution of your Franchise Agreement. We will generally notify you of our approval or disapproval of a site within 30 days after you submit the necessary information to us. If we are unable to decide upon a mutually acceptable location, we will not grant you a franchise. Our approval of the site is no guarantee of the success of the business. Our approval of the site is not a representation as to its suitability and does not assure the success of the business.

We estimate that the typical length of time between signing your Franchise Agreement and the opening of the Franchised Business to be 90-180 days after the site is available for renovations. Factors which may affect this time period include the length of time to obtain a satisfactory site, financing, compliance with local ordinances, training, construction delays and delivery and installation of signs and equipment.

We generally do not own the premises of the Franchised Business, however in some cases our affiliates may hold a lease to the premises of the Franchised Business and sublease the site to you.

In some cases, we may receive information from the landlords of prospective locations from which you may wish to operate the Franchised Business which information we may pass on to you. We do not take any steps to verify the accuracy of such information and have no way to know if it is accurate or not. As such,

any information we pass on to you from prospective landlords should be verified by you before you rely on it.

The procedures for site selection will be applicable to all System franchisees.

### Training Programs

Prior to the opening of the Franchised Business we will provide initial training programs. You and/or at least one designated manager must attend and successfully complete our program. The training program will be conducted in Bethlehem, PA or at another designated training facility. The training program emphasizes on-the-job training but may also incorporate classroom training. It will also include accounting and administrative procedures training along with other elements of restaurant management. We do not charge a fee for the initial training program. There is no cost for the training, however, you will be responsible for all expenses incurred in training by you and/or your manager, including, but not limited to, travel costs, room, board and wages. Our training department will assess your satisfactory completion of training which will include proficient performance evaluation in all task areas and management areas related to the operation of the Franchised Business. We will assess competence and proficiency through a combination of written and/or oral tests and quizzes and observations. If you or your manager have not satisfactorily completed the training, you may be required to attend further follow-up training for which at our sole discretion, you may be required, to pay for the training instructors, materials, or incidental costs associated with providing the additional training.

Instructional material used in the training program consists of a fifteen-day (15) training schedule, study guide, product manual, operations & training manual and quizzes.

### Experience of Instructors

Kelly Hernandez, Divisional Vice President of Operations, who has over 10 years experience, oversees our training program. Her biography appears in Item 2 above.

### Types of Instruction in Initial Training

The initial training program for the Franchised Business consists of two 50-60 hour six-day work weeks. Training typically begins 5 to 6 weeks before opening and must be completed before the anticipated opening of the Franchised Business. Classroom and on-the-job training takes place at our corporate location listed in the chart below.

### **TRAINING PROGRAM**

<b>SUBJECT</b>	<b>HOURS OF ON-THE-JOB TRAINING</b>	<b>HOURS OF CLASSROOM TRAINING</b>	<b>LOCATION</b>
Food and Inventory Purchases	6 hours	1 – 2 hours	Bethlehem, PA or another designated training facility
Preparation and Service of Foods and Beverages	55 hours	1 – 2 hours	Bethlehem, PA or another designated training facility
Operating of restaurant Equipment	35 hours	1 – 2 hours	Bethlehem, PA or another designated training facility

SUBJECT	HOURS OF ON-THE-JOB TRAINING	HOURS OF CLASSROOM TRAINING	LOCATION
Relations with Employees and Customers	15 hours	1 – 2 hours	Bethlehem, PA or another designated training facility
Merchandising and Management Skills	15 hours	1 – 2 hours	Bethlehem, PA or another designated training facility
Preparation of Records and Reports	7 hours	1 – 2 hours	Bethlehem, PA or another designated training facility

### Additional Training Programs

We may offer mandatory supplemental training courses or seminars to you and your manager(s) of the Franchised Business, and we may provide periodic marketing training programs or seminars of a specialized nature for other employees. We will pay for the training instructors, facilities, and training materials for the supplemental courses and you will be required to pay for all other expenses, including, but not limited to, wages, travel and living expenses for you and your manager or employees.

We may offer additional voluntary supplemental training courses or seminars to you and your manager(s) and may provide other optional training programs or seminars of a specialized nature for your other employees. Attendance will be at your discretion and you must pay all costs for wages, travel and living expenses. You may also be required to pay expenses for training instructors, training facilities, training materials, registration fees or exam fees for the optional training courses or seminars. We will notify you in writing of all optional expenses and you will be required to notify us in writing before the training that you accept and will pay the costs.

~~You may also be required to subscribe to our iLEARN Center through a contract with an Approved Supplier that provides additional training tools (i.e. chapters, videos, roadmaps). There may be a service fee paid directly to the Approved Supplier. The service fee currently is approximately \$20.00 per month. You may access this service by computer or tablet.~~

### Manuals

We will loan you a copy of our Manuals for your Franchised Business which contains our standards of operations, manager systems, recipes and training material. The Manual is confidential and remains our property. A copy of the table of contents from our Manual for Green Leaf's Beyond Great Salads and Bananas Smoothies & Frozen Yogurt is contained in Exhibit H and contains 73 pages.

### Advertising and Promotion

#### Local Advertising Expenditure

If the Franchise Business is not located in a Regional Shopping Mall, Urban Retail Center, Major Office Building, Airport or Institutional Feeding Facility you must spend a minimum of 3% of Gross Sales each calendar quarter on local advertising. We require you to give us a report of the amounts you spend on local advertising within 10 days following the end of each calendar quarter. We require all company owned or affiliate owned restaurants to spend money for local advertising on an equal percentage basis with Franchised Businesses. You may purchase local advertising separately through local marketing and media sources within the geographical area. The Local Advertising Expenditure is your responsibility; however, you must receive

written approval from us before you may use any advertising material.

#### National Advertising Fund

We established, and currently maintain and administer an advertising program which we call the National Advertising Fund (the "Fund"). You must contribute an amount, designated by us, not to exceed 3% of weekly Gross Sales to the Fund. The required contribution amount is currently 1% of weekly Gross Sales. The amounts required under the National Advertising Fund will be taken by check draft from your bank account on each Tuesday for the week ending the preceding Sunday and reports must be submitted weekly by facsimile, electronic mail or such other system or systems as we may designate on a system wide basis or we may, at our sole option, require you to submit reports manually and send in a check.

We will direct all advertising programs supported by the Fund, with sole discretion over the creative concepts, materials and media used in such programs and their placement and allocation. We may, for example, decide to advertise in print, on radio or in television commercials in certain locations or throughout the nation. We prepare some of the advertising materials ourselves and others are prepared by an advertising agency. The Fund is used to maximize general public recognition and acceptance of the Proprietary Marks and the System, and we are not obligated in administering the Fund to make expenditures for you that are equivalent or proportionate to your contribution or to ensure that any particular franchisee benefits directly or *pro rata* from the expenditures of the Fund.

We will permit you to use your own advertising material provided that it is reviewed and approved by us before it is used.

If we own company restaurants in the future, they will not contribute to the Fund. Any affiliate restaurant or restaurants owned jointly or separately by any of our officers or directors will not contribute to the Fund.

The Fund will be used to meet the costs of maintaining, administering, directing and preparing advertising (including, without limitation, the cost of preparing and conducting television, radio, magazine and newspaper campaigns and other public relations activities; advertising agencies to assist; and providing promotional brochures and other marketing materials for you to distribute). All of the money paid by you will be maintained in a separate account from our other funds and will not be used to defray our general operating expenses. The money may be used for reasonable administrative costs and overhead that we may incur in administering or directing the Fund and advertising programs including conducting market research, preparing marketing and advertising materials and collecting and accounting for assessments for the Fund.

We will prepare an annual accounting of the Fund which will be available to you on request. We specifically reserve the right to require any advertising cooperatives to be formed, changed, dissolved or merged. No part of the advertising funds are devoted to the solicitation of franchisees. Any funds which are left in the Fund at the end of the fiscal year are carried into the next year. We do not have an advertising council.

You may not advertise or maintain a presence on the Internet or any other computer network in connection with your Franchised Business without our prior approval which we have the right to withhold in our sole discretion.

You may not use any of our Marks on the World Wide Web and must obtain our permission and approval for all Internet domain names and/or home page addresses.

For the fiscal year ending December ~~2931~~, ~~2024~~~~2023~~, advertising cost amounted to approximately \$~~51,351~~~~63,847~~. The purposes for which we spent National Advertising Fund contributions in ~~2024~~~~2023~~ were:

- A. National Promotions (~~15~~~~10~~%)
- B. Media (~~20~~~~25~~%)
- C. Research and Development (50%)
- D. Miscellaneous Marketing (15%)

#### Electronic Point-Of-Sale and Computer Systems

You ~~must will need to~~ purchase or lease a Point of Sale (POS) system in order to operate the Franchised Business. You may substitute alternate equipment only if approved by us. We reserve the right to require that this system be upgraded or modified on a system-wide basis at any time. There is no limit on the frequency or cost of this obligation. All franchisees are required to have internet capability available. The cost of purchasing the Point of Sale system ranges from \$10,000 to \$15,000. If you lease the Point of Sale System Your lease cost will vary upon the length of term leased, Your credit and other factors used by leasing companies. You will need to purchase the managed services (menu and database) for your Point of Sale System from the approved supplier, which fees are approximately \$800 - \$1,000 per year.

The Point of Sale system will generate information with regard to sales including, but not limited to, continuity of transactions, sales tax information, and product mix information. We may require electronic transmission of this information. We may have independent access to this information and data. In order to operate the current Oracle/Simphony Point of Sale system, certain employee personal information must be provided to set up employee data in the Point of Sale System. We will: (i) use reasonable and appropriate measures to safeguard the security of the personal information, including providing access to the personal information only to those responsible for the operation and maintenance of the Point of Sale system, who have a need for such access, (ii) use that personal information only for purposes related to the operation of the Point of Sale system, and (iii) not disclose that personal information except as required under applicable law.

There may be a maintenance/help desk fee of approximately \$1,100 - \$1,500 per year for the Point of Sale system. There may be a SAAS (Software As A Service) fee of approximately \$750 per year, per terminal for the Point of Sale software license. You may also need to purchase a digital menu board from Franchisor's then approved supplier. There may be a periodic fee to change promotions and pricing, of approximately \$600 per year.

You must provide us the assistance we require to connect your computer system with our computer system or the computer system of a third-party data collection service we designate. We may retrieve and use the data and information from your computer system as we, in our sole discretion, deem necessary, and you must bear the cost of telephonic retrieval. In view of the contemplated interconnection of computer systems and the necessity that our systems be compatible with yours, you must purchase, lease and/or license any additional software or hardware necessary to complete the interconnection between your computer and our computer.

To ensure full operational efficiency and optimum communication capability between and among computer systems, you must, at your expense, keep your computer systems in good condition, and promptly install all additions, changes, modifications, substitutions or replacements to hardware, software, telephone and power lines, and other computer-related facilities, as we direct. The cost of maintaining your computer system is estimated to be between zero and fifteen-hundred dollars (\$0 and \$1,500) a year. The cost of purchasing or leasing your computer system is set out above.

## **ITEM 12 TERRITORY**

We grant you the right to operate one restaurant under the Marks at a specific location to be approved by us. 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. You have no territorial or exclusive rights and the Franchisor has the unfettered right to own, operate, and license others to own and operate any of our restaurant concepts anywhere, including in the vicinity and market area of your restaurant. You may not conduct the business of your restaurant at any site other than the premises, or relocate your restaurant without our prior written consent. The Franchise Agreement does not provide you with any options, rights of first refusal, or similar rights to acquire additional franchises.

Except for rights expressly granted to you under the Franchise Agreement, we and our affiliates retain all of our respective rights and discretion with respect to our Marks, the System and our restaurants and restaurant concepts anywhere in the world and to engage in any other business, including the right to:

- (a) operate, and grant others the right to operate, any of our restaurants or restaurant concepts at locations and on terms and conditions we deem appropriate;
- (b) sell any products or services under our Marks or under any other trademarks, service marks or trade dress, through other channels of distribution, such as the Internet, catalog sales, telemarketing, or other direct marketing; and
- (c) operate, and grant to others the right to operate, restaurants identified by trademarks, service marks or trade dress, other than the Marks, under terms and conditions we deem appropriate.

If you require a lease site at an approved location other than an airport or an institutional feeding facility, (including, but not limited to, hospitals, hotels, and corporate or school cafeterias), we will grant you a circular area in which we may not franchise or establish a Franchised Business of the same type as you will operate. You will be provided with a protected area having a radius measured from the front door of the Franchised Business in all directions that is one-tenth of a mile from the Franchised Business or in the case of a Regional Shopping Mall, a protected area limited to the Regional Shopping Mall. This radius will be stated in the Franchise Agreement. Except in certain circumstances on a case by case basis, we do not grant a protected area with regard to airports or institutional feeding facilities. We retain the right, to franchise, operate, and/or distribute by any means services and products of the same type offered at your Franchised Business at these airports or institutional feeding facilities. Except as otherwise provided, we retain the right under the Franchise Agreement to use and franchise others to use the System under which your Franchised Business operates and the proprietary marks associated with that System, limited, of course, to locations outside your protected area. We also reserve the right under the Franchise Agreement, to develop and establish other franchise systems for the same or similar or different products or services under other proprietary marks and to operate a Franchised Business under these systems both within and outside of your protected area without granting you any right. We retain the right to develop, operate, and franchise other fast-food and conventional restaurant businesses using different proprietary marks. We also retain the right to use the proprietary marks described in Item 13 of this disclosure document, and any other proprietary marks designated by us for use with the Systems in connection with the sale of food and other products at wholesale or retail, both within and outside your protected area (although on occasion we have granted a protected area within an airport terminal).

We and/or our affiliates may now, or in the future distribute certain packaged products through groceries, supermarkets, and similar outlets (the "Packaged Products"). We may also now, or in the future, distribute and sell our bulk products including, but not limited to the proprietary frozen yogurt in a wholesale bulk package (the "Bulk Products") to captive market accounts such as stadiums, sports arenas, theme parks

and institutional feeding facilities (the “Captive Market Accounts”). The Franchise Agreement does not grant you any rights with regard to the Packaged Products or Bulk Products which are now or may be distributed through groceries, supermarkets, and similar retail outlets, or to Captive Market Accounts.

You do not ordinarily receive the right to acquire additional franchises within your area.

### Area Development Agreement

We may, but are not required to, enter into an Area Development Agreement with you which provides for the non-exclusive right to develop a specified number of franchised units within a defined geographic area (the “Development Area”) over a specified term. An Area Development Fee for the Development Area is required, as well as Initial Franchise Fees for each franchised unit developed. You must enter into the then-current Franchise Agreement for each franchised unit established under the Area Development Agreement. You are not entitled to additional development rights beyond those specified in the Area Development Agreement. You are responsible for submitting a complete site report for each franchised unit. Each site is subject to our approval which will not be unreasonably withheld. We also have the right to refuse to grant a franchise for proposed franchised unit if you do not meet financial criteria established by us.

### Area Development Agreement: Minimum Development Quota

Your Area Development Agreement will contain a Minimum Development Quota specifying a series of Development Periods, the number of franchised units you must open during each Development Period and the cumulative number of franchised units you must have opened through the end of the Development Period in question. Franchised units will not count towards meeting the Minimum Development Quota for any Development Period until they have been fully constructed, developed and have opened operations in accordance with their respective franchise agreements with us. We determine if any franchised unit has “opened” for purposes of meeting the Development Schedule and any Minimum Development Quota for any Development Period. If a franchised unit is permanently closed after having been opened, you must develop and open a substitute franchised unit within one year from the date of its permanent closing separate and apart from the Development Schedule.

### Rights We Reserve: Area Development Agreement

We retain (in our sole discretion) the right to:

1. establish and grant to other franchisees the right to establish, franchised units anywhere outside or inside the Development Area, on such terms and conditions as we deem appropriate;
2. operate and grant franchises to others to operate businesses, whether inside or outside the Development Area,
3. operate and grant franchises to others to operate businesses, or provide other services, whether inside or outside the Development Area, that do not use any of the Marks;
4. market and sell, inside and outside of the Development Area, through channels of distribution other than those franchised (like Internet, e-commerce, mail order or grocery, retail or convenience stores or through special purpose sites like airports, stadiums, theme parks, etc.), goods and services competitive with goods and services offered by our franchised units, under the Marks or under trade names, service marks or trademarks other than Marks, without any compensation to you;
5. purchase, merge, acquire, be acquired by or affiliate with an existing competitive or non-

competitive franchise or non-franchise network, chain or any other business regardless of the location of that other business facilities, and that following this activity we may operate, franchise or license those other businesses and/or facilities under any names or marks other than, while the Area Development Agreement is in effect, the Marks, regardless of the location of these businesses and/or facilities, which may be within the Development Area or immediately outside its border.

Default Under the Area Development Agreement

We have the right to terminate an Area Development Agreement if you default under its terms or under the terms of any Franchise Agreement or other agreement you have with us. If you do not achieve the Minimum Development Quota specified in the Area Development Agreement, we, in our sole control, may:

1. terminate the Area Development Agreement;
2. grant you an extension under the Development Schedule for such time period as we specify for a non-refundable extension fee equal to the balance of the Franchise Fees for the number of franchised units that are to be opened under the Development Schedule but are not yet under construction and are behind the required timetable of the Development Schedule; or
3. reduce the Development Area and the Development Schedule to a size and magnitude that we estimate you are capable of operating otherwise in accordance with the Area Development Agreement.

**ITEM 13  
TRADEMARKS**

The Franchise Agreement grants you the right to use the Proprietary Marks listed below as specified for your Franchised Business. However, you are prohibited from using the Proprietary Marks as part of your corporate or other legal name.

As used in this disclosure document and our Franchise Agreement, the term “Trademarks” includes trademarks, service marks, trade names, logos and commercial symbols and also includes other intellectual property.

The following are the principal marks which we have registered or have applications pending on the Principal Register of the United States Patent and Trademark Office for a Green Leaf’s Beyond Great Salads franchise:

Mark	Date of Registration	Number
GREEN LEAF’S BEYOND GREAT SALADS	07/04/2006	3,113,083
GREEN LEAF’S	06/06/2000	2,355,304

Mark	Date of Registration	Number
EVERYTHING YOGURT	1/18/77	1,056,795
GOOD HEALTH IS EVERYTHING	1/26/88	1,474,620
EVERYTHING YOGURT & SALAD CAFÉ	1/04/05	2,916,160

The following are the principal marks which we have registered on the Principal Register of the United States Patent and Trademark Office for the Bananas Smoothies & Frozen Yogurt concept:

Mark	Date of Registration	Number
BANANAS	05/14/85	1,336,180
BANANAS	06/06/06	3,100,296
SMOOTHIES AND FROZEN YOGURT BANANAS (& Design)	11/06/07	3,331,366
BANANAS SMOOTHIES & FROZEN YOGURT & DESIGN	03/24/15	4,707,498

In certain instances we may require you to use a name other than Green Leaf’s Beyond Great Salads and/or Bananas Smoothies & Frozen Yogurt, in which case we use the mark – “The Market By Villa”, owned by Villa Holding LLC, licensed to us and registered on the Principal Register of the United States Patent and Trademark Office for The Market by Villa:

Mark	Date of Registration	Number
The Market by Villa	06/26/12	4,165,423

There are no currently effective determinations of the United States Patent and Trademark Office, of any state, or of any court, nor are there any pending interference, opposition, or cancellation proceedings or any pending material litigation involving the Proprietary Marks which may be relevant to their use in this state or any other state. All required affidavits have been filed with the United States Patent and Trademark Office.

We are not obligated by the Franchise Agreement or any other agreement to protect your right to use the Proprietary Marks or to protect you from any claims of infringement or unfair competition with respect to them. Nevertheless, it is in our interest to do so and in the event we do so, the Franchise Agreement requires that you execute all documents requested by us or our counsel that may be necessary to obtain protection for the Proprietary Marks or to maintain their continued validity or enforceability, and to take no action that would jeopardize the validity or enforceability of the Proprietary Marks.

There are no agreements currently in effect which significantly limit our rights to use or license the use of the Proprietary Marks in a manner material to the franchise.

We reserve the right to substitute different proprietary marks for use in identifying the Systems and the businesses operating under them, if we, at our sole discretion, determine that the substitution of different marks as Proprietary Marks will be beneficial to the Systems. You must promptly implement any substitution of new Proprietary Marks. We will bear the costs of modifying your marketing materials to conform to our new Proprietary Marks, but will otherwise have no obligation or liability to you for a substitution.

You may not use any of our Proprietary Marks on the World Wide Web and must obtain our permission and approval for all Internet domain names and/or home page addresses.

**ITEM 14**  
**PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION**

We do not own any right in or to any patents or registered copyrights which are material to the Franchised Business.

Confidential Operating Manual

You can use our proprietary information in our Manual which is described in Item 11. You must operate the Franchised Business in accordance with the standards, methods, policies, and procedures specified in the Manual, as we revise them. You must treat the Manual, and the information contained in it, as confidential, and must use all reasonable efforts to maintain such information as secret and confidential. You must not at any time reproduce the materials in whole or in part, or otherwise make them available to any unauthorized person without our prior written consent. The Manual, will at all times, remain our sole property and must be kept in a secure place.

Revisions to the Manual will not unreasonably affect your obligations, including economic requirements, under the Franchise Agreement.

Confidential Information

You must not, during or after the term of the Franchise Agreement, communicate, divulge, or use for the benefit of any other person or entity, any confidential information, knowledge, or know-how concerning the methods of operation of the Franchised Business which may be communicated to you or of which you may be apprised of by virtue of your operation under the Franchise Agreement.

You may divulge such confidential information only to those employees who must have access to it in order to perform their employment responsibilities. Any and all information, knowledge, know-how, and techniques which we designate as confidential will be deemed confidential for purposes of the Franchise Agreement, except information that you can demonstrate came to your attention prior to disclosure by us; or which, at the time of disclosure by us to you, have become a part of the public domain, through publication or communication by others, or which, after disclosure to you by us, becomes a part of the public domain, through publication or communication by others. At our request, you must require any employees having access to our confidential information to execute covenants that they will maintain the confidentiality of information they receive during their association with you.

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

You (or your Manager) shall exert your full-time and best efforts during business hours to the management of your restaurant. Your restaurant at all times must be under the direct supervision of a full time Manager (who may be you) who has completed our training program to our satisfaction. Your Manager need not have an equity interest in the franchised business.

Any person actively involved in the management of your franchise must enter into a confidentiality and non-competition agreement” which shall be approved first by us. If after a confidentiality and non-competition agreement is entered into you have reason to believe that any such person has violated the provisions of the “Confidentiality and Non-Competition Agreement”, you must notify us immediately and cooperate with us to

protect us against infringement or other unlawful use of the proprietary marks or the System.

Your Franchised Business must be under the direct on-premises supervision of a manager who has satisfactorily completed the required initial training as described in Item 11. We do not require that you act as manager of the Franchised Business. We recommend that you personally participate in the actual management and operation of the Franchised Business. If you are a corporation, we also require all officers, directors, and holders of a beneficial interest of five percent or more of the securities of the corporation and of any corporation directly or indirectly controlling a corporate or partnership franchisee, and to the general partners and any limited partner of a partnership or member of a limited liability company franchisee, to devote requisite time, energy, and best efforts to the management and operation of the Franchised Business and to guarantee the obligations under the Franchise Agreement. We also require completion and attendance at all required training and follow-up requirements specified in the Confidential Operations & Training Manual and we require that you obtain the same commitment from the manager for each of your Franchised Businesses. We do not require the manager to have an equity interest in your Franchised Business or to guarantee the obligations under the franchise agreement. We will require that you impose upon any manager you may hire the obligations contained in the Franchise Agreement relative to the confidentiality of the Operations & Training Manual and the obligation not to compete with us. We also require that you meet the standards of local health department and other code enforcement agencies within your jurisdiction.

If you are a partnership, corporation, limited liability company or other legal entity, each owner must undertake to be personally bound, jointly and severally, by your obligations under the Franchise Agreement, if any. The guaranty agreement is incorporated in the Franchise Agreement attached hereto as Exhibit One D.

#### **ITEM 16 RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL**

You must sell or offer for sale all products and services authorized by us and may not sell or offer for sale any products or services which have not been authorized. You may be restricted in the use of your premises by the use clause in your lease. Further, the Franchise Agreement prohibits the use of the restaurant premises for any purpose other than the operation of the Franchised Business. We have the right to change the types of authorized products and services and there are no limits on our right to make changes.

You must sell all food, menu items and other products and services that we require or in our sole discretion, approve for sale by written direction. You are not restricted as to the customers whom you may serve at the restaurant.

Your franchise may not offer any products or services we have not authorized for Green Leaf's Beyond Great Salads or Bananas Smoothies & Frozen Yogurt or when applicable, The Market By Villa, restaurants without our prior written approval. We have the right to change the types of authorized goods and services, and there are no limits on our right to make changes. You may not use your restaurant for any purpose other than the operation of a Green Leaf's Beyond Great Salads or Bananas Smoothies & Frozen Yogurt or when applicable, The Market By Villa, restaurant, as applicable, in compliance with the Franchise Agreement, Telephone booths, newspaper racks, jukeboxes, gum machines, games, rides, or any coin vending machines may not be installed on the premises without our written approval.

You must at all times maintain sufficient food, supplies, and personnel to operate the restaurant at its maximum capacity and efficiency.

**ITEM 17**  
**RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION**

**THE FRANCHISE RELATIONSHIP**

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

Provision	Section in Franchise Agreement	Section in the Area Development Agreement	Summary
a. Length of the term of the franchise	Sec. 2 of the Franchise Agreement Sec. 1 of Sublease Agreement	§§2.1 and 3.3	10 years
b. Renewal or extension of the term	Sec. 2 of the Franchise Agreement	§§2.2-2.4	1 additional 10-year term over terms of then-current Franchise Agreement
c. Requirements for franchisee to renew or extend	Sec. 2 of the Franchise Agreement	§2.2	Notice, satisfaction of monetary obligations, compliance with Franchise Agreement, execute the then current Franchise Agreement, which may have materially different terms and conditions from your original contract, payment of a renewal fee, and others
d. Termination by franchisee	Not Applicable	None	You may not terminate the Franchise Agreement
e. Termination by franchisor without cause	Sec. 19 of the Franchise Agreement	None	If the restaurant lease is not signed within 9 months after execution of the Franchise Agreement
f. Termination by franchisor with cause	Sec. 19 of the Franchise Agreement	§9	Default under the Franchise Agreement, bankruptcy, abandonment, and others
g. "Cause" defined – curable defaults	Sec. 19 of the Franchise Agreement	§9	Failure to pay monies owed to us, failure to maintain required standards, violation of any federal, state or local law, and others
h. "Cause" defined – non-curable defaults	Sec. 19 of the Franchise Agreement	§9	Bankruptcy, voluntary abandonment, conviction of felony, violation of in-term covenants, and others
i. Franchisee's obligations on termination/non-renewal	Secs. 19, 20, 21 and 22 of the Franchise Agreement	§10	Obligations include complete de-identification, payment of amounts due, including attorney fees for enforcement in judicial or arbitration

<b>Provision</b>	<b>Section in Franchise Agreement</b>	<b>Section in the Area Development Agreement</b>	<b>Summary</b>
			proceedings, compliance with covenants, and others
j. Assignment of franchise by franchisor	Sec. 18 of the Franchise Agreement	§11.1	There are no limits on our right to assign the Franchise Agreement
k. "Transfer" by franchisee - defined	Sec. 18 of the Franchise Agreement	§11.2	Includes transfer of any interest in the Franchised Business
l. Franchisor approval of transfer by franchisee	Sec. 18 of the Franchise Agreement	§§11.2 and 11.3	We have the right to approve transfers
m. Conditions for franchisor approval of transfer	Sec. 18 of the Franchise Agreement	§11.4	Includes payment of money owed, execution of release by transferor, transferee assumes Franchisee's obligations, payment of transfer fee, and others
n. Franchisor's right of first refusal to acquire franchisee's business	Sec. 18 of the Franchise Agreement	§11.5	We can match any offer, or the cash equivalent
o. Franchisor's option to purchase franchisee's business	Sec. 18 of the Franchise Agreement	None	We have the right to purchase any or all of your equipment, materials, or inventory at your cost or fair market value within 30 days of termination or expiration
p. death or disability of franchisee	Sec. 18 of the Franchise Agreement	§11.6	Interest in Franchised Business will be transferred to a third-party we have approved
q. Non-competition covenants during the term of the franchise	Sec. 22 of the Franchise Agreement	§7.3	No involvement in any competing business.
r. Non-competition covenants after the franchise is terminated or expires	Sec. 22 of the Franchise Agreement	§§10.2 and 13.5 (b)	Includes two-year prohibition similar to "q" on employment and engaging in a similar business within the protected territory, within a 5-mile radius of the Franchised Business, or within a 5-mile radius of any other Franchised Business under the same System
s. Modification of the agreement	Secs. 27 and 28 of the	§13.5 (h)	Must be in writing and signed by both parties

<b>Provision</b>	<b>Section in Franchise Agreement</b>	<b>Section in the Area Development Agreement</b>	<b>Summary</b>
	Franchise Agreement		
t. Integration/merger clause	Secs. 27 and 28 of the Franchise Agreement	§13.5 (h)	Only the terms of the Franchise Agreement are binding. The provisions of the Franchise Agreement or related agreements are not intended to disclaim disclosures to the disclosure document.
u. Dispute resolution by arbitration or mediation	Not Applicable	Not Applicable	
v. Choice of forum	Sec. 29 of the Franchise Agreement	§13.5 (a)	In Federal Court, the U.S. District Court in the Newark vicinage of New Jersey or in State Court, if by Franchisor either Morris, Essex or Union County, New Jersey or if by Franchisee, in Morris County, New Jersey. Franchisor may initiate injunctive relief in any court of competent jurisdiction pursuant to the Franchise Agreement or Area Development Agreement.
w. Choice of law	Sec. 29 of the Franchise Agreement	§13.5 (a)	Except to the extent governed by the U.S. Trademark Act, New Jersey law applies generally, except for applicable franchise laws of other states. Laws of the state in which the premises are located governs the Sublease.*
y. Other	Not Applicable	Not Applicable	
*Certain states may require different or additional disclosures or revisions to the agreements (see Exhibit C to the Disclosure Document, Exhibit One G to the Franchise Agreement, and Exhibit Two F to the Area Development Agreement) with respect to the choice of forum and choice of law provisions of the Franchise Agreement.			

The provision of the Franchise Agreement that provides for termination upon bankruptcy may not be enforceable under federal bankruptcy law (110. S.C. § 101 et. seq.)]

### **ITEM 18 PUBLIC FIGURES**

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

## ITEM 19 FINANCIAL PERFORMANCE REPRESENTATIONS

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

The following financial performance representation is based upon historical data concerning our affiliate restaurants. During the calendar year ~~2024~~2023 our affiliates operated 6 company Green Leaf's/Bananas restaurants which were open for one year or more. The unaudited average annual gross sales of the 6 restaurants were ~~\$813,612,796,769~~. Three (3) of the 6 restaurants (or 50%) surpassed the unaudited average annual gross sales. The unaudited median annual gross sales were ~~\$774,360,804,394~~. The annual gross sales for the restaurants ranged between ~~\$501,427,461,582~~ and ~~\$1,242,515,152,740~~. Average food and paper cost for the 6 restaurants was ~~26.63~~26.11% and the average labor cost was ~~26.41~~26.91%.

Note: Of the 6 restaurants, 1 is located in a nontraditional environment such as a casino which normally has extended hours of operation and is distinct in nature.

The following financial performance representation is based upon historical data concerning our domestic franchised restaurants. During the calendar year ~~2024~~2023 our domestic franchise system operated 10 Green Leaf's/-Bananas restaurants which were open one year or more. The unaudited average annual gross sales of the 10 ~~reporting~~ restaurants were ~~\$870,874,885,992~~. One (1) of the 10 restaurants (or 10%) surpassed the unaudited average annual gross sales. The unaudited median annual gross sales ~~of the 10 restaurants~~ were ~~\$644,393,702,156~~. The annual gross sales for the restaurants ranged between ~~\$308,171,413,543~~ and ~~\$3,068,3552,967,114~~.

Note: Of the 10 restaurants, 1 is located in a nontraditional environment such as an airport which normally has extended hours of operation and is distinct in nature.

There is a difference between the above 6 affiliate/corporate restaurants and the 10 franchise restaurants. Affiliate company restaurants did not pay an initial franchise fee, nor did they pay royalty fees or a national advertising fund fee, otherwise there was no difference.

The term "Gross Sales" means all revenues generated by the Restaurant conducted upon, from or with respect to the Restaurant, whether such sales are evidenced by cash, check, credit, charge, account or exchange. Gross Sales includes, without limitation, monies or credit received from the sale of food and merchandise, from tangible property of every kind and nature, promotional or otherwise, and for services performed from or at the Restaurant, including without limitation such off-premises services as catering and delivery. Gross Sales does not include the sale of food or merchandise for which refunds have been made in good faith to customers, nor does it include sales, meals, use or excise tax imposed by a governmental authority directly on sales and collected from customers; provided that the amount for such tax is added to the selling price or absorbed therein, and is actually paid by the owner to such governmental authority.

A Franchisee's financial results are likely to differ from the above information of our affiliate or franchised restaurants. The average Annual Gross Sales above are for restaurants operating two combined concepts. We do not have the Annual Gross Sales of each concept separately stated or separated. We offer both the Green Leaf's Beyond Great Salads concept and Bananas Smoothies & Frozen Yogurt concept independently

as a standalone concept. We also offer the Green Leaf’s Beyond Great Salads concept in conjunction with the Bananas Smoothies & Frozen Yogurt concept. Therefore, a Franchisee’s financial results operating a standalone Green Leaf’s Beyond Great Salads franchise or stand alone Bananas Smoothies & Frozen Yogurt franchise are likely to differ from the above information of Our affiliate. The above average Annual Gross Sales figures DO NOT reflect the costs of sales, operating expenses or other cost and expenses that must be deducted from the average Annual Gross Revenue or Gross Sales figures to obtain your net income or profit. You should conduct an independent investigation of the costs and expenses you will incur in operating your franchised restaurant. Franchisees listed in this disclosure document may be one source of this information.

The average restaurants included in the above calculations are for mature restaurants; accordingly, a new Franchisee’s individual Annual Gross Sales are likely to differ from the results stated above. Further, if you acquire a Green Leaf’s Beyond Great Salads franchise or a Bananas Smoothies & Frozen Yogurt franchise as a standalone concept the Annual Gross Sales will differ from the combined Annual Gross Sales of the Green Leaf’s Beyond Great Salads and Bananas Smoothies & Frozen Yogurt gross sales set forth above.

Historical costs do not necessarily correspond to future costs because of factors such as pandemics, inflation, changes in minimum wage laws, location, financing, construction costs, lease-related costs such as rent, CAM charges, taxes, interest, insurance, and utilities vary from franchise business to franchise business. All information should be evaluated in light of current market conditions including such cost and price information as may then be available.

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

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

Other than the preceding financial performance representation, Everything Yogurt Brands, LLC does not make any financial performance representations. We also do not authorize our employees or representatives to make any such representations either orally in 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 Everything Yogurt Brands, LLC, 25 Washington Street, Morristown, New Jersey 07960, (973) 285-4800, the Federal Trade Commission, and the appropriate state regulatory agencies.

**ITEM 20  
OUTLETS AND FRANCHISEE INFORMATION**

**Table No. 1**  
System Wide Outlet Summary  
For Years Ending December ~~2022, 2023 and 2024~~~~2021, 2022 and 2023~~

Outlet Type	Year	Outlets at Start of Year	Outlets at the End of the Year	Net Change
Franchised	<del>2022</del> <del>2021</del>	<del>14</del> <del>15</del>	<del>16</del> <del>14</del>	<del>+2</del> <del>+1</del>
	<del>2023</del> <del>2022</del>	<del>16</del> <del>14</del>	<del>14</del> <del>16</del>	<del>-2</del> <del>+2</del>
	<del>2024</del> <del>2023</del>	<del>14</del> <del>16</del>	<del>14</del> <del>14</del>	<del>0</del> <del>-2</del>

Outlet Type	Year	Outlets at Start of Year	Outlets at the End of the Year	Net Change
Company-Owned	<del>2022</del> <del>2021</del>	<u>98</u>	<u>89</u>	<u>-1+1</u>
	<del>2023</del> <del>2022</del>	<u>89</u>	<u>98</u>	<u>+1+1</u>
	<del>2024</del> <del>2023</del>	<u>98</u>	<u>99</u>	<u>0+1</u>
Total Outlets	<del>2022</del> <del>2021</del>	<u>2323</u>	<u>2423</u>	<u>+10</u>
	<del>2023</del> <del>2022</del>	<u>2423</u>	<u>2324</u>	<u>-1+1</u>
	<del>2024</del> <del>2023</del>	<u>2324</u>	<u>2323</u>	<u>0-1</u>

**Table No. 2**

Transfers of Franchised Outlets From Franchisees to New Owners  
(Other than the Franchisor)

For Years Ending December ~~2022, 2023 and 2024~~~~2021, 2022 and 2023~~

State	Year	Number of Transfers
None	<del>2022</del> <del>2021</del>	<u>00</u>
	<del>2023</del> <del>2022</del>	<u>00</u>
	<del>2024</del> <del>2023</del>	<u>00</u>
TOTALS	<del>2022</del> <del>2021</del>	<u>00</u>
	<del>2023</del> <del>2022</del>	<u>00</u>
	<del>2024</del> <del>2023</del>	<u>00</u>

**Table No. 3**

Status of Franchised Outlets

For Years Ending December ~~2022, 2023 and 2024~~~~2021, 2022 and 2023~~

Location	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations - Other Reasons	Outlets at End of Year
Colorado	<del>2022</del> <del>021</del>	<u>10</u>	<u>0+</u>	<u>00</u>	<u>00</u>	<u>00</u>	<u>00</u>	<u>1+</u>
	<del>2023</del> <del>022</del>	<u>1+</u>	<u>00</u>	<u>00</u>	<u>00</u>	<u>00</u>	<u>00</u>	<u>1+</u>
	<del>2024</del> <del>023</del>	<u>1+</u>	<u>00</u>	<u>00</u>	<u>00</u>	<u>00</u>	<u>00</u>	<u>1+</u>
Florida	<del>2022</del> <del>021</del>	<u>33</u>	<u>00</u>	<u>00</u>	<u>00</u>	<u>00</u>	<u>00</u>	<u>33</u>
	<del>2023</del> <del>022</del>	<u>33</u>	<u>00</u>	<u>00</u>	<u>00</u>	<u>00</u>	<u>00</u>	<u>33</u>

Location	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations - Other Reasons	Outlets at End of Year
	<del>2022</del>							
	<del>2024</del> <del>2023</del>	<u>33</u>	<u>00</u>	<u>00</u>	<u>00</u>	<u>00</u>	<u>00</u>	<u>33</u>
Louisiana	<del>2022</del> <del>2021</del>	<u>14</u>	<u>00</u>	<u>00</u>	<u>00</u>	<u>00</u>	<u>00</u>	<u>14</u>
	<del>2023</del> <del>2022</del>	<u>14</u>	<u>00</u>	<u>00</u>	<u>00</u>	<u>00</u>	<u>00</u>	<u>14</u>
	<del>2024</del> <del>2023</del>	<u>14</u>	<u>00</u>	<u>00</u>	<u>00</u>	<u>00</u>	<u>00</u>	<u>14</u>
Maryland	<del>2022</del> <del>2021</del>	<u>22</u>	<u>00</u>	<u>00</u>	<u>00</u>	<u>00</u>	<u>00</u>	<u>22</u>
	<del>2023</del> <del>2022</del>	<u>22</u>	<u>00</u>	<u>00</u>	<u>00</u>	<u>00</u>	<u>00</u>	<u>22</u>
	<del>2024</del> <del>2023</del>	<u>22</u>	<u>00</u>	<u>00</u>	<u>00</u>	<u>00</u>	<u>00</u>	<u>22</u>
New Hampshire	<del>2022</del> <del>2021</del>	<u>14</u>	<u>00</u>	<u>00</u>	<u>00</u>	<u>00</u>	<u>00</u>	<u>14</u>
	<del>2023</del> <del>2022</del>	<u>14</u>	<u>00</u>	<u>00</u>	<u>10</u>	<u>00</u>	<u>00</u>	<u>04</u>
	<del>2024</del> <del>2023</del>	<u>04</u>	<u>00</u>	<u>00</u>	<u>04</u>	<u>00</u>	<u>00</u>	<u>00</u>
New Jersey	<del>2022</del> <del>2021</del>	<u>14</u>	<u>10</u>	<u>00</u>	<u>00</u>	<u>00</u>	<u>00</u>	<u>24</u>
	<del>2023</del> <del>2022</del>	<u>24</u>	<u>14</u>	<u>00</u>	<u>20</u>	<u>00</u>	<u>00</u>	<u>12</u>
	<del>2024</del> <del>2023</del>	<u>12</u>	<u>04</u>	<u>00</u>	<u>02</u>	<u>00</u>	<u>00</u>	<u>14</u>
New York	<del>2022</del> <del>2021</del>	<u>33</u>	<u>10</u>	<u>00</u>	<u>00</u>	<u>00</u>	<u>00</u>	<u>43</u>
	<del>2023</del> <del>2022</del>	<u>43</u>	<u>04</u>	<u>00</u>	<u>00</u>	<u>00</u>	<u>00</u>	<u>44</u>
	<del>2024</del> <del>2023</del>	<u>44</u>	<u>00</u>	<u>00</u>	<u>00</u>	<u>00</u>	<u>00</u>	<u>44</u>
Pennsylvania	<del>2022</del> <del>2021</del>	<u>12</u>	<u>00</u>	<u>00</u>	<u>04</u>	<u>00</u>	<u>00</u>	<u>14</u>
	<del>2023</del> <del>2022</del>	<u>14</u>	<u>00</u>	<u>00</u>	<u>00</u>	<u>00</u>	<u>00</u>	<u>14</u>
	<del>2024</del> <del>2023</del>	<u>14</u>	<u>00</u>	<u>00</u>	<u>00</u>	<u>00</u>	<u>00</u>	<u>14</u>
Tennessee	<del>2022</del> <del>2021</del>	<u>14</u>	<u>00</u>	<u>00</u>	<u>00</u>	<u>00</u>	<u>00</u>	<u>14</u>
	<del>2023</del> <del>2022</del>	<u>14</u>	<u>00</u>	<u>00</u>	<u>00</u>	<u>00</u>	<u>00</u>	<u>14</u>
	<del>2024</del> <del>2023</del>	<u>14</u>	<u>00</u>	<u>00</u>	<u>00</u>	<u>00</u>	<u>00</u>	<u>14</u>

Location	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations - Other Reasons	Outlets at End of Year
Total	<del>2022</del> <del>021</del>	1415	21	00	02	00	00	1614
	<del>2023</del> <del>022</del>	1614	12	00	30	00	00	1416
	<del>2024</del> <del>023</del>	1416	01	00	03	00	00	1414

**Table No. 4**  
Status of Company-Owned Outlets  
For Years Ending December ~~2022, 2023 and 2024~~2021, 2022 and 2023

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired From Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets At End Of The Year
California	<del>2022</del> 2021	11	00	00	00	00	11
	<del>2023</del> 2022	11	00	00	00	00	11
	<del>2024</del> 2023	11	00	00	00	00	11
Nevada	<del>2022</del> 2021	11	00	00	00	00	11
	<del>2023</del> 2022	11	00	00	00	00	11
	<del>2024</del> 2023	11	00	00	00	00	11
New Jersey	<del>2022</del> 2021	00	00	00	00	00	00
	<del>2023</del> 2022	00	10	00	00	00	10
	<del>2024</del> 2023	10	01	00	00	00	11
New York	<del>2022</del> 2021	10	01	00	00	10	01
	<del>2023</del> 2022	01	00	00	00	01	00
	<del>2024</del> 2023	00	00	00	00	00	00
North Carolina	<del>2022</del> 2021	11	00	00	00	00	11
	<del>2023</del> 2022	11	00	00	00	00	11
	<del>2024</del> 2023	11	00	00	00	00	11
Pennsylvania	<del>2022</del> 2021	11	00	00	00	00	11
	<del>2023</del> 2022	11	00	00	00	00	11
	<del>2024</del> 2023	11	00	00	00	00	11
Texas	<del>2022</del> 2021	22	00	00	00	00	22
	<del>2023</del> 2022	22	00	00	00	00	22
	<del>2024</del> 2023	22	00	00	00	00	22
Virginia	<del>2022</del> 2021	22	00	00	00	00	22
	<del>2023</del> 2022	22	00	00	00	00	22
	<del>2024</del> 2023	22	00	00	00	00	22
Total	<del>2022</del> 2021	98	01	00	00	10	89
	<del>2023</del> 2022	89	10	00	00	01	98
	<del>2024</del> 2023	98	01	00	00	00	99

**Table No. 5**  
 Projected Openings As Of December 31, ~~2024~~2023

State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlets in the Next Fiscal Year	Projected New Company-Owned Outlets in Next Fiscal Year
Florida	<del>00</del>	<del>10</del>	<del>04</del>
New York	<del>00</del>	<del>00</del>	<del>14</del>
<b>TOTAL</b>	<del>00</del>	<del>10</del>	<del>12</del>

Our list of current franchisees is found in Exhibit F.

Our list of former franchisees is found in Exhibit G. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

In the last three years there have been no current or former franchisees to sign confidentiality clauses. In some instances, current and former franchisees sign provisions restricting their ability to speak openly about their experience with Everything Yogurt Brands, LLC. 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.

There are no trademark specific franchisee organizations associated with the franchise system which we created, sponsored or endorsed, or any independent franchisee organizations that have asked to be included in this Disclosure Document.

We have not created nor sponsored nor endorsed any Franchisee Organizations.

**ITEM 21**  
**FINANCIAL STATEMENTS**

Everything Yogurt Brands, LLC was formed in 2003. The company's fiscal year ends on the last Sunday in December. Audited financials for the fiscal year end period ending ~~December 26, 2021~~, December 25, 2022, ~~and~~ December 31, 2023 and December 29~~31~~, 2024 are attached as Exhibit I to this disclosure document.

**ITEM 22**  
**CONTRACTS**

The following contracts are attached to this disclosure document in the following order:

Exhibit A: Franchise Agreement

	Exhibit One B	Addendum to Lease
	Exhibit One D	Owner's Personal Guaranty of Franchisee's Obligations
	Exhibit One D-1	Corporate Guaranty of Franchisee's Obligations
	Exhibit One E	SBA Addendum to Franchise Agreement
	Exhibit One G	Applicable State Addendums
	Exhibit One J	Deposit Agreement
Exhibit B:	Area Development Agreement	
	Exhibit Two B	Owner's Personal Guaranty of Developer's Obligations
	Exhibit Two C	Corporate Guaranty of Developer's Obligations
	Exhibit Two D	Confidentiality And Non-Competition Agreement
	Exhibit Two E	Deposit Agreement
	Exhibit Two F	State Riders
Exhibit C	State Addendum to FDD	
Exhibit J	Sublease Agreement	

**ITEM 23  
RECEIPT**

Exhibit L of the disclosure document is a detachable document, in duplicate, acknowledging receipt of the disclosure document by a prospective franchisee. You should sign both copies of the Receipt. Retain one copy of the Receipt for Your records and return the other signed copy to Us.

**EXHIBIT A**  
**to Disclosure Document**

**STANDARD FRANCHISE AGREEMENT**

## FRANCHISE AGREEMENT

Green Leaf's Beyond Great Salads

Bananas Smoothies & Frozen Yogurt

[Location]

**FRANCHISE AGREEMENT  
SUMMARY PAGE**

I. Restaurant Location & Concept (“Restaurant Location” and “Concept”):

II. Franchisor (“Franchisor”):

Name: Everything Yogurt Brands, LLC  
State of Formation: Delaware  
Address: 25 Washington Street, Morristown, NJ 07960

III. Franchisee (“Franchisee”):

Name:  
Contact Information:  
State of Formation (if applicable):

IV. Guarantors (individually and collectively “Guarantors”):

Name:  
Contact Information:  
State of Formation (if applicable):

V. Initial Franchise Fee (“Initial Franchise Fee”):

Amount & Date Received:  
Balanced Owed:

VI. Date of Franchise Agreement (“Date of Franchise Agreement”):

VII. Mark (individually or collectively “Mark” or “Marks”):

VIII. Franchisee’s Existing Locations (“Franchisee’s Existing Locations”):

**TABLE OF CONTENTS  
TO  
FRANCHISE AGREEMENT**

Page

Section

1	APPOINTMENT.....	1
2	TERM AND RENEWAL.....	2
3	RESTAURANT LOCATION .....	3
4	SPECIFICATIONS OF EQUIPMENT .....	4
5	RESTAURANT DEVELOPMENT .....	5
6	RESTAURANT REFURBISHING .....	6
7	TRAINING.....	6
8	OPERATION AND MANAGEMENT OF THE RESTAURANT.....	7
9	OPERATING ASSISTANCE .....	9
10	FEES.....	9
11	DUTIES OF FRANCHISEE .....	10
12	MARKS.....	13
13	CONFIDENTIAL OPERATIONS & TRAINING MANUAL .....	16
14	CONFIDENTIAL INFORMATION.....	17+6
15	ACCOUNTING AND RECORDS .....	17
16	ADVERTISING .....	18
17	INSURANCE.....	20
18	TRANSFERABILITY OF INTEREST.....	22
19	DEFAULT AND TERMINATION .....	25
20	OBLIGATIONS UPON TERMINATION .....	28
21	STEP-IN RIGHTS.....	29
22	COVENANTS.....	30
23	TAXES, PERMITS AND INDEBTEDNESS .....	33
24	INDEPENDENT CONTRACTOR AND INDEMNIFICATION.....	33
25	APPROVALS AND WAIVERS .....	35
26	NOTICES .....	36
27	ENTIRE AGREEMENT .....	36
28	SEVERABILITY AND CONSTRUCTION .....	36
29	APPLICABLE LAW.....	37
30	TAXES .....	39
31	CONFIRMATIONS .....	39
SIGNATURE PAGE .....		40

**TABLE OF CONTENTS**  
**TO**  
**FRANCHISE AGREEMENT**  
**(Continued)**

**EXHIBITS**

Exhibit One A	Intentionally Omitted
Exhibit One B	Addendum to Lease
Exhibit One C	Intentionally Omitted
Exhibit One D	Owner's Personal Guaranty of Franchisee's Obligations
Exhibit One D-1	Corporate Guaranty of Franchisee's Obligations
Exhibit One E	SBA Addendum to Franchise Agreement
Exhibit One F	Bank Draft Authorization for Pre-Authorized Payment (ACH Debit Authorization)
Exhibit One G	Applicable State Addendums
Exhibit One H	Menu Items
Exhibit One I	Non-Compete Items
Exhibit One J	Deposit Agreement

## **FRANCHISE AGREEMENT**

THIS AGREEMENT, made on the Date of the Franchise Agreement by and between Franchisor and Franchisee as each such capitalized term is defined in the Summary Page of this Agreement.

### W I T N E S S E T H:

WHEREAS, Franchisor and its affiliates, as the result of the expenditure of time, skill, effort and money, have developed and owns a distinctive format relating to the establishment and operation of restaurants for the Concept specified on the Summary Page individually and collectively, “Restaurant(s)”; and

WHEREAS, Franchisor and its affiliates have developed a comprehensive system for the establishment and operation of the Restaurants, including distinctive exterior and interior design, decor, color scheme and furnishings; uniform standards, specifications and procedures for operations; quality and uniformity of products and services offered; procedures for management and inventory control; training and assistance and advertising and promotional programs (collectively, the “System”), all of which may be changed, improved and further developed by Franchisor from time to time; and

WHEREAS, Franchisor’s affiliate is the owner of the title and interest, together with all the good will connected therewith, in and to the Marks on the Summary Page of the Franchise Agreement and all other trademarks, service marks, trade dress, logos and slogans now or in the future used in conjunction with the operation of the Franchised Business (collectively, “Marks”) as well as all other intellectual property rights used in connection with the Franchised Business which are included in the definition of “Marks”; and

WHEREAS, Franchisee acknowledges having read this Agreement and Franchisor’s Franchise Disclosure Document. Franchisee understands the terms of this Agreement and accepts them as being reasonably necessary to maintain the uniformity of Franchisor’s high quality standards at the Restaurant in order to protect the goodwill of the Marks and the integrity of the System. Franchisee has conducted an independent investigation of the business contemplated by this Agreement and recognizes that the restaurant industry is highly competitive, with constantly changing market conditions. Franchisee recognizes that the nature of the Restaurant may change over time, that an investment in the Restaurant involves business risks and that the success of the venture is largely dependent on Franchisee’s own business abilities, efforts and financial resources. Franchisee has not received or relied on any guaranty or assurance, express or implied, as to the revenues, profits or success of the business venture contemplated by this Agreement; and

WHEREAS, Franchisee desires to obtain a franchise to operate the Restaurant at the Restaurant Location, and Franchisor is willing to grant such franchise to Franchisee on the terms and conditions hereinafter set forth.

NOW, THEREFORE, the parties hereto, intending to be legally bound, in consideration of the mutual agreements, covenants and promises contained herein, and other good and valuable consideration, the receipt and adequacy whereof is hereby acknowledged, do hereby agree as follows:

### **1. APPOINTMENT**

Franchisor hereby grants to Franchisee the right, and Franchisee hereby assumes the obligation, to operate one (1) restaurant using the System and the Marks and only the System and Marks at the Restaurant Location. The franchise granted hereby is for a specific location only. Franchisee has no territorial or

exclusive rights whatsoever, and Franchisor has the unfettered right to own, operate and license others to own and operate Restaurants anywhere, including in the vicinity and market area of the Restaurant Location.

Franchisor reserves the right, in its sole discretion, to modify its System, including the adoption and use of new or modified logos, trade names, trademarks, service marks or copy-righted materials, new food items, new products, new techniques or new equipment. Franchisee recognizes Franchisor's right to make any such modifications or changes and agrees to accept, implement, use and display such changes and modifications at Franchisee's expense as if they were part of this Franchise Agreement at the time of the execution hereof. Franchisee, within a reasonable time, will make such expenditures as such changes or modification may require.

Except as otherwise expressly provided in this Agreement, Franchisor retains all rights and discretion with respect to the Marks, the System and the Restaurants anywhere in the world and the right to engage in any other business whatsoever, including the right to: (a) operate, and grant to others the right to operate, the Restaurants at such locations and on such terms and conditions as Franchisor deems appropriate; (b) sell any products or services under the Marks or under any other trademarks, service marks or trade dress, through other channels of distribution; and (c) operate, and grant to others the right to operate, restaurants identified by trademarks, service marks or trade dress, other than the Marks, pursuant to such terms and conditions as are deemed appropriate.

Franchisee acknowledges that, in addition to the System and the Restaurants, Franchisor has developed certain other business plans and methods for the opening and operation of restaurants which specialize in the preparation, merchandising, and sale of food and/or beverage items under other trade names and service marks not specified on the Summary Page. This franchise is only being granted to Franchisee for the license to use the System, Restaurant and Marks.

Franchisee acknowledges and agrees that Franchisor shall have the absolute unfettered right to use, license and to franchise others to use any other proprietary mark(s) and associated food and beverage item or any other product or service not specified on the Summary page at any location and by any means, including, without limitation, from mobile carts, kiosks, and self serve units within or outside of any location granted by Franchisor to Franchisee by the Franchise Agreement. Franchisee also understands and acknowledges that the rights granted to Franchisee to the Restaurant grant Franchisee no rights under or to any other proprietary marks and Systems not specified herein.

## **2. TERM AND RENEWAL**

2.01 Term. The term of this Agreement shall begin on the Date of the Franchise Agreement and end on the sooner to occur of (the "Term"): (a) the tenth (10th) anniversary of the opening date of the Restaurant; or (b) the termination or expiration of the lease or sublease for the Premises (the lease or sublease referred to herein as the "Lease") .

2.02 Right to Renew. Franchisee shall have the right to renew the franchise for one (1) term, provided:

(a) Franchisee gives Franchisor written notice of exercise at least nine (9) months, but not more than twelve (12) months prior to expiration; and

(b) Franchisee and any of its affiliates are not in default under this Agreement or any other agreements with Franchisor or any of its affiliates; and

(c) Franchisee has not been in default at any time during the term of the Franchise Agreement, even if such default was subsequently cured; and

(d) Franchisee is not a lessee under a lease agreement with Franchisor, provided Franchisor may in its sole discretion waive this provision; and

(e) Franchisee (and its owners) execute Franchisor's then-current form of Franchise Agreement, and all other agreements, legal instruments (including a general release and personal guarantees by Franchisee's owners) and other documents customarily used by the Franchisor in the granting of franchises for the Restaurants, which may vary materially from those presently in use. The Franchisee shall pay a renewal fee of fifty (50%) percent of the then current initial franchise fee in lieu of the initial franchise fee; and

(f) Franchisee maintains possession of the Premises and upgrades the equipment, fixtures, design and decor of the Restaurants to meet the then existing specifications and standards of Franchisor.

### **3. RESTAURANT LOCATION**

This Agreement shall be subject to the availability of the Restaurant Location and, at Franchisor's option: (a) execution by Franchisor or one of its affiliates and the owner of the Premises of a mutually satisfactory Lease and the execution by Franchisee of a sublease on substantially the same terms; or (b) execution by Franchisee of a Lease with the owner of the Premises that is acceptable to both Franchisor and Franchisee, coupled with an Addendum to Lease in favor of Franchisor or one of its affiliates. The current form of Addendum to Lease is attached hereto as Exhibit One B.

(a) The Restaurant shall be located at the Restaurant Location identified on the Franchise Agreement Summary Page, ("Premises").

Franchisee acknowledges that Franchisee selected the Premises subject to Franchisor's approval. Neither Franchisor's site selection guidelines and requirements, Franchisor's approval of the Premises, nor any information Franchisor may impart to Franchisee about the Premises, constitutes a warranty or representation of any kind, express or implied, that the Restaurant will be profitable or successful. Franchisor's approval of the Premises merely signifies that Franchisor authorizes Franchisee to operate the Restaurant at that site. Franchisee is solely responsible for the selection of an appropriate site for the Restaurant. If Franchisor negotiates a lease for the Premises on Franchisee's behalf, which lease, in Franchisor's reasonable judgment, would be acceptable for the operation of the Restaurant, Franchisee must pay Franchisor a reasonable lease negotiation fee, which may include both legal costs (including time spent by any in-house counsel) and brokerage fees.

(b) If the appropriate lease documentation, as above described, is not signed within nine (9) months after the execution of this Agreement, at the option of either the Franchisee or Franchisor, this Agreement, and related agreements, if any, may be terminated. In such event, the Initial Franchise Fee specified in Paragraph 10.01 herein shall be refunded to the Franchisee, less the costs and expenses incurred by Franchisor, including its expenses in connection with the search for a site, travel and living expenses and legal and other related expenses. Such refund will be made by Franchisor within seven (7) business days (unless a shorter period is prescribed by applicable law) after receipt of written notice from the Franchisee of the exercise of its option to terminate this Agreement (and related agreements), along with a general release satisfactory to Franchisor duly executed by Franchisee and its owners, or immediately by Franchisor, if it exercises its option to terminate. Unless required to do so by any applicable law, such refund will be without interest.

(c) If, for any reason, Franchisee has not opened the Restaurant within six (6) months after the date possession of the Premises has been made available to it, or such different date if specified in the lease, Franchisor may terminate this Agreement at any time thereafter and prior to the opening of the Restaurant, by giving written notice of termination to Franchisee. If this Agreement is terminated pursuant to these provisions, Franchisee shall reimburse Franchisor for its costs and expenses in connection with this franchise including, but not limited to, expenses incurred in connection with the search for a site, advertising and negotiating the lease for the Restaurant, construction expenses, if any, incurred by Franchisor and expenses incurred in training the Franchisee and its employees including travel and living expenses, compensation of employees of Franchisor and legal fees and expenses incurred. Franchisor will refund the Initial Franchise Fee after deducting such sums from the Initial Franchise Fee, provided Franchisee and its owners shall have executed and delivered a general release satisfactory to Franchisor.

(d) Any Lease entered into by Franchisee shall be exclusively for the operation of the Restaurant, and shall provide that upon termination or expiration of the franchise, for any reason, Franchisor shall have the right, but not the obligation, to be assigned and to assume the Lease, and replace Franchisee as tenant. Any Lease entered into by Franchisee shall further prohibit Franchisee from subleasing or assigning all or any part of Franchisee's occupancy rights, or extending the term of or revising the Lease, without prior written consent. Franchisee shall, upon the exercise of that right by Franchisor, be fully indemnified by Franchisor from all liability for future rent and all other future obligations under the Lease (though not from any liability for unpaid rent or any then existing liabilities or obligations under the lease). Franchisee agrees to execute any documents required to assign the Lease to Franchisor or to a designee of Franchisor.

(e) The Franchisee may operate the Restaurant only at the Premises. The Franchisee may sell to anyone, at retail only, prepared food of the character, and meeting the quality standards contemplated in this Agreement, provided that all sales are from the Premises. Franchisee may not open or operate from another location, and may not engage in any other type of business at or from the Premises.

#### **4. SPECIFICATIONS OF EQUIPMENT**

Franchisee shall conform to Franchisor's specifications with respect to the equipment, furniture, fixtures and exterior and interior signs required for the Restaurant. Specifications may include minimum standards for delivery, performance, designs and appearance and local zoning, sign and other restrictions. Franchisee may purchase or lease original and replacement equipment, furniture, fixtures and signs meeting such specifications from sources previously approved by Franchisor. Franchisee will notify Franchisor prior to dealing with any sources which have not been previously approved by Franchisor, and Franchisor may require submission of sufficient specifications, photographs, drawings and/or information and samples to determine whether such items of equipment, furniture, fixtures or signs meet its specifications. Franchisor shall advise Franchisee, within a reasonable time, whether such items of equipment, furniture, fixtures or signs meet its specifications. Franchisor, at its sole and exclusive option, may provide Franchisee with specifications and minimum standards for all or portions of the Restaurant's construction, design and layout, which Franchisee agrees to follow. There are no warranties except where applicable, the warranty of a manufacturer. Franchisor has not and does not make any express or implied warranties, including, but not limited to, the implied warranty of merchantability and fitness for a particular purpose. In no event will Franchisor be responsible for or liable for any special, incidental, indirect, or consequential damages for any loss of profit or revenue, even if advised of the possibility of such damage.

## **5. RESTAURANT DEVELOPMENT**

Franchisee is responsible for the construction and development of the Restaurant. Within a reasonable amount of time after Franchisee executes this Agreement and upon Franchisee's written request, Franchisor will provide to Franchisee the most current specifications for the design and general layout of the Restaurant. Prior to commencing construction, Franchisee must comply, to Franchisor's sole satisfaction, with the following:

(a) Franchisee must engage an approved architect and engineer to prepare a site layout and working drawings for construction of the Restaurant, and submit to Franchisor a statement identifying the architect and engineer, describing the qualifications of each.

(b) Franchisee must submit to Franchisor for its approval, a site layout and working drawings adopting Franchisor's then-current plans and specifications for constructing, equipping, fixturing and furnishing the Restaurant at the approved site in compliance with all applicable laws, regulations and ordinances (the "Plans"). The Plans must not be materially changed or modified without Franchisor's prior written consent: a change is material if it (1) affects the structural integrity of the Restaurant, (2) changes the appearance, location, size or quality of the Restaurant, (3) affects the appearance, furnishings or fixturing of the Restaurant or (4) causes the Restaurant to deviate from the standards then established for the System. Franchisor's approval of the Plans constitutes only a representation that the Plans comply with Franchisor's then-current plans and specifications for construction; such approval does not equate or constitute Franchisor's representation of compliance with Franchisee's landlord's construction criteria, if applicable, or state or local building requirements, for which Franchisee is solely responsible.

(c) Franchisee must employ an approved general contractor to construct the Restaurant and complete all improvements and submit to Franchisor a statement identifying the general contractor and describing the general contractor's qualifications and financial responsibility.

(d) Franchisee must obtain all permits, certificates and licenses required for construction and completing improvements to the Restaurant, including without limitation, those required by applicable zoning, access, utility, sign, building, health, safety, environmental laws, ordinances, rules and regulations.

(e) Should Franchisee fail to comply with any of the requirements set forth hereinabove in paragraphs (a) and (b), Franchisor, in its sole discretion, may agree to review the site layout and working drawings and require Franchisee to pay a Two Thousand Dollar (\$2,000) Plan Compliance Fee within ten (10) days of notice from Franchisor.

(f) Franchisee shall provide written notice to Franchisor of the date of commencement of construction of the Restaurant within ten (10) days after such commencement. In accordance with the architectural and construction plans and specifications furnished to Franchisor, Franchisee shall complete, at Franchisee's sole expense, construction of the Premises within one hundred and eighty (180) days after the date of acquisition of a site approved by Franchisor, or earlier if required under the terms of the Lease covering the Restaurant's premises, exclusive of time lost by reason of events beyond Franchisee's control. Franchisor and its agents shall have the right to inspect the construction at any reasonable time. Franchisee shall provide Franchisor with written notice when construction is estimated to be thirty (30) days from completion, and shall open the Restaurant promptly upon completion of construction, unless otherwise required under the terms of the Lease. Franchisee and Franchisor agree that time is of the essence in the construction and opening of the Restaurant and if, for any reason, Franchisee has failed to open the Restaurant within six (6) months after the date of possession of the site has been made available to Franchisee, or such different date if specified in the lease, Franchisor may terminate this Agreement.

Neither Franchisor's approval of an architect chosen by Franchisee nor providing Franchisee with Franchisor's then current plans and specifications for constructing, equipping, fixturing and furnishing the Restaurant, nor any information which Franchisor may impart to Franchisee shall constitute a warranty or representation of any kind, either expressed or implied, that the Restaurant will be profitable or successful.

(g) Franchisee's signage must comply with all state and local laws and ordinances. The signage must also incorporate the specific letter style, curvature, approved colors and trademark associated with Franchisor's logo. Franchisee must not use a sign that deviates from the standard logo unless and until Franchisee has submitted a request for such deviation to Franchisor in writing with drawings and Franchisor has approved such deviation in writing. Any modification of the signage will be done at Franchisee's sole cost. If Franchisee employs any signage that does not comply with this Agreement, Franchisee will be in material breach of this Agreement.

## **6. RESTAURANT REFURBISHING**

Franchisee agrees to effect such remodeling, updating and/or refurbishing of the Restaurant, at Franchisee's cost, in addition to regular maintenance and repair, from time to time, as is required by Franchisor in order to maintain or improve the appearance and efficient operation of the Restaurant and/or increase its business potential.

## **7. TRAINING**

(a) Prior to commencement of the initial training, the following events must occur:

(i) All applicants for training must be approved by Franchisor, which will not withhold its approval without good cause;

(ii) This Agreement, and any related agreements, must be executed by Franchisee and Franchisor;

(iii) Franchisee and the lessor, or if there is an approved sublease, the sublessor, of the Premises (or Franchisor) must have executed the Lease or if appropriate, the sublease, for the Premises, and Franchisee shall have provided a copy of its Lease or approved sublease to Franchisor thereof to Franchisor;

(iv) All outstanding amounts of money due and owing to Franchisor, or others, in connection with the franchise, must be paid.

(b) Training shall commence approximately five (5) to six (6) weeks prior to the scheduled opening date of the Restaurant, and shall last for a period of approximately two (2) weeks.

(c) Training is mandatory for Franchisee (or its principal owner) and Franchisee's full-time restaurant manager ("Restaurant Manager"), and must be completed to Franchisor's satisfaction before the Restaurant may be opened.

(d) All trainees, including Franchisee (or its principal owner) shall, at Franchisee's cost and expense, attend Franchisor's training program at such times, and at such places as specified by Franchisor. During the training program Franchisee (or its principal owner), and its Restaurant Manager, shall receive instruction, training and education in the operation of the Restaurant. Franchisor provides no training on human resource or administration issues. Franchisor shall impose reasonable charges for

additional persons to attend initial training. Franchisee shall bear all personal expenses during the training program including, but not limited to, compensation, travel, food and lodging costs.

(e) Franchisee shall implement a training program for employees of the Restaurant, in accordance with training standards and procedures prescribed by Franchisor, from time to time. ~~Franchisee may additionally be required to subscribe to Franchisor's iLEARN Center provided by an approved vendor and pay the approved vendor a monthly subscription fee. Upon notice from Franchisor, Franchisee will immediately subscribe with the approved vendor to our iLEARN Center. Franchisor provides no training on human resources or administration issues.~~ Franchisee shall maintain, at all times during the Term of this Agreement, a staff of trained employees sufficient to operate the Restaurant in accordance with this Agreement. Franchisee agrees not to employ any person who is required to complete a training program, but who fails or refuses to do so.

(f) Franchisee is responsible for hiring all employees of the Restaurant and is exclusively responsible for the terms of their employment, including their compensation and training. Franchisee is solely responsible for all employment decisions for the Restaurant, including those related to hiring, firing, remuneration, personnel policies, benefits, record keeping, supervision and discipline, and regardless of whether advice was received from Franchisor on these subjects.

(g) Franchisee (or its principal owner), or its Restaurant Manager, and any replacement Restaurant Managers shall attend additional training programs, sales meetings, operations meetings and conventions, as Franchisor may, from time to time, direct. Franchisor reserves the right to impose reasonable fees for such additional training. All expenses of Franchisee incurred in connection with attendance at training programs, sales meetings, operations meetings and conventions shall be borne solely by Franchisee.

## **8. OPERATION AND MANAGEMENT OF THE RESTAURANT**

(a) In order to maintain the high quality and uniform standards associated with the System, and to promote and protect Franchisor's good will and reputation, Franchisee agrees from the day it opens the Restaurant through expiration of the Term:

(i) To operate the Restaurant exclusively as a Restaurant under the Marks, in strict conformity with the Confidential Operations & Training Manual referred to in Section 13, and not to engage in any other type of business at the franchised location;

(ii) To sell all food, menu items and other products required by Franchisor, and not to sell any other food, menu items or products at the Premises;

(iii) To equip, maintain, staff and operate the Restaurant strictly in accordance with the methods, procedures and techniques as are, from time to time, established by Franchisor in its Confidential Operations & Training Manual or otherwise;

(iv) To vigorously and aggressively promote the business, by making use of the advertising, sales promotion and merchandise materials and programs developed and prescribed, from time to time, by Franchisor.

(v) To keep the Restaurant open for business the minimum number of days per week, and hours per day, prescribed by Franchisor, from time to time, or as required by the lease, if different from those prescribed by Franchisor;

(vi) To keep and maintain the Restaurant, and its appearance, in a clean and orderly manner, consistent with the Confidential Operations & Training Manual, and in accordance with the directives of Franchisor, which Franchisor deems necessary to protect the standards of quality and uniformity established by it for the System;

(vii) To comply, at all times, with Federal, State, City and other local laws, regulations and ordinances;

(viii) To maintain, at all times, sufficient food, supplies and personnel to operate the Restaurant at maximum capacity and efficiency;

(ix) To file or register, as an assumed name, the Marks, as may be appropriate when utilized in connection with the operation of the Restaurant, and any such required filings shall clearly indicate, and shall not be construed as granting Franchisee any right, title or interest, other than the license to use such names as granted in this Agreement, in or to such names;

(x) To operate the Restaurant under the Mark(s), as determined and instructed by Franchisor, and under no other name. However, such usage shall not be construed as granting Franchisee any right, title or interest in such names other than pursuant to the terms and conditions contained in the license granted in this Agreement;

(xi) To use and display the Marks prominently and in such manner as may, from time to time, be directed in writing by Franchisor and not to use or display any other trade name, trademark, service mark, logo or designation;

(xii) To deal fairly and honestly with the public and with Franchisor;

(xiii) To require the Restaurant Manager to devote his full-time and best efforts to the operation of the Restaurant;

(xiv) To pay, when due, any fines fees, penalties and taxes in connection with the operation of the Restaurant;

(xv) To conform to all standards of quality and service prescribed by Franchisor, so as to sustain the good will and prestige that the Marks enjoy with the public.

(b) Franchisee shall serve all the specified menu items described in Franchisor's Confidential Operations & Training Manual, except insofar as Franchisor may, in writing, consent to the elimination of one or more of such menu items. All menu items shall be prepared and served in accordance with the recipes and specifications contained in such Confidential Operations & Training Manual, or as otherwise directed by Franchisor, from time to time. Without the prior written approval of Franchisor, no foods or beverages other than such specified menu items will be served by the Restaurant.

(c) If Franchisee shall, in any way, fail to maintain the standards of quality or service established by Franchisor, Franchisor shall have the right (in addition to its rights under the Franchise Agreement) to assign to the Restaurant such person or persons as it deems necessary for the training of Franchisee's employees, and to insure that standards of quality and service are maintained. The standards of quality and service however, do not include our dictating Franchisee's employment matters relating to hiring, firing, wages, discipline or other human resource policies or procedures. We do not offer nor dictate Franchisee's employment matters relating to hiring, firing, wages, discipline or other human resource

policies and procedures. Franchisor's actual costs for each such person so assigned to the Restaurant, plus travel and living expenses, shall be paid by Franchisee.

(d) Telephone booths, newspaper racks, juke boxes, gum machines, games, rides, or any coin vending machines will not be installed on the Premises without the written approval of Franchisor.

## **9. OPERATING ASSISTANCE**

(a) Franchisor will furnish to Franchisee such operating assistance, in connection with the operation of the Restaurant to the extent that if at all, Franchisor determines, from time to time, to be necessary. Operating assistance does not include ~~our dictating your~~ employment matters relating to hiring, firing, wages, discipline or other human resource policies or procedures and upon our request, you will obtain signed acknowledgements from your employees acknowledging that they are employed solely by Franchisee. Operating assistance may include advice and guidance with respect to:

(i) Food preparation and supplying menus, recipes and food required by Franchisee in its operations;

(ii) Formulating advertising and promotional programs;

(iii) Evaluating and testing of new food developments and other improvements in the System, and in the Restaurant.

(b) Franchisor will furnish to Franchisee the Confidential Operations & Training Manual described herein, and other instructional and training material needed to provide guidance in the methods, procedures, recipes and techniques for operating the Restaurant. Franchisor may furnish, from time to time, such other manuals, business information and literature, as Franchisor determines will be helpful in improving the operation of the Restaurant.

(c) Franchisor may advise Franchisee, from time to time, of any operating problems experienced at the Restaurant, which problems are disclosed in reports submitted to or inspections made by Franchisor. Franchisee may be required to correct these problems within seven (7) days, unless same pertain to violations of a health ordinance, in which case those problems must be corrected within twenty-four (24) hours after their occurrence.

(d) Except as otherwise provided herein, Franchisor will not charge Franchisee for such operating assistance, provided, however, that Franchisor shall have the right to make reasonable charges for forms and other materials supplied to Franchisee, and for special operating assistance made necessary, in the judgment of Franchisor, as a result of Franchisee's failure to comply with any provision of this Agreement or the Confidential Operations & Training Manual or any specification, standard or other operating procedure prescribed by Franchisor.

## **10. FEES**

**10.01 Fees Paid to Franchisor.** In consideration of the franchise granted herein, Franchisee shall pay to Franchisor the following fees:

A. The Franchisee shall pay the total Initial Franchise Fee stated on the Franchise Agreement Summary Page, payable in full upon execution of the Franchise Agreement.

The Initial Franchise Fee is fully earned when paid, and non-refundable except if otherwise expressly provided herein.

B. A continuing weekly royalty fee during the term of this Agreement in an amount equal to five percent (5%) of Franchisee's Gross Sales at the Restaurant.

**10.02 National Advertising Fund.** The Franchisee will be required to contribute weekly the amount that the Franchisor requires for the National Advertising Fund (defined in Paragraph 16.03) which amount shall not exceed three (3%) of Gross Sales. As of the date of this Agreement the Franchisee's required contribution to the National Advertising Fund is one percent (1%) of Gross Sales.

**10.03 Collection of Continuing Fees and Other Payments.** All fees (except for the Initial Franchise Fee) required under this Section 10 shall be paid to Franchisor through automatic debit of Franchisee's bank account on each Tuesday for the week ending the preceding Sunday. Payments should be made together with any weekly reports required under Paragraphs 15.02 and 16.03 of this Agreement. Before opening the Restaurant, Franchisee must sign and deliver to the Franchisor and Franchisee's bank all documents needed to permit Franchisor to debit Franchisee's bank account for each week's Royalty and Service Fee payments, National Advertising Fund payments and any other payments that Franchisee is required to pay to Franchisor. If the Franchisee fails to report Gross Sales, the Franchisor may debit the Franchisee's bank account in an amount equal to the amount transferred from the Franchisee's bank account the last reporting period for which a report of Gross Sales was provided to Franchisor, together with a late fee and/or interest for that amount at the lesser of one and a half percent (1½%) per month or the maximum rate allowed by law. The Franchisor will credit, without interest, any overpayment against the next week's amount due. Any deficiency is debited from Franchisee's bank account.

**10.04 Costs of Enforcement.** If Franchisor asserts a claim or defends against a claim or files a counter-claim or cross claim in a judicial or arbitration proceeding (1) for amounts Franchisee or any of its owners owe Franchisor or any of its affiliates, or (2) in any way relating to or arising from this Agreement or the Franchisor/Franchisee relationship, Franchisee agrees to pay Franchisor for all its cost and expenses, including, but not limited to, reasonable accounting, paralegal, expert witness and attorneys' fees (which shall include reasonable compensation for time spent by any in-house counsel or outside counsel on retainer). If Franchisor is required to engage legal counsel in connection with Franchisee's failure to comply with this Agreement or any provision of this Agreement, Franchisee must reimburse Franchisor for any attorneys' fees it incurs.

**10.05 Gross Sales.** For the purposes of this Agreement, the term "Gross Sales" shall mean all revenues generated by the Restaurant conducted upon, from or with respect to Franchisee's Restaurant, whether such sales are evidenced by cash, check, credit, charge, account or exchange. Gross Sales shall include, without limitation, monies or credit received from the sale of food and merchandise, from tangible property of every kind and nature, promotional or otherwise, and for services performed from or at Franchisee's Restaurant, including without limitation such off-premises services as catering and delivery. Gross Sales shall not include the sales of food or merchandise for which refunds have been made in good faith to customers, nor shall it include sales, meals, use or excise tax imposed by a governmental authority directly on sales and collected from customers; provided that the amount for such tax is added to the selling price or absorbed therein, and is actually paid by Franchisee to such governmental authority.

## **11. DUTIES OF FRANCHISEE**

Franchisee understands and acknowledges that every detail of the Restaurant is important to Franchisee, Franchisor, and other System franchisees in order to develop and maintain high and uniform operating standards, to increase the demand for the products and services sold by all System franchisees,

and to protect Franchisor's reputation and goodwill. Commencing on the date of signing this Franchise Agreement, Franchisee shall be bound by all the duties set forth in this Paragraph 11 and each sub-paragraph thereof.

**11.01 Adherence to Quality Standards.** Franchisee shall operate the Restaurant in conformity with such uniform methods, standards, and specifications as Franchisor may from time to time prescribe in the Confidential Operations & Training Manual or otherwise in writing to insure that the highest degree of quality and service is uniformly maintained. Franchisee recognizes and agrees that Franchisor may from time to time change or modify its standards of operation, including the adoption of new food products and preparations, procedures and programs. Franchisee shall accept and conform to such changes or modifications, and shall make all reasonable expenditures necessitated by the changes or modifications, within the time periods reasonably established by Franchisor. Franchisee further agrees:

A. To maintain in sufficient supply, and use at all times, only such products, materials, ingredients, supplies and paper goods as conform to Franchisor's standards and specifications, and to refrain from deviating therefrom by using nonconforming items, without Franchisor's prior written consent.

B. To purchase from Franchisor or its designated supplier only those proprietary products prescribed by Franchisor and deemed to be a proprietary aspect of the System. Franchisee acknowledges that the prescribed proprietary products are distinctive, are of high quality and have been specially produced and that the reputation and goodwill of the Restaurant and the Marks is inherently tied to and can only be maintained by the sale of the prescribed proprietary products.

Franchisee acknowledges and agrees that there are no warranties except where applicable, the warranty of a manufacturer. Franchisor has not and does not make any express or implied warranties, including, but not limited to, the implied warranty of merchantability and fitness for a particular purpose. In no event will Franchisor be responsible for or liable for any special, incidental, indirect, or consequential damages for any loss of profit or revenue, even if advised of the possibility of such damage.

C. To meet and maintain the highest governmental standards and ratings applicable to the operation of the Restaurant, including without limitation, standards for dairy product quality.

D. To use at the Restaurant only menus which comply with the style, pattern, and design prescribed by Franchisor in the Confidential Operating Manual or otherwise in writing.

E. To sell or offer for sale only such products and menu items as meet Franchisor's uniform standards of quality and quantity, as have been expressly approved for sale in writing by Franchisor, and as have been prepared in accordance with Franchisor's methods and techniques; to sell or offer for sale all approved items; to refrain from any deviation from Franchisor's standards and specifications for serving or selling the same without Franchisor's prior written consent; and to discontinue selling and offering for sale any such items as Franchisor may, in its discretion, disapprove in writing at any time.

F. To permit Franchisor or its agents, at any reasonable time, to remove from the Premises, at Franchisor's option, certain samples of any inventory items without payment therefore, in amounts reasonably necessary for testing by Franchisor or an independent, certified laboratory to determine whether said samples meet Franchisor's then current standards and specifications. In addition to any other remedies it may have under this Agreement, Franchisor may require Franchisee to bear the cost of such testing if the supplier of the item has not previously been approved by Franchisor or if the sample fails to conform to Franchisor's specifications.

**11.02 Decor Requirements.** Franchisee shall purchase and install, at Franchisee's expense, all fixtures, furnishings, signs, and equipment as Franchisor may reasonably direct from time to time in the Confidential Operations & Training Manual or otherwise in writing; and to refrain from installing or permitting to be installed on or about the Restaurant Premises, without Franchisor's prior written consent, any equipment or other improvements not previously approved as meeting Franchisor's standards and specifications.

**11.03 Products and Supplies.** Franchisee shall purchase all equipment, supplies and other products and materials required for the operation of the Restaurant solely from suppliers who demonstrate, to the continuing reasonable satisfaction of Franchisor, the ability to meet Franchisor's reasonable standards and specifications for such items; who possess adequate quality controls and capacity to supply Franchisee's needs promptly and reliably; and who have been approved in writing by Franchisor and not thereafter disapproved. If Franchisee desires to purchase any items from an unapproved supplier, Franchisee shall submit to Franchisor a written request for such approval, or shall request the supplier itself to do so. Franchisor shall have the right to require that its representatives be permitted to inspect the supplier's facilities and that samples from the supplier be delivered, at Franchisor's option, either to Franchisor or to an independent, certified laboratory designated by Franchisor for testing. A charge not to exceed the reasonable cost of the inspection and the actual cost of the test shall be paid by Franchisee or the supplier. Franchisor reserves the right, at its option, to re-inspect the facilities and products of any such approved supplier and to revoke its approval upon the supplier's failure to continue to meet any of Franchisor's criteria.

**11.04 Inspection.** Franchisee shall grant Franchisor and its agents the right to enter upon the Restaurant Premises at any time for the purpose of conducting inspections; cooperate with Franchisor's representatives in such inspections by rendering such assistance as they may reasonably request; and, upon notice from Franchisor or its agents, and without limiting Franchisor's other rights under this Agreement, take such steps as may be necessary immediately to correct the deficiencies detected during any such inspection, including, without limitation, immediately desisting from the further use of any equipment, promotional materials, products, or supplies that do not conform with Franchisor's then-current specifications, standards, or requirements.

**11.05 Notice of Adverse Action.** Franchisee shall immediately notify Franchisor in the event Franchisee makes a general assignment for the benefit of creditors, a petition in bankruptcy is filed by or against Franchisee, a bill in equity or other proceedings for the appointment of a receiver of Franchisee or other custodian for Franchisee's business or assets is filed, any proceedings for a composition with creditors under any state or federal law are instituted by or against Franchisee, a final judgment remains unsatisfied or of record for thirty (30) days or longer (unless a supersedeas bond is filed), execution is levied against the Restaurant or property, or suit to foreclose any lien or mortgage against the premises or equipment is instituted against Franchisee.

**11.06 Other Duties.** Franchisee shall comply with all other duties and requirements set forth in this Agreement.

**11.07 Anti-Terrorism Laws.** Franchisee agrees to comply with, and/or assist Franchisor to the fullest extent possible in Franchisor's 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**"). In connection with such compliance Franchisee certifies, represents and warrants that none of Franchisee's property or interests are subject to being "blocked" under any of the Anti-Terrorism Laws and that Franchisee is not otherwise in violation of any of the Anti-Terrorism Laws. Any violation of the Anti-Terrorism Laws by Franchisee

or Franchisee's employees or any "blocking" of Franchisee's assets under the Anti-Terrorism Laws constitute grounds for immediate termination of this Agreement and any other agreements Franchisee has entered into with Franchisor's or any of our affiliates, in accordance with the termination provisions of this Agreement.

**11.08 Franchisee's Protection of Personally Identifiable Information.** Franchisee must implement all administrative, physical and technical safeguards necessary to protect any information that can be used to identify an individual, including names, addresses, telephone numbers, e-mail addresses, employee identification numbers, signatures, passwords, financial information, credit card information, biometric or health data, and government-issued identification numbers ("Personal Information") in accordance with applicable laws and industry best practices. It is Franchisee's responsibility entirely (even if Franchisor provides Franchisee any assistance or guidance in this regard) to confirm that safeguards Franchisee uses to protect Personal Information comply with all applicable laws and industry best practices related to the collection, access, use, storage, disposal and disclosure of Personal Information. If Franchisee becomes aware of a suspected or actual breach of security or unauthorized access involving Personal Information, Franchisee will notify Franchisor immediately of the breach or unauthorized access and specify the extent to which Personal Information was compromised or disclosed, and Franchisee's plans to correct and prevent any further breach or unauthorized access. Franchisee will allow Franchisor, in Franchisor's sole discretion, to provide advice on the course of Franchisee's corrective action.

## **12. MARKS**

**12.01 Limitation on Use.** It is understood and agreed that this franchise to use the Marks applies only to their use in connection with the operation of the Restaurant at the Premises and the Franchise Agreement Summary Page of this Franchise Agreement and includes only such Marks set forth on the Summary Page or as may be designated by Franchisor in writing for use by Franchisee, and no other Marks of Franchisor now existing or yet to be developed or acquired by Franchisor. Franchisee agrees to operate and advertise the Restaurant only under the Marks herein or designated by Franchisor in writing for that purpose (or under such other name or mark as Franchisor may designate in writing, if Franchisee is prevented by applicable law from using any of the Marks owing to their prior registration or use by a third party).

**12.02 Acknowledgment of Ownership.** As between the parties, Franchisee acknowledges Franchisor's ownership of all right, title, and interest in and to the Marks, the identification schemes, standards, specifications, operating procedures, and other concepts embodied in the System. Franchisee accordingly agrees that any unauthorized use of the System and the Marks is and shall be deemed an infringement of Franchisor's rights; that, except as expressly provided by this Agreement, Franchisee acquires no right, title, or interest therein; that any and all goodwill associated with the System and the Marks shall inure exclusively to Franchisor's benefit; and that, upon the expiration or termination of this Agreement, no monetary amount shall be assigned as attributable to any goodwill associated with Franchisee's use of the System and the Marks.

**12.03 Infringement and Contesting of Marks.** Franchisee acknowledges that the use of the Marks outside of the scope of this franchise, without Franchisor's prior written consent, is an infringement of Franchisor's exclusive right, title and interest in and to the Marks, and expressly covenants that during the term of this franchise, and after the expiration or termination hereof, Franchisee shall not, directly or indirectly, commit an act of infringement or contest or aid in contesting the validity of ownership of Franchisor's Marks, or take any other action in derogation thereof.

**12.04 Franchisee Notification.** Franchisee shall promptly notify Franchisor of any use by any person or legal entity other than Franchisor or another of its franchisees of any Marks licensed hereunder,

any colorable variation thereof, or any other mark in which Franchisor has or claims a proprietary interest. Franchisee further agrees to notify Franchisor promptly of any litigation instituted by any person or legal entity against Franchisor or Franchisee involving the Marks. In the event Franchisor, in its sole discretion, undertakes the defense or prosecution of any litigation relating to the Marks, Franchisee agrees to execute any and all documents, and to render such assistance as may, in the opinion of Franchisor's counsel, be reasonably necessary to carry out such defense or prosecution. Franchisor makes no warranty, express or implied, as to the use, validity or enforceability of the Marks.

**12.05 Corporate Name.** Franchisee shall not, without Franchisor's prior written consent, use the Marks as part of the Franchisee's corporate, limited liability company, limited liability partnership or other legal entity, nor hold out or otherwise employ the Marks to perform any activity, or to incur any obligations or indebtedness, in such a manner as could reasonably result in making Franchisor liable therefore.

**12.06 Nonexclusive License.** Franchisee expressly acknowledges and agrees that this license of the Marks is nonexclusive, and the Franchisor has and retains the rights, among others:

A. To grant other franchises for the Marks, in addition to those franchises already granted to existing franchisees;

B. To use the Marks in connection with the sale of food and other products at wholesale and retail at any location outside of the Premises of this Agreement.

C. To develop and establish other systems for the same or similar products or services utilizing the same or similar Marks, or any other Marks, and to grant franchises thereto without providing Franchisee any right therein.

**12.07 Standards of Practice.** In order to develop and maintain high and uniform standards of quality and service and hence to protect and enhance the reputation and goodwill of Franchisor, and the efficacy of the System, Franchisee agrees:

A. To adopt and use the Marks solely in the manner prescribed by Franchisor.

B. To refrain from using any of the Marks in conjunction with any other word or symbol without Franchisor's prior written consent.

C. To observe all such requirements with respect to service marks, trademark and copyright notices, fictitious name registrations, and the display of the legal name or other identification of Franchisee as Franchisor may direct in writing from time to time.

D. To use, promote and offer for sale under the Marks only those products and services which meet Franchisor's prescribed standards and specifications, as they may be revised and amended by Franchisor from time to time in the Confidential Operating Manual or otherwise in writing.

E. Not to use any of the Marks in connection with any social media networking, including but not limited to, any postings on a social media site or social network sites nor with the performance or sale of any unauthorized services or products or in any other manner not expressly authorized in writing by Franchisor.

F. To execute all documents requested by Franchisor or its counsel that are necessary to obtain protection for the Marks or to maintain their continued validity or enforceability, and to take no action that would jeopardize the validity or enforceability thereof.

**12.08 Change of Marks.** If it appears to Franchisor that protection of one of its names or marks is no longer viable commercially or legally, Franchisor has the right to change its name or mark to another of similar marketing impact. In such event Franchisee agrees to cooperate with Franchisor in changing all signs, graphics and supplies. Franchisee agrees to assume all reasonable costs connected with such changes.

**12.09 Use of Marks and the Internet.**

(a) Franchisee acknowledges that Franchisor is the owner of all right, title and interest in and to the Marks. Franchisor has obtained the right from its affiliate to license Franchisee to use the Marks, in accordance with the terms and conditions of this Agreement. Franchisee's right to use the Marks is derived solely from this Agreement and is limited to conducting business pursuant to and in compliance with this Agreement. Franchisee's unauthorized use of any of the Marks constitutes a breach of this Agreement and an infringement of Franchisor's rights to the Marks. This Agreement does not confer on Franchisee any goodwill or other interests in the Marks. Franchisee's use of the Marks and any goodwill established thereby inures to Franchisor's exclusive benefit.

(b) Franchisee agrees to use each such Mark only in compliance with rules prescribed from time to time by Franchisor. Franchisee shall not use any of the Marks as part of any corporate name, or with any prefix, suffix or other modifying words, terms, designs or symbols (other than logos licensed to Franchisee hereunder), nor may Franchisee use any of the Marks in connection with the sale of any unauthorized product or service or in any manner not explicitly authorized in writing by Franchisor.

(c) Franchisee shall immediately notify Franchisor of any apparent infringement or challenge to Franchisee's use of the Marks. Franchisor shall have sole discretion to take such action as it deems appropriate.

(d) If it becomes advisable at any time in the sole discretion of Franchisor for Franchisee to modify or discontinue use of any of the Marks and/or use one or more additional or substitute proprietary marks, Franchisee agrees to do so, and the sole obligation of Franchisor, in any such event, shall be to reimburse Franchisee for the direct costs of complying with its obligation.

(e) Franchisee shall not contest, directly or indirectly, Franchisor's ownership, title, right or interest in any proprietary mark, trade secret, method, procedure or advertising technique that is part of the System, or contest Franchisor's sole rights to register, use or license such proprietary marks, trade secrets, methods, procedures and techniques or any other trademark, service mark, logo or trade name which are developed by Franchisor or its affiliates and are derivatives of the Marks which are related to Franchisor's business.

(f) All provisions of this Agreement applicable to the Marks, shall apply to any trade names, trade and service marks, logos and other commercial symbols, and any patents or copyrights hereafter licensed to Franchisee by Franchisor.

(g) Franchisee may not maintain a World Wide Web site or otherwise maintain a presence or advertise on the Internet or any other public computer network in connection with the Restaurant without Franchisor's prior written approval, which Franchisor may withhold for any reason or no reason. Franchisee agrees to submit to Franchisor for approval before use true and correct printouts of all Web site pages Franchisee proposes to use in its Web site in connection with the Restaurant. Franchisee understands and agrees that Franchisor's right of approval of all such Web materials is necessitated by the fact that such Web materials will include and be inextricably linked with Franchisor's Marks. Franchisee may only use material which Franchisor has approved. Should Franchisor grant Franchisee the right to establish a Web site, Franchisee's

Web site must conform to all of Franchisor's Web site requirements, whether set forth in its Manual or otherwise. Franchisee agrees to provide all hyperlinks or other links that Franchisor requires. If Franchisor grants approval for a Web site, Franchisee may not use any of the Marks at the site except as Franchisor expressly permits. Franchisee may not post any of Franchisor's proprietary, confidential or copyrighted material or information on its Web site without Franchisor's prior written permission. If Franchisee wishes to modify its approved site, all proposed modifications must also receive Franchisor's prior written approval. Franchisee explicitly understands that it may not post on its Web site any material which any third party has any direct or indirect ownership interest in (including, without limitation, video clips, photographs, sound bites, copyrights test, trademarks or service marks, or any other text or image which any third party may claim intellectual property ownership interests in). Franchisee agrees to list on its Web site, should Franchisor ever grant Franchisee the right to have a Web site, any Web site maintained by Franchisor, and any other information Franchisor requires in the manner Franchisor dictates. Franchisee agrees to obtain Franchisor's prior written approval for any Internet domain name and/or home page address. The requirement for Franchisor's prior approval set forth in this Paragraph will apply to all activities on the Internet or other communications network to be conducted by Franchisee, except that Franchisee may maintain one or more E-mail addresses and may conduct individual E-mail communications without Franchisor's prior written approval. Franchisee agrees to obtain Franchisor's prior approval as provided above if Franchisee proposes to send advertising to multiple addressees via E-mail.

(h) Franchisee agrees to participate as a user of Franchisor's Intranet service, if implemented, and to pay the monthly user fee billed Franchisee by Franchisor. All amounts billed by Franchisor for user fees shall be due and payable by Franchisee when billed by Franchisor.

### **13. CONFIDENTIAL OPERATIONS & TRAINING MANUAL**

**13.01 Loan of Manual.** In order to protect the reputation and goodwill of Franchisor and to maintain uniform standards of operation under the Marks, Franchisee shall conduct the Restaurant in accordance with Franchisor's Confidential Operations & Training Manual (hereinafter the "Manual"), one (1) copy of which Franchisee shall receive on loan from Franchisor for the term of this Agreement. The Confidential Operations & Training Manual shall at all times remain the sole property of Franchisor.

**13.02 Confidentiality of Manual.** Franchisee shall at all times treat the Manual, any other manuals created for or approved for use in the operation of the Restaurant, and the information contained therein as confidential, and shall use all reasonable efforts to maintain such information as secret and confidential. Franchisee shall not at any time, without Franchisor's prior written consent, copy, duplicate, record or otherwise reproduce the foregoing materials, in whole or in part, nor otherwise make the same available to any unauthorized person.

**13.03 Revisions to Manual.** Franchisee recognizes and agrees that Franchisor may from time to time change or modify its standards of operations, including the adoption of new food products and preparations, procedures and programs, as outlined in the Confidential Operations & Training Manual. Franchisee shall accept and conform to such changes or modifications, and shall make all expenditures necessitated by the changes or modifications, within the time periods reasonably established by Franchisor; provided, however, such changes shall not unreasonably increase Franchisee's obligations or place an excessive economic burden on Franchisee's operations. Franchisee shall at all times insure that its copy of the Manual is kept current and up-to-date, and in the event of any dispute as to the contents of said Manual. The terms of the master copy of the Manual maintained by Franchisor at Franchisor's home office shall be controlling.

**13.04 Incorporation of Manual.** The Confidential Operations & Training Manual is intended to further the purposes of this Agreement, and is specifically incorporated into this Agreement.

#### **14. CONFIDENTIAL INFORMATION**

Franchisee shall not, during the term of this Agreement or thereafter, communicate, divulge, or use for the benefit of any other person, persons, partnership, association, corporation or limited liability corporation any confidential information, knowledge, or know-how concerning the construction and methods of operation of the business franchised hereunder which may be communicated to Franchisee, or of which Franchisee may be apprised, by virtue of Franchisee's operation under the terms of this Agreement. Franchisee shall divulge such confidential information only to such of its employees as must have access to it in order to operate the Restaurant. Any and all information, knowledge and know-how, including, without limitation, drawings, materials, equipment, recipes, and other data, which Franchisor designates as confidential shall be deemed confidential for purposes of this Agreement. Franchisee shall assure that all persons including all its employees, partners, if Franchisee is a partnership, and corporate officers, directors and shareholders if Franchisee is a corporation, and members if Franchisee is a limited liability corporation, maintain the confidentiality of all information designated by Franchisor as confidential.

#### **15. ACCOUNTING AND RECORDS**

**15.01 Accurate Books and Records.** During the term of this Agreement, Franchisee shall maintain and preserve, for at least seven (7) years from the dates of their preparation, full, complete and accurate books, records and accounts in accordance with generally accepted accounting principles and in the form and manner prescribed by Franchisor from time to time in the Confidential Operations & Training Manual or otherwise in writing. These records shall include without limitation system receipts, point-of-sale data, meals, sales and other tax returns, duplicate deposit slips and other evidence of Gross Sales and all other business transactions.

**15.02 Royalty Reports.** Franchisee shall submit to Franchisor weekly, by facsimile, electronic mail or other system or systems the Franchisor designates on a system wide basis, no later than the date each Royalty and Service Fee payment (see Paragraph 10.03) is due during the term of this Agreement, a statement on forms prescribed by Franchisor, accurately reflecting all Gross Sales during the preceding week and such other data or information as Franchisor may require. Franchisee shall submit to Franchisor by the twenty-fifth (25<sup>th</sup>) day of each month copies of any state or local sales tax returns for the preceding month and a monthly operating statement in the form prescribed by Franchisor. If Franchisee shall fail to provide Franchisor with the sales reports required in this Paragraph 15.02, Franchisor shall be entitled, at its discretion and in whichever situations it deems appropriate, to apply an annual growth rate on gross sales of eight percent (8%), including, but not limited to, for the purpose of calculating any Royalty and for enforcement and collection of any amounts due to Franchisor under this Agreement.

**15.03 Financial Statements.** If requested, Franchisee shall submit to Franchisor, within thirty (30) days of the end of each month, unaudited statements of profit and loss of the Restaurant for the preceding month and year to date, and, within ninety (90) days from the close of the Franchisee's fiscal year, a profit and loss statement and a balance sheet from the close of each such year, each prepared in accordance with generally-accepted accounting principles. If requested by Franchisor, the year-end financial statements shall be audited by an independent certified public accountant. Franchisee should also provide Franchisor with a copy of Franchisee's tax returns relating to the operation of the Restaurant within fifteen (15) days after the returns are filed with the required governmental agency.

**15.04 Other Reports.** Franchisee shall also submit to Franchisor, for review or auditing, such other forms, reports, records, information and data as Franchisor may reasonably designate, in the form and at the times and places reasonably required by Franchisor, upon request and as specified from time to time

in the Confidential Operations & Training Manual or otherwise in writing. Franchisor may require electronic transmission of information on a periodic basis not to exceed one (1) time per week.

**15.05 Reporting Equipment.** Franchisee shall record all sales on the point-of-sale system approved by Franchisor. Franchisor reserves the right to require Franchisee, at Franchisee's expense, to obtain computer hardware and software for maintaining Franchisee's accounting books and records, which computer hardware may include point-of-sale and telecommunications devices, and which software may be a single program or set of programs in order to assure uniform reporting of financial information throughout the System, all of which must be obtained in accordance with the requirements of Paragraph 11.03 of this Agreement.

Franchisee acknowledges that in order to operate the current Oracle/Simphony point-of-sale system, certain employee personal information must be provided to set up employee data in the point-of-sale system. We will: (i) use reasonable and appropriate measures to safeguard the security of the personal information, including providing access to the personal information only to those responsible for the operation and maintenance of the point-of-sale system, who have a need for such access, (ii) use that personal information only for purposes related to the operation of the point-of-sale system, and (iii) not disclose that personal information except as required under applicable law.

**15.06 Franchisor's Right of Audit.** Franchisor or its designated agents shall have the right at all reasonable times to examine by any means, including electronically, through the use of telecommunications devices or otherwise, at its expense, the books, records, and tax returns of Franchisee. Franchisor shall also have the right, at any time, to have an independent audit made of the books of Franchisee. If Franchisee fails to prepare the required documents for an audit meeting, Franchisee shall be required to pay an adjournment fee of Five Hundred Dollars (\$500) to Franchisor. Franchisor or its agents may apply any audit procedure which it, at its sole discretion deems necessary in order to properly conduct such audit, including, but not limited to, statistical sampling and other generally accepted auditing techniques. Franchisee agrees to be bound by such findings. If an inspection should reveal that such payments have been understated in any report to Franchisor, then Franchisee shall immediately pay to Franchisor the amount understated upon demand, in addition to interest from the date such amount was due until paid, at the maximum rate permitted by law. If an inspection discloses an understatement in any report of two percent (2%) or more, Franchisee shall, in addition, reimburse Franchisor for any and all costs and expenses connected with the inspection (including, without limitation, reasonable accounting and attorneys' fees). The foregoing remedies shall be in addition to any other remedies Franchisor may have.

## **16. ADVERTISING**

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

**16.01 Local Advertising Expenditure.** Each month after the Restaurant has first been opened for business, Franchisee shall spend on local advertising and promotion (in addition to and not in lieu of any advertising contribution that may be required under Sections 10 and 16 hereof), an amount which shall be deemed the "Local Advertising Expenditure".

A. The Local Advertising Expenditure shall be equivalent to three percent (3%) of the Gross Sales each calendar quarter at the Restaurant if the Restaurant is not located in a Regional Shopping Mall, Urban Retail Center, Major Office Building, Airport or Institutional Feeding Facility. Since there is a National Advertising Fund, there will be no Local Advertising Expenditure for the Restaurant if it is located in a Regional Shopping Mall, Urban Retail Center, Major Office Building, Airport or Institutional Feeding Facility.

B. The Local Advertising Expenditure shall be spent by Franchisee, each month, as set forth in Paragraph 16 hereof.

C. If the Restaurant is not located in a Regional Shopping Mall, Urban Retail Center, Major Office Building, Institutional Feeding Facility or Airport then Franchisee must expend a minimum of Three Thousand Dollars (\$3,000.00) during the first thirty (30) days of operation on grand opening advertising. This shall include the purchase of a grand opening media kit from Franchisor or its designee. Franchisor shall advise Franchisee on how to expend such grand opening advertising monies, but Franchisor makes no representations concerning the extent or effectiveness of such advertising and promotion.

**16.02 Definitions.** As used herein, the terms “Regional Shopping Mall” “Urban Retail Center”, “Major Office Building”, “Institutional Feeding Facility” and “Airport” shall have the following meanings:

A. A Regional Shopping Mall shall be deemed to mean a retail shopping center or other concentration of retail stores which has a contiguous area, whether or not enclosed, in which there is in excess of five hundred thousand (500,000) square feet of gross leasable retail space.

B. An Urban Retail Center shall be deemed to mean: (i) an enclosed area specially designed to attract tourists which features food-serving businesses, (ii) located in the central business district of a city (or other relevant political subdivision) with a population of at least two hundred fifty thousand (250,000), (iii) in which area are located at least fifty (50) retail establishments, and (iv) in which there is in excess of one hundred thousand (100,000) square feet of gross leasable retail space.

C. A Major Office Building shall be deemed to mean an office building in which there is in excess of one hundred thousand (100,000) square feet of gross leasable space, whether retail or non-retail.

D. An Institutional Feeding Facility shall be deemed to mean hospitals, hotels, and corporate and school cafeterias.

E. An Airport shall be deemed to mean any public or private airport.

**16.03 National Advertising Fund.** Franchisee acknowledges that Franchisor has established a National Advertising Fund (the “Fund”) for the System. Franchisee agrees that Franchisee shall make contributions to the Fund as required under Paragraph 10.02 hereof and file reports weekly by facsimile, electronic mail or such other system or system as the Franchisor may designate on a system wide basis (or we may require that you send the reports manually), and that the Fund shall be maintained and administered by Franchisor or its designee, as follows:

A. Franchisor shall direct all advertising programs with sole discretion over the creative concepts, materials and media used in such programs and the placement and allocation thereof. Franchisee agrees and acknowledges that the Fund is intended to maximize general public recognition and acceptance of the Marks for the benefit of the System and that Franchisor and its designees undertake no obligation in administering the Fund to make expenditures for Franchisee which are equivalent or proportionate to its contribution, or to insure that any particular franchisee benefits directly or pro rata from the placement of advertising.

B. Franchisee agrees that the Fund may be used to meet any and all costs of maintaining, administering, directing and preparing advertising (including, without limitation, the cost of preparing and conducting television, radio, magazine and newspaper advertising campaigns and other public relations activities; employing advertising agencies to assist therein; and providing promotional brochures and other

marketing materials for distribution by franchisees in the System). All sums paid by Franchisee to the Fund shall be maintained in a separate account from the other funds of Franchisor and shall not be used to defray any of Franchisor's general operating expenses, except for such reasonable administrative costs and overhead, if any, as Franchisor may incur in activities reasonably related to the administration or direction of the Fund and advertising programs including, without limitation, conducting market research, preparing marketing and advertising materials, and collecting and accounting for assessments for the Fund.

C. A financial review of the Fund's operation shall be prepared annually and shall be made available to Franchisee upon request.

**16.04 Advertising Standards.** All advertising by Franchisee in any medium shall be conducted in a dignified manner and shall conform to the standards and requirements in the Confidential Operating Manual. Franchisee shall submit to Franchisor for Franchisor's prior approval (except with respect to prices to be charged), samples of all advertising and promotional plans and materials that Franchisee desires to use and that have not been prepared or previously approved by Franchisor. If written disapproval thereof is not received by Franchisee within ten (10) days from the date of receipt by Franchisor of such materials, Franchisor shall be deemed to have given the required approval.

**16.05 Advertising and Sales Promotion Programs.** Franchisor may from time to time develop and administer advertising and sales promotion programs designed to promote and enhance the collective success of all Franchisor's Restaurants operating under Franchisor's System. Franchisee shall participate in all such advertising and sales promotion programs in accordance with the terms and conditions established by Franchisor for each program. In all aspects of these programs, including, without limitation, the type, quantity, timing, placement and choice of media, market areas, and advertising agencies, the standards and specifications established by Franchisor shall be final and binding upon Franchisee.

## **17. INSURANCE**

### **17.01 Insurance Program.**

(a) Franchisee shall purchase and, at all times during the term of the Agreement shall maintain in full force and effect, policies of insurance for the following coverage:

1. Property insurance on a "Special Form" perils basis, covering the full replacement value of the Franchised Restaurant (Improvements and Betterments) and all of its Business Personal Property. Policy shall carry a Replacement Cost Valuation, a prescribed Amount endorsement, (no coinsurance) and a deductible not to exceed Two Thousand Five Hundred Dollars (\$2,500). Amount of coverage shall be not less than the full replacement cost of all such property. Franchisor may request, from time to time, a reasonable increase in the amount of such property insurance in order to account for inflationary trends.

2. Equipment Breakdown covering the full replacement value of the Franchised Restaurant equipment, including business interruption and Spoilage resulting from such breakdown.

3. Business Interruption insurance, in sufficient amount to cover net profit plus continuing expenses (including payments to Franchisor for loss of royalties and other required remittance) for a period of at least one year, as a result of any insurable interruption in Franchisee's business operations.

4. Crime insurance, to include Employee Dishonesty, Money & Securities, Counterfeit Currency and Forgery & Alteration. Limits to vary by Franchisee's needs.

5. Comprehensive General Liability insurance, including premises/ operations, products/completed operations, liquor liability if applicable, contractual liability, and liability for the acts of independent contractors, with Bodily Injury/Property Damage Liability limits of not less than One Million Dollars (\$1,000,000) Per Occurrence and Two Million Dollars (\$2,000,000) Per Location Aggregate. Employee Benefit Liability to be included.

6. Workers' Compensation/Employer's Liability insurance, with limits of not less than One Million Dollars (\$1,000,000), as well as such other insurance as may be required by statute or regulation of the state or locality in which the Franchised Restaurant is located and operated.

7. Comprehensive Automobile Liability insurance covering both owned and non-owned vehicles owned and/or operated by Franchisee, with limits of not less than One Million Dollars (\$1,000,000) Bodily Injury/Property Damage liability or, in the alternative, One Million Dollars (\$1,000,000) Bodily Injury and Two Hundred Fifty Thousand Dollars (\$250,000) Property Damage Liability.

8. Commercial Umbrella Liability insurance, with limits of not less than Two Million Dollars (\$2,000,000) Per Occurrence and Two Million Dollars (\$2,000,000) Aggregate, and arranged to cover over all above primary underlying coverages without gap (General Liability, Liquor Liability (if applicable), Employee Benefit Liability, Employers Liability, and Automobile Liability).

9. Contractor's Insurance. In connection with any construction, renovation, refurbishing, or remodeling of the restaurant, Franchisee will cause the general contractor to maintain Comprehensive General Liability insurance (including products/completed operations and independent contractors coverage) with limits of at least One Million Dollars (\$1,000,000) Per Occurrence and Two Million Dollars (\$2,000,000) Aggregate, naming Franchisor as an additional insured; Comprehensive Automobile Liability; Workers' Compensation; and such other insurance as may be required by law. In the event of new construction, the general contractor shall maintain Builders' Risk coverage on a "Special Form" perils basis, sufficient to cover the completed value of such new construction, naming Franchisee as Loss Payee.

10. Rental value insurance (in an amount sufficient to cover the rents and other fees due the landlord and/or Merchants' Association under the lease, if any, during any period of business interruption or inability to operate to operate the Franchised Restaurant Location) or such greater amounts of insurance as required by the lease for the Franchised Restaurant Location.

11. Sign coverage for one hundred percent (100%) replacement value of sign.

12. Coverage enhancements to include:

- Personal Property off Premises
- Property in Transit
- Ordinance or Law
- Spoilage of Perishable Goods
- Off-premises Power Interruption
- Food Spoilage/Contamination
- EDP Equipment and software
- Fine Arts
- Personal Effects
- Valuable Papers and Records
- Outdoor Signs
- Interior Glass
- Fire Suppression System Recharge

- Sewer or Drain Backup
- Accounts Receivable
- Cyber Liability & Expense Reimbursement
- Trade Name Restoration
- Named Windstorm, Flood and Earthquake

13. You shall carry any additional insurance covering such additional risks or providing higher limits as Franchisor may request. For instance, we may require you to have Employer Practices Liability Insurance (EPLI) and name Franchisor as an additional insured.

(b) All policies of insurance required under this section shall be in such form, and such amounts as Franchisor shall reasonably determine, and with such companies, rated not less than A- by Best's Rating Guide (or equivalent) duly authorized to do business in the state where the Restaurant Location is, and shall protect, as named and/or additional insureds, Franchisee, Franchisor and any other party designated by Franchisor. Franchisee shall furnish Franchisor and other named and/or additional insureds, and all other persons designated by Franchisor, with certificates issued by each of Franchisee's insurers indicating that all required insurance are in full force and effect and will not be terminated or changed without at least thirty (30) days prior notice thereto.

(c) Should Franchisee fail, or neglect to obtain or maintain, in continuous full force and effect, the insurance coverage required by this Agreement, or by the terms and conditions of the Lease then, and in such event, at its exclusive option and without prior notice to Franchisee, Franchisor may purchase and obtain the required insurance coverage, and Franchisee hereby specifically agrees to pay to Franchisor its costs and expenses in purchasing, obtaining and maintaining such coverage.

(d) Franchisee shall deliver copies of all such insurance policies or certificates of insurance, to Franchisor seven (7) days prior to the opening for business of the Restaurant. Upon failure of the Franchisee to deliver to Franchisor copies of such insurance policies or certificate of insurance within the required time then, and in such event, at its option and without prior notice to Franchisee (in addition to its rights under Paragraph 24 hereof), Franchisor may purchase and obtain the required insurance coverage, and Franchisee hereby specifically agrees to pay to Franchisor its costs and expenses in purchasing, obtaining and maintaining such coverage.

(e) In any event, regardless of the provisions of this Paragraph 15, Franchisee shall indemnify, defend and hold Franchisor harmless against any loss, claim, action or award that would be covered by such insurance.

## **18. TRANSFERABILITY OF INTEREST**

**18.01** Franchisor Right to Transfer. Franchisor shall have the right to transfer or assign freely all or any part of its rights or obligations herein to any person or legal entity. Such transfer or assignment shall be binding upon and insure to the benefit of Franchisor's successors and assigns. Franchisor may also delegate the performance of any portion or all of Franchisor's obligations under this Agreement to third-party designees, whether these designees are Franchisor's agents or independent contractors with whom Franchisor has contracted to perform these obligations.

### **18.02 Transfer by Franchisee.**

(a) Franchisee understands and acknowledges that the rights and duties set forth in this Agreement are personal to Franchisee, and that Franchisor has granted this franchise in reliance on Franchisee's business skill and financial capacity. Accordingly, neither Franchisee nor any immediate or

remote successor to any party of Franchisee's interest in this franchise, including any trustee in bankruptcy, shall sell, assign, transfer, convey, give away, pledge, mortgage or otherwise encumber any interest in this franchise without the prior written consent of Franchisor and provided that Franchisee shall first have complied with the conditions for transfer set forth in this Agreement to Franchisor's satisfaction. Any purported assignment or transfer, by operation of law or otherwise, not having the written consent of Franchisor shall be null and void and shall constitute a material breach of this Agreement, for which Franchisor may then terminate without opportunity to cure pursuant to Paragraph 19.02 of this Agreement and its subparagraphs.

(b) Prior to the time of transfer, including transfer by a trustee in bankruptcy, Franchisor may, in its sole discretion, require that:

1. The proposed transferee is of good moral character, has a good credit rating, has reasonable and sound business experience equal to or greater than that of the Franchisee, has sufficient financial resources to operate the Restaurant and otherwise meets Franchisor's standards for franchisees;

2. The proposed transferee shall demonstrate to Franchisor that the transferee is able to operate the Restaurant being transferred;

3. The proposed transferee (and its Owners), at Franchisor's option, shall have executed either a written assignment assuming all of the Franchisee's duties and obligations under this Agreement, or the transferee (and its Owners) shall execute a new Franchise Agreement and any other currently used agreements, on Franchisor's then-current forms;

4. The Franchisee shall have paid in full and otherwise have satisfied all of the obligations owing to Franchisor at or prior to the closing of the transaction;

5. If permitted by applicable law, Franchisee shall execute a general release, under seal, in a form satisfactory to Franchisor, of any and all claims against Franchisor and its respective directors, officers, employees, and agents;

6. The Franchisor must approve the economic terms and conditions of such transfer including, without limitation, that the price and terms of payment are not so burdensome as to affect adversely the transferee's operation of the Restaurant;

7. If the Franchisee finances any part of the sale price of the transferred interest, the Franchisee and/or its owner agree that all obligations of the transferee under or pursuant to any promissory notes, agreements or security interests reserved by the Franchisee or its owners in the assets of the Restaurant or the Premises shall be subordinate to the transferee's obligations to pay Royalty fees, Advertising Fund contributions, and other amounts due to the Franchisor;

8. The Franchisee must make such repairs and renovations to the Premises to conform to Franchisor's then-current standards for design, trade dress, decor, and equipment;

9. The proposed transferee, at transferee's expense, shall agree to attend Franchisor's training program;

10. If the transferee is a corporation, limited liability company, partnership, or other association, or if the transferee is more than one person, the provisions of Paragraph 18 shall apply to

each principal or person. Franchisor may also require satisfactory proof that transferee is properly authorized to enter into the transaction and to perform the obligations of this Agreement; and

11. The Franchisee has paid to Franchisor a sales commission of eight percent (8%) of the gross selling price of the Restaurant, the franchise, and all related assets (if Franchisor obtained the purchaser (transferee) for the Franchisee).

**18.03 Additional Transferees.**

—If the Franchisee is a corporation, limited liability company, partnership, association or venture by more than one person, changes in the shareholders, members, partners, associates or participants, in terms of ownership interest or number of shareholders, members, partners, associates, or participants, shall be deemed a transfer of this Agreement and shall require Franchisor's approval.

**18.04 Corporate, Limited Liability Transferee.**

—If a proposed transferee is a corporation, association or limited liability company, each shareholder of the corporation or member of the limited liability company shall jointly and severally guarantee the performance and full payment of the obligations under this Agreement.

**18.05 Partnership Transferee.**

—If a proposed transferee is a general or limited liability partnership, each partner, whether general or limited, shall jointly and severally guarantee the performance and full payment of the obligations under this Agreement.

**18.06 Time Limitation.**

—Any proposed transfer under Section 18 shall be deemed to have expired if not completed within ninety (90) days after Franchisor has waived its right of first refusal.

**18.07 Transfer Fee.**

—The Franchisee or the proposed transferee as negotiated by Franchisee and the proposed transferee shall pay, prior to an approved transfer of the franchise, a transfer fee of Ten Thousand Dollars (\$10,000) to Franchisor, or if Franchisor's cost to complete the transfer exceed \$10,000, then in that event, Franchisee shall pay Franchisor's actual cost upon ten (10) day notice to Franchisee by Franchisor. If Franchisor exercises its rights to purchase, then such fee shall be waived, but in all other proposed transfers, the fee shall be paid by the Franchisee.

**18.08 Death of Franchisee.**

—In the event of the death of the Franchisee, or the death of a shareholder, member, participant or partner of the Franchisee, Franchisor's approval is required for the transfer of the franchise interest to the Franchisee's spouse or children whether by will or intestacy, or to the disposition of the franchise interest by the decedent's fiduciary or personal representative, provided that the following conditions and terms shall be considered by Franchisor met prior to Franchisor giving any consent:

(a) The fiduciary or personal representative of the decedent and the distributee or transferees shall have met the conditions in Paragraph 18.02 and its subparagraphs herein.

(b) Franchisor shall have a right of first refusal as provided in Paragraph 18.10 herein only if the transfer is for legal consideration.

(c) Franchisor shall be provided with satisfactory proof of the authority of any fiduciary or personal representative and the right of any distributee to claim or receive an interest in the franchise.

(d) If the transferee is a corporation, limited liability company, association or partnership comprised of persons other than the decedent's surviving spouse and children, the transferee shall also comply with the provisions of Paragraphs 18.03, 18.04 and 18.05 herein.

#### **18.09 Operation After Death.**

—At the request of the fiduciary or personal representative of a deceased Franchisee, Franchisor, if in its sole discretion deems it desirable, may provide a manager to operate the business. In such case, the manager's salary and expenses, including but not limited to, travel, room, board, meals and other direct expenses, shall be paid for by the deceased Franchisee's personal representative or fiduciary, but only in such person's representative capacity. Franchisor, upon fifteen (15) days' notice, may, with or without cause, remove its personnel (including the manager) from the Restaurant and terminate the services under this Paragraph.

#### **18.10 First Refusal.**

—If Franchisee or any of its owners desires to transfer this Agreement for legal consideration, Franchisee or such owner must obtain a bona fide, executed written offer and earnest money deposit in the amount of at least five percent (5%) of the offering price from a responsible and fully disclosed purchaser and must deliver immediately to Franchisor a complete and accurate copy of such offer. If the offeror proposes to buy any other property or rights from Franchisee or any of its owners or affiliates (other than rights under other franchise agreements for the Restaurant) as part of the bona fide offer, the proposal for such property or rights must be set forth in a separate, contemporaneous offer that is disclosed to Franchisor, and the price and terms of purchase offered to Franchisee or its owners for the transfer of this Agreement must reflect the bona fide price offered therefore and may not reflect any value for any other property or rights.

Franchisor has the option, exercisable by notice delivered to Franchisee or its owners within thirty (30) days from the date of delivery of a complete and accurate copy of such offer to Franchisor, to purchase such interest for the price and on the terms and conditions contained in such offer, provided that: (a) Franchisor may substitute cash for any form of payment proposed in such offer; (b) Franchisor's credit shall be deemed equal to the credit of any proposed purchaser; and (c) Franchisor will have not less than ninety (90) days from the option exercise date to consummate the transaction. Franchisor has the right to investigate and analyze the business, assets and liabilities and all other matters it deems necessary or desirable in order to make an informed investment decision with respect to the fairness of the terms of its right of first refusal. Franchisor may conduct such investigation and analysis in any manner it deems reasonably appropriate and Franchisee and its Owners must cooperate fully with Franchisor in connection therewith.

If Franchisor exercises its option to purchase, Franchisor is entitled to purchase such interest subject to all representations and warranties, closing documents and indemnities as Franchisor reasonably may require. If Franchisor does not exercise its option to purchase, Franchisee or its Owners may complete the sale to such offeror pursuant to and on the exact terms of such offer, subject to Franchisor's approval of the transfer as provided in this Agreement, provided that if the sale to such offeror is not completed within ninety (90) days after delivery of such offer to Franchisor, or if there is a material change in the terms of the offer, Franchisee must promptly notify Franchisor and Franchisor will have an additional option to purchase (on the terms of the revised offer, if any, and otherwise as set forth herein) during the thirty (30) day period following

Franchisee's notification of the expiration of the ninety (90) day period or the material change to the terms of the offer.

## **19. DEFAULT AND TERMINATION**

**19.01 Insolvency of Franchisee.** Except as otherwise may be provided in the U.S. Bankruptcy Code, Franchisee shall be deemed to be in default under this Agreement, and all rights granted herein shall automatically terminate without notice to Franchisee, if Franchisee shall become insolvent or make a general assignment for the benefit of creditors, or if a petition in bankruptcy is filed by Franchisee or such a petition is filed against and consented to by Franchisee, or if Franchisee is adjudicated a bankrupt, or if a bill in equity or other proceeding for the appointment of a receiver of Franchisee or other custodian for Franchisee's business or assets is filed and consented to by Franchisee, or if a receiver or other custodian (permanent or temporary) of Franchisee's assets or property, or any part thereof, is appointed by any court of competent jurisdiction, or if proceedings for a composition with creditors under any state or federal law should be instituted by or against Franchisee, or if a final judgment remains unsatisfied or of record for thirty (30) days or longer (unless a supersedeas bond is filed), or if execution is levied against Franchisee's Restaurant or Franchisee's property, or suit to foreclose any lien or mortgage against the premises or equipment is instituted against Franchisee and not dismissed within thirty (30) days, or if the real or personal property of Franchisee's Restaurant shall be sold after levy thereupon by any sheriff, marshal, or constable. Such termination shall take effect regardless of Franchisee's compliance or failure to comply with Section 5 of this Agreement.

**19.02 Grounds for Immediate Termination.** Franchisee shall be deemed to be in default and Franchisor may, at its option, terminate this Agreement and all rights granted hereunder, without affording Franchisee any opportunity to cure the default, effective immediately upon the provision of written notice to Franchisee by Franchisor (in the manner set forth in Paragraph 26 hereof), upon the occurrence of any of the following events:

(a) If Franchisee fails to commence operation of the Restaurant pursuant to the time set forth in Paragraphs 3 and 5, or ceases to operate the Restaurant, or loses the right to possession of the premises or otherwise forfeits the right to do or transact business in the jurisdiction where the Restaurant is located; provided, however, that if any such loss of possession results from the governmental exercise of the power of eminent domain, or if, through no fault of Franchisee, the premises are damaged or destroyed by a disaster such that they cannot, in Franchisor's judgment, reasonably be restored, then in either such event this Agreement shall not be terminated for that reason for sixty (60) days thereafter, provided Franchisee applies within that time for approval to relocate, for the remainder of the term hereof, to other premises, which approval shall not be withheld unreasonably.

(b) If Franchisee is convicted of a felony, a crime involving moral turpitude, or any other crime or offense that is reasonably likely, in the sole opinion of Franchisor, to adversely affect the System, the Marks, the goodwill associated therewith, or Franchisor's interest therein.

(c) If a threat or danger to public health or safety results from the construction, maintenance, or operation of the Restaurant.

(d) If Franchisee purports to transfer any rights or obligations under this Agreement to any third party without Franchisor's prior written consent, contrary to the terms of Paragraph 18 of this Agreement.

(e) If Franchisee fails to comply with the in-term covenants set forth in Paragraph 22.02 hereinafter.

(f) If Franchisee discloses or divulges the contents of the Confidential Operations & Training Manual or other trade secrets or confidential information provided Franchisee by Franchisor contrary to Sections 13 and 14 hereof.

(g) If an approved transfer is not effected within a reasonable time following Franchisee's death or permanent incapacity as required in Paragraph 18.06 hereof.

**19.03 Termination With Notice.** Except as otherwise provided in Paragraphs 19.01, 19.02 and the subparagraphs of 19.02 of this Agreement, upon any other default by Franchisee, Franchisor may terminate this Agreement only by providing written notice of termination (in the manner set forth in Section 26 hereof) stating the nature of such default to Franchisee at least thirty (30) days prior to the effective date of termination, except for non-payment of monies for which Franchisee shall receive only ten (10) days' prior written notice; provided, however, that Franchisee may avoid termination by immediately initiating a remedy to cure such default, curing it to Franchisor's sole satisfaction, and by promptly providing proof thereof to Franchisor within the thirty (30) day period. If any such default is not cured within the specified time, or such longer period as applicable law may require, then this Agreement shall terminate without further notice to Franchisee effective immediately upon the expiration of the applicable ten (10) day or thirty (30) day period, or such longer period as applicable law may require. Defaults which are susceptible of cure hereunder may include, but are not limited to, the following illustrative events:

(a) If Franchisee fails, refuses, or neglects promptly to pay any monies owing to Franchisor, Franchisee's landlord or any supplier, when due, or to submit the financial information required by Franchisor under this Agreement, or makes any false statements in connection therewith, including the intentional understatement of Gross Sales;

(b) If Franchisee fails to maintain the standards that Franchisor requires pursuant to this Agreement or the Confidential Operations & Training Manual or other operating memoranda in any franchise operation licensed by Franchisor and operated by Franchisee;

(c) If Franchisee changes any aspect of the food preparation and service system;

(d) If Franchisee closes Franchisee's Restaurant for a period of three (3) or more consecutive business days, without the prior written approval of Franchisor, or otherwise violates any provision of the lease or sublease under which the Restaurant is operated, or otherwise loses the right of possession of the leased premises;

(e) If Franchisee, by act or omission, suffers a continued violation, in connection with the operation of the Restaurant, of any law, ordinance, rule or regulation of a governmental agency, in the absence of a good faith dispute over its application or legality and without promptly resorting to an appropriate administrative or judicial forum for relief therefrom;

(f) If Franchisee fails, refuses or neglects to obtain the Franchisor's prior written approval or consent as required by this Agreement; and

(g) If Franchisee misuses or makes any unauthorized use of the Marks or otherwise materially impairs the goodwill associated therewith or Franchisor's rights therein.

(h) If Franchisee fails to comply with any other provision of this Agreement, or any other franchise agreements with Franchisor or its affiliates, or any mandatory specification, standard or

operating procedure prescribed by Franchisor and does not correct such failure within thirty (30) days after notice of such failure to comply is delivered to Franchisee.

(i) Any default or breach by Franchisee, an affiliate of Franchisee which has been approved by Franchisor, and/or any Guarantor of Franchisee, of any other agreement between Franchisor and Franchisee and/or such other parties (approved affiliates or Guarantor) will be a default of this Franchise Agreement and will result in the termination of this Franchise Agreement at Franchisor's discretion. Any default or breach of this Franchise Agreement by Franchisee and/or an affiliate of Franchisee which has been approved by Franchisor, and/or any Guarantor of Franchisee, will be deemed a default or breach under any and all such other agreements between Franchisor and Franchisee, its affiliate and/or any Guarantor of Franchisee. If the nature of the default under any other agreement would have permitted Franchisor (or our affiliates) to terminate this Franchise Agreement if the default had occurred under this Franchise Agreement, then Franchisor will have the right to terminate all such other agreements in the same manner provided for in this Franchise Agreement for termination hereof. Franchisee's "affiliates" means any persons or entities controlling, controlled by or under common control with Franchisee.

Notwithstanding the foregoing, if Franchisee shall be late in the payment of royalties or any other monies due to Franchisor or its affiliates, two (2) times in any twelve (12) month period, then Franchisor retains the right to terminate this Agreement automatically and without further notice, even if Franchisee has cured all prior monetary defaults.

**19.04 Franchisor's Step-In Rights.** In the event of any of the foregoing defaults, Franchisor may at its option exercise its Step-in-Rights as defined in Section 21. These Step-in-Rights shall be in addition to any other rights or remedies which Franchisor may have hereunder, at law or in equity.

## **20. OBLIGATIONS UPON TERMINATION**

Upon termination or expiration, this Agreement and all rights granted hereunder to Franchisee shall forthwith terminate, and:

**20.01 No Longer a Franchisee.** Franchisee shall immediately cease to operate the Restaurant, and shall not thereafter, directly or indirectly, represent to the public or hold himself/herself/itself out as a present or former franchisee of Franchisor;

**20.02 Cease Use of Marks.** Franchisee shall immediately and permanently cease to use, by advertising or in any manner whatsoever, any equipment, format, improvements, methods, procedures, and techniques associated with the System; the name set forth on the Summary Page, and any Marks and distinctive trade dress and devices associated with the System. In particular, Franchisee shall cease to use, without limitation, all signs, furniture, fixtures, equipment, advertising and promotional materials, stationery, forms and any other articles which display the Marks or trade dress associated with the System; provided, however, that this paragraph shall not apply to the operation by Franchisee of any other franchise under the System which may be granted by Franchisor to Franchisee.

**20.03 De-Identify Premises.** Franchisee agrees, that upon termination or expiration, Franchisee shall de-identify the Premises and shall not, in the event Franchisee continues to operate or subsequently begins to operate the Restaurant, not to use any reproduction, counterfeit, copy or colorable imitation of the Marks either in connection with such other business or the promotion thereof, which is likely to cause confusion, mistake or deception, or which is likely to dilute Franchisor's exclusive rights in and to the Marks and further agrees not to utilize any trade dress or designation of origin or description or representation which falsely suggests or represents an association or connection with Franchisor so as to constitute unfair competition. Franchisee shall make modifications or alterations to the Restaurant Premises (including,

without limitation, the changing of the telephone number) immediately upon termination or expiration of this Agreement as may be necessary to prevent the operation of any business thereon by Franchisee or others in derogation of this Section 20, and shall make such specific additional changes thereto to comply with the requirements of this Section. Franchisor shall have the right to enter upon the Restaurant Premises, without being guilty of trespass or any other tort, for the purpose of making or causing to be made such changes as may be required at the expense of Franchisee, which expense Franchisee agrees to pay upon demand.

**20.04 Prompt Payment.** Franchisee shall promptly pay all sums owing to Franchisor and its subsidiaries and affiliates. In the event of termination for any default of Franchisee, such sums shall include all damages, costs and expenses, including reasonable attorneys' fees, incurred by Franchisor as a result of the default, which obligation shall give rise to and remain, until paid in full, a lien in favor of Franchisor against any and all of the personal property, machinery, fixtures and equipment owned by Franchisee and on the premises at the time of default.

**20.05 Return of Franchisor's Materials.** Franchisee shall immediately turn over to Franchisor all manuals, records, files, instructions, correspondence, and any and all other materials relating to the operation of the Restaurant in Franchisee's possession, and all copies thereof (all of which are acknowledged to be Franchisor's property), and shall retain no copy or record of any of the foregoing, excepting only Franchisee's copy of this Agreement and of any correspondence between the parties, and any other documents which Franchisee reasonably needs for compliance with any provision of law.

**20.06 Right to Purchase.** Franchisor shall have the right (but not the duty) to be exercised by notice of intent to do so within thirty (30) days after termination or expiration, to purchase any or all improvements, equipment, advertising and promotional materials, inventory, and menus and other items located on the Restaurant Premises, at Franchisee's cost or fair market value, whichever is less. If the parties cannot agree on fair market value within a reasonable time, an independent appraiser shall be designated by Franchisor, and his/her determination shall be binding. If Franchisor elects to exercise any option to purchase herein provided, it shall have the right to set off all amounts due from Franchisee under this Agreement, and the cost of the appraisal and expenses in repurchasing the items, such as shipping, if any, against any payment therefore.

**20.07 Right to Acquire Premises.** If requested by Franchisor, Franchisee shall assign the Lease, if any, for the premises of the Restaurant to Franchisor. If the Restaurant Premises are owned by Franchisee, or any person with an interest in Franchisee, if Franchisee is a corporation or partnership or limited liability company, and Franchisee or such person desires at any time within one (1) year following termination of this Agreement to accept any bona fide offer to purchase its interest in the premises from a third party, Franchisee or such person shall notify Franchisor in writing of each such offer, and Franchisor shall have the right and option, exercisable within thirty (30) days after receipt of such written notification, to send written notice to Franchisee or such person that Franchisor or its nominee intends to purchase Franchisee's or such person's interest on the same terms and conditions offered by the third party. Any material change in the terms of any offer prior to closing shall constitute a new offer subject to the same rights of first refusal by Franchisor or its nominee as in the case of an initial offer.

**20.08 Compliance With Restrictive Covenants.** Franchisee shall comply with the covenants contained in Section 22 of this Agreement.

**20.09 Execution of Documents.** Franchisee shall execute such documents as Franchisor may reasonably require to effectuate termination of the franchise and Franchisee's rights to use the Marks and the System.

## **21. STEP-IN RIGHTS**

**21.01 Cause for Step-In.** If Franchisor determines in its sole judgment, or if default occurs, then in order to prevent an interruption of the Restaurant which would cause harm to the franchise system and thereby lessen its value, Franchisee authorizes Franchisor to operate its Restaurant for as long as Franchisor deems necessary and practical, and without waiver of any other rights or remedies which Franchisor may have under this Agreement. In the sole judgment of Franchisor, Franchisor may deem Franchisee incapable of operating the Restaurant, if without limitation, Franchisee is absent or incapacitated by reason of illness or death; Franchisee has failed to pay when due all taxes and assessments against the premises or equipment used in connection with Franchisee's Restaurant; Franchisee has failed to pay when due any and all liens or encumbrances of every kind placed upon or against Franchisee's business property or Franchisee has failed to pay in a timely manner rent or monies owed suppliers, or other business expenses when they are due; or Franchisor determines that operational problems require that Franchisor operate Franchisee's Restaurant for a period of time.

**21.02 Duties of Parties.** Franchisor shall keep in a separate account all monies generated by the operation of Franchisee's Restaurant, less the expenses of the business, royalties and advertising fees owed and including reasonable compensation and expenses for Franchisor's representatives. In the event of the exercise of the Step-In-Rights by Franchisor, Franchisee agrees to hold harmless Franchisor and Franchisor's representatives for all actions occurring during the course of such temporary operation. Franchisee agrees to pay all of Franchisor's reasonable attorney fees and costs incurred as a consequence of Franchisor's exercise of its Step-In-Rights.

## **22. COVENANTS**

**22.01 Application of Covenants.** Franchisee covenants—that during the term of this Agreement, except as otherwise approved in writing by Franchisor, Franchisee shall (and shall require its designated managers to) devote requisite time, energy and best efforts to the management and operation of the Restaurant. Unless otherwise specified, the term “Franchisee” as used in this Section shall include, collectively and individually, all officers, directors and holders of a beneficial interest of five percent (5%) or more of the securities of Franchisee, and of any corporation directly or indirectly controlling Franchisee, if Franchisee is a corporation; the general partners, members and any limited partner (including any corporation and the officers, directors and holders of a beneficial interest of five percent (5%) or more of securities, of a corporation which controls, directly or indirectly, any general or limited partner), if Franchisee is a partnership.

**22.02 In-Term Restrictive Covenants.** Franchisee covenants that during the term of this franchise, except as otherwise approved in writing by Franchisor:

(a) The Restaurant shall at all times be under the direct supervision of the Restaurant Manager (who may be the Franchisee) who has completed Franchisor’s training program to Franchisor’s specifications, and devotes his/her full time and effort, during business hours, to the management of the Restaurant;

(b) Unless otherwise specified, the term “Franchisee” as used in this Section shall include collectively and individually, all officers, directors and holders of a beneficial interest of five percent (5%) or more of the securities of Franchisee, and any corporation directly or indirectly controlling Franchisee, if Franchisee is a corporation, and the general partners, members and any limited partner (including any corporation and the officers, directors and holders of a beneficial interest of five percent (5%) or more of securities of a corporation which controls, directly or indirectly, any general or limited partner); if Franchisee is a partnership (hereinafter collectively defined as “Confidants”). Confidants

acknowledge that, pursuant to this Agreement they may have access to confidential information including, without limitation, information regarding the promotional, operational, sales and marketing methods and techniques of Franchisor and the System, and accordingly covenant that during the term of this Agreement, except as otherwise approved in writing by Franchisor, Confidants will not, either directly or indirectly, for themselves or through, on behalf of or in conjunction with any person, persons or legal entity:

(i) Divert, or attempt to divert any business, or customer of the Restaurant, to any competitor by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the good will associated with the Franchisor's proprietary marks and the System; or

(ii) Own, maintain, advise, help, invest in or make loans to, be employed by, engage in or have any interest in any business (including any business operated by Franchisee prior to entry into the Agreement) that operates a restaurant which, in whole or in part, sells the same or similar types of food and beverages as Franchisor or any of its franchisees including without limitation that which is sold by Franchisee at the Restaurant and specifically including salads, wraps, paninis, frozen yogurt and smoothies, including, but not limited to, any of the specific items set forth in Exhibit "One H". Franchisee's Existing Locations, set forth on the Summary Page and made a part hereof is (are) hereby excluded from this paragraph.

(c) Confidants shall hold in confidence the System, and all parts thereof, and shall not disclose the System, or any part thereof, to any person, entity, firm or corporation. It is understood and agreed that the System encompasses but is not limited to, a program of accounting, identification, schemes, specifications, standards, management systems, recipes, menus, techniques, financial information (such as product costs and sources of supply), and business operations and procedures that would, if used by other persons, firms or corporations, give such other persons, firms or corporations a substantial competitive advantage that is presently enjoyed by Franchisor, each of which Confidants acknowledge is a trade secret of, and proprietary to, Franchisor and/or its affiliate. Confidants accordingly agree that they shall not, at any time during the term of this Agreement or after termination, expiration or non-renewal of this Agreement, without Franchisor's prior written consent, disclose (except to such employees or agents as must have access to such information in order to construct or operate the restaurant) or use, or permit the use of, the System or any part thereof, except as may be required by applicable law or as authorized by this Agreement.

(d) Confidants shall, at all times, treat as confidential the Confidential Operations & Training Manual and other manuals or materials designated for use within the System, and such other information as Franchisor may designate, from time to time, for confidential use in conjunction with the System, as well as all other trade secrets, confidential information, knowledge and know-how concerning the construction or operation of the Restaurant that may be imparted to, or acquired by Confidants from time to time in connection with this Agreement, and shall use diligent efforts to keep such information confidential. The Confidential Operations & Training Manual, and any other manuals or materials designated for use with the System, and all confidential information and trade secrets shall, at all times, be deemed to be, and shall remain the sole property of Franchisor and/or its affiliate, and Franchisee shall acquire no right, title or interest therein by virtue of authorization pursuant to this Agreement, to possess and use the same. Confidants acknowledge that the unauthorized use or disclosure of such confidential information and trade secrets will cause incalculable and irreparable injury to Franchisor and its affiliate. Confidants accordingly agree that they shall not, at any time, whether during the term of this Agreement or after termination, expiration or non-renewal hereof, without Franchisor's prior written consent disclose, except to such employees or agents as must have access to such information in order to construct or operate the Restaurant, or use or permit the use, except as may be required by applicable law or authorized by this

Agreement, of such information, in whole or in part, or otherwise make the same available to any unauthorized person or source.

(e) Confidants shall cause any person who is actively involved in the management of the Restaurant at the time of employment, to enter into a Confidentiality and Non-Competition Agreement" in the form recommended from time to time by Franchisor. Confidants shall use its best efforts to prevent any such person from using, in connection with the operation of any restaurant (other than the franchised restaurant and any other franchised restaurants operated by Confidants) wherever located, the System and any of the Franchisor Marks, or from operating any restaurant that looks like, copies or imitates any franchised restaurant, or is operated in a manner tending to have such effect. If Confidants has reason to believe that any such person has violated the provisions of such Confidentiality and Non-Competition Agreement, Confidants shall notify Franchisor and shall cooperate with Franchisor to protect Franchisor against infringement or other unlawful use of the Franchisor Marks or the System, including but not limited to the prosecution of any lawsuits if, in the judgment of counsel for Franchisor, such action is necessary or advisable.

**22.03 Post-Term Restrictive Covenants.** Confidants covenant that for a period of two (2) years after the expiration or termination of this Agreement, regardless of the cause of termination including but not limited to the mutual agreement of the parties hereto, except as otherwise approved in writing by Franchisor, Confidants shall not, either directly or indirectly, for themselves, himself, herself, or through, on behalf of or in conjunction with any other person, persons, limited liability company, partnership, corporation or any other legal entity or any other individual owners, partners, officers or stockholders (and the stockholder(s) of the stockholder, if the stockholder is a corporation) and affiliates of Confidants:

(a) Do or engage in any act proscribed in Paragraph 22.02 and its subparagraphs of this Agreement including but not limited to at the Premises, which are hereby incorporated by reference as if more fully set forth herein; or

(b) Own, maintain, or have any interest or engage, directly or indirectly, as an owner, partner, director, officer, employee, consultant, representative or agent, or in any other capacity in a restaurant business which sells or serves those items set forth in Exhibit "One H attached hereto and made a part hereof or additional menu items Franchisor offers for sale or may subsequently authorize for sale in the franchised system or a restaurant business which is the same or similar to the Restaurant: (a) located at the Premises; (b) located within a five (5) mile radius of the Premises; or (c) within a five (5) mile radius of any other restaurant franchised by Franchisor under the Marks, whether the same is operated by Franchisor, an affiliate or subsidiary thereof, or by another franchisee under any of the Marks. To the extent that this paragraph is judicially determined to be unenforceable by virtue of its scope in terms of area or length of time, but may be made enforceable by reductions of either or both thereof, Franchisee and Franchisor agree that the same shall be enforced to the fullest extent permissible under the laws and public policies applied in the jurisdiction in which enforcement is sought. Ownership of less than five percent (5%) of the outstanding voting stock of any class of stock of a publicly traded corporation will not by itself violate this Paragraph 22.02 (b). Franchisee's Existing Locations, set forth on the Summary Page and made a part hereof is (are) excluded from this paragraph.

**22.04 Information Exchange.** All ideas, concepts, methods and techniques useful to a restaurant business, whether or not constituting protectable intellectual property that Franchisee creates or that are created on Franchisee's behalf, shall be promptly disclosed to Franchisor. If Franchisor adopts any of them as part of the System, they will be deemed to be Franchisor's sole and exclusive property (without compensation to Franchisee) and deemed to be works made-for-hire for Franchisor. Franchisee agrees to sign whatever assignment or other documents Franchisor requests to evidence Franchisor's ownership or to assist Franchisor in securing intellectual property rights in such ideas, concepts, techniques or materials.

**22.05 Severability.** The parties agree that each of the foregoing covenants shall be construed as independent of any other covenant or provision of this Agreement. If all or any portion of a covenant in this Section 22 is held unreasonable or unenforceable by a court or agency having valid jurisdiction in an unappealed final decision to which Franchisor is a party, Franchisee expressly agrees to be bound by any lesser covenant subsumed with the terms of such covenant that imposes the maximum duty permitted by law, as if the resulting covenant was separately stated in and made a part of this Section.

**22.06 Right to Reduce Covenants.** Franchisee understands and acknowledges that Franchisor shall have the right, in its sole discretion, to reduce the scope of any covenant set forth in Paragraphs 22.02B, 22.02C and 22.03B in this Agreement, or any portion thereof, without Franchisee's consent, effective immediately upon receipt by Franchisee of written notice thereof, and Franchisee agrees that it shall comply forthwith with any covenant as so modified, which shall be fully enforceable notwithstanding the provisions of Section 22 hereof.

**22.07 Application of Restrictive Covenants to Franchisee's Personnel.** Franchisor shall have the right to require all of Franchisee's personnel performing managerial or supervisory functions and all personnel receiving special training from Franchisor to execute similar covenants in a form satisfactory to Franchisor.

**22.08 Injunctive Relief.** Franchisor, in addition to such other rights it may have, shall have the right to injunctive relief without posting bond to enforce its rights pursuant to this Section 22.

## **23. TAXES, PERMITS, AND INDEBTEDNESS**

**23.01 Prompt Payment of Taxes and Other Indebtedness.** Franchisee shall promptly pay when due all taxes levied or assessed, including, without limitation, unemployment, sales and meal taxes, and all accounts and other indebtedness of every kind incurred by Franchisee in the conduct of the Restaurant.

**23.02 Bona Fide Dispute.** In the event of any bona fide dispute as to liability for taxes assessed or other indebtedness, Franchisee may contest the validity or the amount of the tax or indebtedness in accordance with procedures of the taxing authority or applicable law; however, in no event shall Franchisee permit a tax sale or seizure by levy of execution or similar writ or warrant, or attachment by a creditor, to occur against the premises of the Restaurant, or any improvement thereon.

**23.03 Compliance With All Laws.** Franchisee shall comply with all federal, state, and local laws, rules and regulations, and shall timely obtain any and all permits, certificates or licenses necessary for the full and proper conduct of the business licensed under this Agreement, including, without limitation, building and other required construction permits, licenses to do business and fictitious name registrations, sales tax permits, health and sanitation permits and ratings and fire clearance. Copies of all subsequent inspection reports, warnings, certificates and ratings issued by any governmental entity during the term of this Agreement in connection with the conduct of the Restaurant which indicate Franchisee's failure to meet or maintain the highest governmental standards and ratings applicable to the operation of the Restaurant or less than full compliance by Franchisee with any applicable law, rule or regulation shall be forwarded to Franchisor by Franchisee within five (5) days of Franchisee's receipt thereof.

**23.04 Privacy.** Franchisee shall abide by all applicable laws pertaining to privacy of information collected or maintained regarding customers or other individuals ("Privacy"), and shall comply with Franchisor's standards and policies pertaining to Privacy. If there is a conflict between Franchisor's standards and policies pertaining to Privacy and applicable law, Franchisee shall: (a) comply with the

requirements of applicable law; (b) immediately give Franchisor written notice promptly of such conflict; and (c) and fully cooperate with Franchisor and Franchisor's counsel as Franchisor may request to assist Franchisor in Franchisor's determination regarding the most effective way, if any, to meet Franchisor's standards and policies pertaining to Privacy within the bounds of applicable law.

## **24. INDEPENDENT CONTRACTOR AND INDEMNIFICATION**

**24.01 Independent Contractor.** Neither this Agreement nor the dealings of the parties pursuant to this Agreement shall create any fiduciary relationship or any other relationship of trust or confidence between the parties hereto. Franchisor and Franchisee, as between themselves, are and shall be independent contractors. Franchisee is solely responsible for hiring, supervising, and directing all of Franchisee's employees, for the payment and withholding of all payroll and other taxes imposed upon or determined by wages and salaries of such employees, and for complying with all applicable laws relating to worker's and unemployment compensation, occupational disease, disability and similar laws. Franchisor has no control over Franchisee's employees, including the terms and conditions of their employment.

If applicable law shall imply a covenant of good faith and fair dealing in this Agreement, the parties hereto agree that such covenant shall not imply any rights or obligations that are inconsistent with a fair construction of the terms of this Agreement. Additionally, if applicable law shall imply such covenant, Franchisee acknowledges and agrees that (a) this Agreement (and the relationship of the parties which is inherent from this agreement) grants Franchisor the discretion to make decisions, take actions and/or refrain from taking actions not inconsistent with its explicit rights and obligations hereunder that may affect favorably or adversely Franchisee's interests; (b) Franchisor will use its judgment in exercising such discretion based on its assessment of its own interests and balancing those interests against the interests of the owners of Restaurants generally (including Franchisor, and its affiliates and franchisees), and specifically without considering Franchisee's individual interests or the individual interests of any other particular franchisee; (c) Franchisor will have no liability to Franchisee for the exercise of its discretion in this manner, so long as such discretion is not exercised in bad faith toward Franchisee; and (d) in absence of such bad faith, no trier of fact in any legal action or arbitration proceeding shall substitute its judgment for Franchisor's judgment so exercised.

Nothing contained in this Agreement, or arising from the conduct of the parties hereunder, is intended to make either party a general or special agent, joint venturer, partner or employee of the other for any purpose whatsoever. Franchisee must conspicuously identify itself in all dealings with customers, lessors, contractors, suppliers, public officials, employees and others as the owner of the Restaurant and must place such other notices of independent ownership on such forms, business cards, stationery, advertising and other materials as we may require from time to time.

Franchisee may not make any express or implied agreements, warranties, guarantees or representations or incur any debt in Franchisor's name or on Franchisor's behalf or represent that the relationship of the parties hereto is anything other than that of independent contractors. Franchisor will not be obligated by or have any liability under any agreements made by Franchisee with any third party or for any representations made by Franchisee to any third party. Franchisor will not be obligated for any damages to any person or property arising directly or indirectly out of the operation of Franchisee's business hereunder.

**24.02 Public Notice.** During the term of this Agreement and any extensions hereof, Franchisee shall hold itself out to the public as an independent contractor operating the business pursuant to a franchise from Franchisor. Franchisee agrees to take such affirmative action as may be necessary to do so, including, without limitation, exhibiting a notice of that fact in a conspicuous place at the Restaurant, the content of which Franchisor reserves the right to specify.

**24.03 Indemnification.** It is understood and agreed that nothing in this Agreement authorizes Franchisee to make any contract, agreement, warranty or representation on Franchisor's behalf, or to incur any debt or other obligation in Franchisor's name, and that Franchisor shall in no event assume liability for, or be deemed liable hereunder as a result of, any such action, or by reason of any act or omission of Franchisee in its conduct of the Restaurant or any claim or judgment arising therefrom against Franchisor. Franchisee shall indemnify and hold Franchisor harmless against any and all such claims arising directly or indirectly from, as a result of, or in connection with Franchisee's operation of the Franchised Business as well as the costs, including attorneys' fees, of defending against them. Franchisee shall indemnify, defend and hold harmless Franchisor, its affiliates and all their respective shareholders, members, directors, officers, employees, agents, successors and assigns against, and reimburse them for, any claim, liability, obligation, actual and consequential damages or taxes asserted against or imposed on any of the foregoing indemnified parties arising directly or indirectly from the development or operation of the Restaurant, other than liabilities caused solely by Franchisor's own gross negligence or willful action and all other liabilities arising from labor and employment law violations or liability for acts or omissions of Franchisee's employees. Franchisor will notify Franchisee within thirty (30) days of the assertion of any such claim. Franchisor has the right to defend and/or settle any such matter in such manner it deems appropriate, without Franchisee's consent, and Franchisee shall reimburse each of the foregoing indemnified parties for all costs reasonably incurred in defending and/or settling any such matter, including reasonable attorneys' fees (which shall include reasonable compensation for time spent by any in-house counsel). This section shall continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement.

**24.04 Merger, Acquisition, Application.** Franchisee agrees that Franchisor has the right, now, or in the future, to purchase, merge, acquire, or affiliate with an existing competitive or non-competitive franchise network, chain, or any other business regardless of the location of that chain's or business' facilities, and to operate, franchise or license those businesses and/or facilities as the Restaurant operating under the Marks or any of their marks following Franchisor's purchase, merger, acquisition or affiliation, regardless of the location of these facilities (which Franchisee acknowledges may be proximate to the Restaurant Location, or proximate to any of the Franchisee's locations).

Franchisor will have the right to assign this agreement, and all of its rights and privileges under this agreement, to any person, firm, corporation or other entity.

Franchisee agrees and affirms that Franchisor may sell itself, its assets, its Marks and/or its system to a third party; may go public; may engage in a private placement of some or all of its securities; may merge, acquire other corporations, or be acquired by another corporation; and/or may undertake a refinancing, recapitalization, leveraged buyout or other economic or financial restructuring. With regard to any of the above sales, assignments and dispositions, Franchisee expressly and specifically waives any claims, demands or damages arising from or related to the loss of Franchisor's name, the Marks (or any variation thereof) and System and/or the loss of association with or identification of the Restaurants. Franchisee specifically releases any and all other claims, demands or damages arising from or related to the foregoing merger, acquisition and other business combination activities including, without limitation, any claim of divided loyalty, breach of fiduciary duty, fraud, breach of contract or breach of the implied covenant of good faith and fair dealing.

If Franchisor assigns its rights in this agreement, nothing herein shall be deemed to require Franchisor to remain in the restaurant business or any business which it now conducts or to offer to sell any food items, products or services to Franchisee.



## **28. SEVERABILITY AND CONSTRUCTION**

**28.01 Severability.** Except as expressly provided to the contrary herein, each section, part, term and/or provision of this Agreement shall be considered severable; and if, for any reason, any section, part, term and/or provision herein, is determined to be invalid and contrary to, or in conflict with, any existing or future law or regulation by a court or agency having valid jurisdiction, such shall not impair the operation of, or have any other effect upon, such other portions, sections, parts, terms and/or provisions of this Agreement as may remain. The remaining Agreement shall continue to be given full force and effect and bind the parties hereto, and said invalid sections, parts, terms and/or provisions shall be deemed not to be a part of this Agreement.

**28.02 Application to Parties Only.** Anything to the contrary herein notwithstanding, nothing in this Agreement is intended, nor shall be deemed, to confer upon any person or legal entity other than Franchisor or Franchisee and such of their respective successors and assigns as may be contemplated by Paragraph 18 hereof, any rights or remedies under or by reason of this Agreement.

**28.03 Titles For Convenience.** All captions in the Agreement are intended solely for the convenience of the parties, and none shall be deemed to affect the meaning or construction of any provision hereof.

**28.04 References.** All references herein to the masculine, neuter or singular shall be construed to include the masculine, feminine, neuter or plural, where applicable, and all acknowledgments, promises, covenants, agreements and obligations herein made or undertaken by Franchisee shall be deemed jointly and severally undertaken by all the parties hereto on behalf of Franchisee.

**28.05 Duplicate Copies.** This Agreement may be executed in duplicate, and each copy so executed shall be deemed an original.

**28.06 Patent Errors and Blanks.** Franchisor may correct any and all patent errors and fill in all blanks in this Agreement or in any Collateral Schedule or Exhibit, consistent with the agreement of the parties.

**28.07 Signatures.** A facsimile signature, including photocopied, faxed and electronically transmitted (such as PDF) copies of a signature, is binding to the same extent as an original signature and shall be deemed an original signature with regard to this Agreement and all Riders and any Amendments hereto. The parties hereto further agree that this Agreement may be executed electronically by any means Franchisor chooses, and if by electronic signature, the electronic signature shall be binding to the same extent as an original signature with regard to this Agreement and all Riders, Amendments or Addenda hereto. You are not entitled to challenge the validation or authenticity of the electronic signature or the document on the ground that it is not the original.

## **29. APPLICABLE LAW**

### **29.01 Governing Law/Exclusive Jurisdiction.**

Except to the extent governed by the United States Trademark Act of 1946 (Laham Act, 15. U.S.C. Sections 1050 et seq.), this Agreement shall be construed under the laws of the State of New Jersey, provided the foregoing shall not constitute a waiver of any of Franchisee's rights under any applicable franchise law of another state. Otherwise, in the event of any conflict of law, New Jersey law will prevail, without regard to its conflict of law principles. However, if any provision of this Agreement would not be enforceable under New Jersey law, and if the Restaurant Premises is located outside of New Jersey and such provision would be

enforceable under the laws of the state in which the Restaurant Premises is located, then such provision shall be construed under the laws of that state. Nothing in this Paragraph is intended to subject this agreement to any franchise or similar law, rule or regulation of the State of New Jersey to which it otherwise would not be subject.

Except as otherwise stated herein, any and all controversies, claims or disputes among Franchisor, Franchisee and any or all of their respective owners, affiliates, officers, directors, shareholders, members, employees and agents shall be resolved by litigation and brought, maintained and concluded exclusively in either the State Courts of New Jersey as hereinafter specified or Federal Court, in the United States District Court, the Newark vicinage in the State of New Jersey. If Franchisor initiates litigation in the State Court of New Jersey, such litigation may, in Franchisor's sole discretion, be instituted in either Morris County, Essex County or Union County New Jersey. If litigation is instituted by Franchisee, its owners or any party hereto, other than Franchisor, in State Court, such litigation shall be instituted maintained and concluded only in Morris County, New Jersey and if in Federal Court, the United States District Court in the Newark vicinage in the State of New Jersey. Franchisee and each owner, waive to the fullest extent permitted by law, any objection that Franchisee and each owner may now or in the future have to the laying of jurisdiction or venue of any litigation arising out of or in connection with this Agreement brought by Franchisor in Federal Court in the United States District State Court, Newark vicinage or in State Court by Franchisor, in either Morris County, Essex County, or Union County in New Jersey or if brought by Franchisee and/or any owner thereof in the State Court, in Morris County, New Jersey. Franchisee and any owner thereof or any party hereto, waives any objection as to any action or proceeding brought in such court or that such court is an inconvenient forum. The Franchisee or any owner or any party hereto, further acknowledges and agrees that Franchisor may institute legal action for injunctive relief including temporary restraining orders and preliminary injunctions pursuant to Paragraph 29.03 "Right to Injunctive Relief".

Franchisee and any owner thereof or any party hereto, hereby agrees that service of process may be made upon Franchisee or any owner thereof or any party hereto, in any proceeding relating to or arising out of this Agreement or any provision of this Agreement or the relationship created by this Agreement as follows:

- (i). By any means allowed by New Jersey law or Federal law or the law of the jurisdiction in which the restaurant premises are located; and
- (ii). Service upon any employee at the Premises who is over the age of eighteen (18); or
- (iii). Service upon an agent for service of process in the State of New Jersey, who is approved by Franchisor. Franchisee shall appointment an agent for service of process in the State of New Jersey within ten (10) days of the date this Agreement is executed by Franchisee; or
- (iv). As otherwise agreed by the parties in writing.

**29.02 Cumulative Rights and Remedies.** No right or remedy conferred upon or reserved to Franchisor or Franchisee by this Agreement is intended to be, nor shall be deemed, exclusive of any other right or remedy herein or by law or equity provided or permitted, but each shall be cumulative of every other right or remedy.

**29.03 Right to Injunctive Relief.** Notwithstanding the provisions in Paragraph 29.01 above and 29.06 below, Franchisor may obtain in any court of competent jurisdiction any injunctive relief, including temporary restraining orders and preliminary injunctions, against conduct or threatened conduct for which no adequate remedy at law may be available or which may cause it irreparable harm. Franchisor may have such injunctive relief, without bond, but upon due notice, in addition to such further and other relief as may be

available at equity or law, and Franchisee's sole remedy in the event of the entry of such injunction, shall be its dissolution, if warranted, upon hearing duly had (all claims for damages by reason of the wrongful issuance of any such injunction being expressly waived). Franchisee and each of its owners acknowledges that any violation of Sections 12, 13, 14, 18, 20 and 22 would result in irreparable injury to Franchisor for which no adequate remedy at law may be available. Accordingly, Franchisee and each of its owners consents to the issuance of an injunction prohibiting any conduct in violation of any of those sections and agrees that the existence of any claim Franchisee or any of its owners may have against Franchisor, whether or not arising from this Agreement, shall not constitute a defense to the enforcement of any of those Paragraphs.

**29.04 One Year Limitation.** Any and all claims and actions and setoffs arising out of or relating to this Agreement (including, but not limited to, the offer and sale of this Agreement), the relationship of Franchisee and Franchisor, or Franchisee's operation of the Restaurant, brought by Franchisee shall be commenced within one (1) year from the occurrence of the facts giving rise to such claim or action, or such claim or action shall be barred. In the event that this provision is unenforceable under applicable law, then the limitation period shall be deemed to be the shortest limitation period to which the parties could agree to be bound.

**29.05 Exemplary Damages Waived.** Franchisor and Franchisee hereby waive to the fullest extent permitted by law any right to or claim of any consequential, punitive, or exemplary damages against the other, and agree that in the event of a dispute between them each shall be limited to the recovery of any actual damages sustained by it.

**29.06 Limitations on Legal Actions.** Franchisee agrees that, for the System to function properly, Franchisor should not be burdened with the costs of litigating system-wide disputes. Accordingly, any disagreement between Franchisee (and its owners) and Franchisor shall be considered unique as to its facts and shall not be brought as a class action, and Franchisee (and each of its owners) waives any right to proceed against Franchisor or any of its affiliates, officers, directors, employees, agents, successors and assigns by way of class action. In any legal action between the parties, the court shall not be precluded from making its own independent determination of the issues in question, notwithstanding the similarity of issues in any other legal action involving Franchisor and any other franchisee, and each party waives the right to claim that a prior disposition of the same or similar issues preclude such independent determination.

Franchisee waives any and all rights, actions or claims for relief under the Federal act entitled "Racketeer Influence and Corrupt Organizations", 18 U.S.C. §1961 *et seq.*

### **30. TAXES**

Franchisor will have no liability for any sales, use, service, occupation, excise, gross receipts, income, property or other taxes, whether levied upon the Restaurant, Franchisee's property or upon Franchisor, in connection with sales made or business conducted by Franchisee (except any taxes Franchisor is required by law to collect from Franchisee). Payment of all such taxes shall be Franchisee's responsibility. In the event of a bona fide dispute as to Franchisee's liability for taxes, Franchisee may contest its liability in accordance with applicable law. In no event, however, will Franchisee permit a tax sale, seizure, or attachment to occur against the Restaurant or any of its assets.

### **31. CONFIRMATIONS**

Franchisor expressly disclaims the making of any warranty or guaranty express or implied, as to revenues, sales or profits or the extent to which Franchisor will continue to develop and expand the networking of EYB Concepts. Any statements regarding the franchised business are made solely in the Franchise Disclosure Document delivered to Franchisee prior to signing this Agreement. Franchisor states



**EXHIBIT ONE A**

**to the Franchise Agreement between Franchisor and Franchisee. The terms and definitions set out in the Summary page of the Franchise Agreement are incorporated herein and made a part hereof as if fully set out.**

**Intentionally Omitted**

**EXHIBIT ONE B**

**to the Franchise Agreement between Franchisor and Franchisee. The terms and definitions set out in the Summary page of the Franchise Agreement are incorporated herein and made a part hereof as if fully set out.**

**ADDENDUM TO LEASE**

**THIS ADDENDUM TO LEASE** (this “Addendum”) dated \_\_\_\_\_, 20\_\_ is entered into by and between \_\_\_\_\_ (“Landlord”), and \_\_\_\_\_ (“Tenant”).

**RECITALS**

**A.** The parties have entered into a certain lease dated \_\_\_\_\_, 20\_\_, (the “Lease”) which pertains to the premises located at \_\_\_\_\_ (the “Premises”).

**B.** Landlord acknowledges that Tenant intends to operate a “Green Leaf’s Beyond Great Salads” and/or “Bananas, Smoothies & Frozen Yogurt” or sometimes designated “The Market By Villa”, (“Franchised Restaurant”) in the Premises under a Everything Yogurt Brands, LLC Franchise Agreement (the “Franchise Agreement”).

**C.** Landlord acknowledges that the provisions of this Addendum are required pursuant to the Franchise Agreement under which Tenant plans to operate its business and that Tenant would not lease the Premises without this Addendum.

**D.** The parties now desire to amend the Lease in accordance with the terms and conditions in this Addendum.

**AGREEMENT**

**NOW, THEREFORE,** it is mutually agreed between Landlord and Tenant that, notwithstanding anything to the contrary in the Lease:

1. **Use of the Premise.** Tenant’s right to use and occupy the Premises as a Franchised Restaurant includes the right to sell those menu items from time to time specified under the terms of the Franchise Agreement and to engage in those activities and operations from time to time conducted by a Franchised Restaurant.

2. **Tenant Improvements; Décor; Remodeling.** At the commencement of the Lease, Tenant will have the right to make all alterations and improvements to the Premises which are required by the plans and specifications for a Franchised Restaurant, as those plans and specifications have been approved specifically by Everything Yogurt Brands, LLC for the Premises. During the term of the Lease (including any extensions or renewals of the Lease), Tenant will have the right to remodel the Premises from time to time according to the plans and specifications approved by Everything Yogurt Brands, LLC for each remodeling.

### **3. Signage.**

**3.1** Landlord approves the design, size, and specifications of the exterior signs (if more than one) described in Exhibit A to this Addendum, including the colors and open channel lettering (the “Approved Exterior Signs”) (if there is one Approved Exterior Sign described in Exhibit A, then the term “Approved Exterior Signs” in this Addendum means that single Approved Exterior Sign).

**3.2** Tenant will have the right to install and display (a) the Approved Exterior Signs on the exterior of the Premises and (b) all proprietary marks and signs on the interior of the Premises, as Tenant is, in each instance, required to do pursuant the terms of the Franchise Agreement. The placement of the Approved Exterior Signs on the exterior of the Premises will be as permitted by applicable building and zoning codes.

**3.3** If Tenant desires to replace any of the Approved Exterior Signs with another exterior sign (the “Replacement Sign”), then Tenant will submit to Landlord the proposed design, size, placement and specifications of the Replacement Sign. The Replacement Sign is subject to the approval of Landlord, which approval will not be unreasonably withheld or delayed. Landlord may not withhold its approval of the Replacement Sign if each of the following conditions are met:

(a) (i) the Replacement Sign does not exceed the height and width of the Approved Exterior Sign being removed, (ii) the placement of the Replacement Sign on the exterior of the Premises is not materially different from that of the Approved Exterior Sign being removed, and (iii) the Replacement Sign conforms to applicable zoning and building codes; and

(b) Any material change to the Replacement Sign from the Approved Exterior Sign being removed involve color changes or changes to the logo or the size, design or style of the letters (it being acknowledged and agreed to by Landlord that the Replacement Sign may have neon tube, open channel lettering).

Once approved by Landlord, the Replacement Sign will be an “Approved Exterior Sign” for purposes of the Lease.

### **4. Assignment.**

**4.1** Tenant has the right to assign or sublease all of its rights, titles and interests in the Lease and Premises to Everything Yogurt Brands, LLC or its Designated Person at any time during the term of the Lease, including ant extensions or renewals of the Lease, without first obtaining Landlord’s consent. “Designated Person” means, as designated by Everything Yogurt Brands, LLC in writing to Landlord, any affiliate of Everything Yogurt Brands, LLC or any franchisee of Everything Yogurt Brands, LLC.

**4.2** No assignment or sublease of the Lease and Premises pursuant to this Section 4 will (a) be effective until such time as Everything Yogurt Brands, LLC or its Designated Person gives the Landlord written notice of its acceptance of the assignment or sublease or (b) delegate to, or create in, Everything Yogurt Brands, LLC (or its Designated Person) any liability or responsibility for any acts, conditions or circumstances arising before the effective date of the assignment or sublease to Everything Yogurt Brands, LLC (or its Designated Person). Furthermore, nothing contained in this Addendum or in any other document (i) constitutes Everything Yogurt Brands, LLC. or its Designated Person a party to the Lease or a guarantor of the Lease or (ii) creates any liability or obligation on Everything Yogurt Brands, LLC (or, as applicable, its Designated Person) unless and until the Lease is assigned or subleased to, and accepted in writing by, Everything Yogurt Brands, LLC (or, as applicable, by its Designated Person).

**4.3** In the event the Franchise Agreement between Everything Yogurt Brands, LLC and the Tenant shall expire or terminate, then the Tenant's rights pursuant to the Lease shall, at the option of Everything Yogurt Brands, LLC, be assigned and transferred to it provided that Everything Yogurt Brands, LLC or its Designated Person shall assume and be liable for all of Tenant's obligations, duties, and liabilities pursuant to the Lease.

**4.4** Everything Yogurt Brands, LLC may exercise said option by sending the Landlord written notice of its intention to succeed to Tenant's rights under the Lease by certified mail, return receipt requested within thirty (30) days after the expiration or termination of the Franchise Agreement. Said notice shall, without any further action, operate as an Assignment of Tenant's rights under the Lease. Should the Lease be assigned or subleased to, and accepted in writing by Everything Yogurt Brands, LLC (or its Designated Person), then Everything Yogurt Brands, LLC will have the further right to assign or sublease the Lease and Premises to another franchisee of Everything Yogurt Brands, LLC at any time during the term of the Lease, including any extensions or renewals of the Lease, without first obtaining Landlord's consent. If Everything Yogurt Brands, LLC should assign its rights to another franchisee, then Everything Yogurt Brands, LLC will be relieved of all liability for any acts, conditions or circumstances arising after the date of that assignment.

**4.5** Landlord expressly acknowledges that Everything Yogurt Brands, LLC is not a party to the Lease and will have no liability or responsibility under the lease, nor does Everything Yogurt Brands, LLC have any obligation or responsibility to assume the Lease or take an assignment of the Lease. Landlord further acknowledges that this Addendum to the Lease does not create any fiduciary relationship or other relationship of trust or confidence between the Tenant and Everything Yogurt Brands, LLC.

**5. Default and Notice.**

- (a) If Landlord gives Tenant notice of any default or violation by Tenant under the terms of the Lease, Landlord will also give Everything Yogurt Brands, LLC notice of that default or violation promptly after Landlord has given that notice to Tenant.
- (b) All notices to Everything Yogurt Brands, LLC will be sent by registered or certified mail, postage prepaid, to the following address:

Everything Yogurt Brands, LLC  
25 Washington Street  
Morristown, NJ 07960  
Attn: General Counsel

Everything Yogurt Brands, LLC may change its address for receiving notices by giving Landlord written notice of its new address. Landlord will notify both Tenant and Everything Yogurt Brands, LLC of any changes in Landlord's mailing address to which notices should be sent.

**6. Termination or Expiration.** On the expiration or termination of either the Lease or the Franchise Agreement, Landlord will allow Everything Yogurt Brands, LLC to enter the Premises, without being guilty of trespass and without incurring any liability to Landlord, (a) to remove all signs, advertising, logos, and other items identifying the Premises as a Franchised Restaurant and (b) to make any other modifications as are reasonable necessary: (i) to protect Everything Yogurt Brands, LLC's proprietary marks and the Everything Yogurt Brands, LLC system and (ii) to distinguish the Premises from a Franchised Restaurant. The obligations of Landlord under this Section 6 are conditioned on (1) Everything Yogurt Brands, LLC's giving Landlord prior notice of the modification to be made and the items removed

and (2) Everything Yogurt Brands, LLC's repairing of any damage Everything Yogurt Brands, LLC causes to the Premises during its removal of the items described above and Everything Yogurt Brands, LLC's making of those modifications (if any) to the Premises described above.

7. **No Liability.** Landlord further acknowledges that Tenant is not an agent, partner or employee of Everything Yogurt Brands, LLC and that Tenant has no authority or power to act for, or to create any liability on behalf of, or to in any way bind, Everything Yogurt Brands, LLC and that Landlord has entered into the Lease and this Addendum creates any duties, obligations or liabilities on or against Everything Yogurt Brands, LLC.

8. **Amendments.** No amendment or variation of the terms of this Addendum is valid unless (i) made in writing and signed by Landlord and Tenant and (ii) Everything Yogurt Brands, LLC has provided its consent to the amendment.

9. **Reaffirmation of Lease; Governing Terms.** Except as amended or modified in this Addendum, all of the terms, conditions and covenants of the Lease are confirmed and remain in full force and effect. This Addendum is incorporated into, and is made part of, the Lease as if fully rewritten in the Lease. The terms of this Addendum will govern in the case of any conflict or inconsistency between the terms of the Lease and this Addendum.

10. **Enforcement by Everything Yogurt Brands, LLC.** It is expressly acknowledged and agreed that Everything Yogurt Brands, LLC is a third party beneficiary of the agreements of Landlord set forth in this Addendum. Tenant, Everything Yogurt Brands, LLC, or both (*i.e.*, alone or together) shall have the right to enforce Landlord's agreements in this Addendum.

11. **Terms; Captions.** As used in this Addendum, the term "affiliate" means any person or entity (i) that is owned or controlled by Everything Yogurt Brands, LLC, (ii) which owns and controls Everything Yogurt Brands, LLC, or (iii) which is under common control with Everything Yogurt Brands, LLC. All references in this Addendum to any agreement, instrument, or document as the agreement, instrument or document may, from time to time, be modified, amended, renewed, restated, consolidated, extended, or replaced. The captions contained in this Addendum are for referenced purposes only and will not affect or relate to the interpretation of this Addendum. Whenever the word "including" or "includes" is used in this Addendum, those terms are used by way of illustration and not by way of limitation.

**IN WITNESS WHEREOF**, the parties have signed this Addendum to Lease as of the day, month and year written in the opening paragraph.

\_\_\_\_\_  
By: \_\_\_\_\_  
Title: \_\_\_\_\_  
("Landlord")

\_\_\_\_\_  
By: \_\_\_\_\_  
Title: \_\_\_\_\_  
("Tenant")

**EXHIBIT ONE C**

**to the Franchise Agreement between Franchisor and Franchisee. The terms and definitions set out in the Summary page of the Franchise Agreement are incorporated herein and made a part hereof as if fully set out.**

**Intentionally Omitted**

## **EXHIBIT ONE D**

**to the Franchise Agreement between Franchisor and Franchisee. The terms and definitions set out in the Summary page of the Franchise Agreement are incorporated herein and made a part hereof as if fully set out.**

### **OWNERS' PERSONAL GUARANTY OF FRANCHISEE'S OBLIGATIONS**

In consideration of, and as an inducement for Franchisor to enter into the Franchise Agreement, the undersigned owners of an interest in Franchisee hereby personally and unconditionally, jointly and severally: (1) guarantees to Franchisor and its successors and assigns, for the term of the Franchise Agreement and thereafter as provided in the Franchise Agreement, that Franchisee shall punctually pay and perform each and every undertaking, agreement and covenant set forth in the Franchise Agreement and that each and every representation of Franchisee made in connection with the Franchise Agreement are true, correct and complete in all respects at and as of the time given; and (2) agrees personally to be bound by, and personally liable for the breach of, each and every provision in the Franchise Agreement.

Each of the undersigned waives: (a) acceptance and notice of acceptance by Franchisor of the foregoing undertakings; (b) notice of demand for payment of any indebtedness or nonperformance of any obligations hereby guaranteed; (c) protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations hereby guaranteed; (d) any right he/she may have to require that an action be brought against Franchisee or any other person as a condition of liability; and (e) any and all other notices and legal or equitable defenses to which he/she may be entitled.

Each of the undersigned consents and agrees that: (i) his/her direct and immediate liability under this guaranty shall be joint and several; (ii) he/she shall render any payment or performance required under the Franchise Agreement upon demand if Franchisee fails or refuses punctually to do so; (iii) such liability shall not be contingent or conditioned upon pursuit by Franchisor of any remedies against Franchisee or any other person; and (iv) such liability shall not be diminished, relieved or otherwise affected by any extension of time, credit or other indulgence which the Franchisor may from time to time grant to Franchisee or to any other person including, without limitation, the acceptance of any partial payment or performance or the compromise or release of any claims, none of which shall in any way modify or amend this guaranty, which shall be continuing and irrevocable during the term of the Franchise Agreement.

This guaranty shall be interpreted and construed under the laws of the State of New Jersey. In the event of any conflict of law, the laws of the State of New Jersey shall prevail. Any and all disputes shall be resolved by litigation and brought, maintained and concluded exclusively in either the State Court of New Jersey as hereinafter specified or in Federal Court in the United States District Court, Newark vicinage of New Jersey. If Franchisor initiates litigation in the State Court of New Jersey such litigation may, in Franchisor's sole discretion, be instituted in one of the following counties: Morris County, Essex County, or Union County, New Jersey. If litigation is instituted by any owner of Franchisee in State Court, such litigation shall be instituted maintained and concluded in Morris County, New Jersey and if in Federal Court, the United States District Court in the Newark vicinage of New Jersey. The undersigned, waive to the fullest extent permitted by law, any objection that they jointly and severally, now or in the future have to laying of jurisdiction or venue of any litigation, brought by Franchisor in Federal Court of the United States District Court in the Newark vicinage of New Jersey or if in State Court by Franchisor, in Morris County, Union County or Essex County in New Jersey or if brought by any of the undersigned signatories in State Court, only in Morris County, New Jersey. Each of the undersigned waives any objection to jurisdiction or venue of such court or proceeding brought in such court or that such court is an inconvenient forum. Each of the undersigned further acknowledge that Franchisor may institute legal action against the undersigned jointly

and severally, for injunctive relief, including temporary restraining orders and preliminary injunctions in any court of competent jurisdiction, without any bond, against any conduct or threatened conduct for which no adequate remedy at law may be available or which may cause irreparable harm to Franchisor. Franchisor shall be entitled to such relief in addition to such further and other relief as may be available at equity or law and the undersigned's sole remedy in the event of the entry of injunction, shall be its dissolution, if warranted, upon hearing duly had (all claims for damages by reason of the wrongful issuance of any such injunction being expressly waived).

A facsimile signature, including photocopied, faxed and electronically transmitted (such as PDF) copies of a signature, is binding to the same extent as an original signature and shall be deemed an original signature with regard to this Agreement and all Riders and any Amendments hereto. Guarantor(s) hereto agree(s) that the Owners' Personal Guaranty of Franchisee's Obligations may be executed electronically by any means Franchisor chooses, and if by electronic signature, the electronic signature shall be binding to the same extent as an original signature and shall be deemed an original signature with regard to this Owners' Personal Guaranty of Franchisee's Obligations. Guarantor(s) is(are) not entitled to challenge the validation or authenticity of the electronic signature or the document on the ground that it is not the original.

Each of the undersigned owners of Franchisee agree that service or process may be made upon each of the undersigned in any proceedings by service upon an agent for service of process in the State of New Jersey, who is approved by Franchisor. Each of the undersigned shall appoint an agent for service of process in the State of New Jersey within ten (10) days of the date this Guaranty is executed by the undersigned.

IN WITNESS THEREOF, each of the undersigned has hereunto affixed his/her signature, under seal, on the same day and year as the Agreement was executed.

**Percentage of ownership  
interest in Franchisee**

**GUARANTOR(S)**

\_\_\_\_\_

\_\_\_\_\_  
Name:

\_\_\_\_\_

\_\_\_\_\_  
Name:

\_\_\_\_\_

\_\_\_\_\_  
Name:

Subscribed and sworn to before me this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

\_\_\_\_\_  
Notary Public  
My Commission expires: \_\_\_\_\_

STATE OF \_\_\_\_\_)  
COUNTY OF \_\_\_\_\_)

On \_\_\_\_\_, 20\_\_, personally appeared before me \_\_\_\_\_, who is known to me, and in my presence and in the presence of a witness he/she did execute this Guaranty.

[NOTARY SEAL]

\_\_\_\_\_  
Notary Public  
My Commission Expires: \_\_\_\_\_

STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ )

On \_\_\_\_\_, 20\_\_, personally appeared before me \_\_\_\_\_, who is known to me, and in my presence and in the presence of a witness he/she did execute this Guaranty.

[NOTARY SEAL]

\_\_\_\_\_  
Notary Public  
My Commission Expires: \_\_\_\_\_

## **EXHIBIT ONE D-1**

**to the Franchise Agreement between Franchisor and Franchisee. The terms and definitions set out in the Summary Page of the Franchise Agreement are incorporated herein and made a part hereof as if fully set out.**

### **CORPORATE GUARANTY OF FRANCHISEE'S OBLIGATIONS**

In consideration of and as an inducement to, the execution of the Franchise Agreement ("Agreement") by and between Franchisor and the Franchisee, the undersigned hereby unconditionally: (1) guarantees to Franchisor and its respective successors and assigns, for the term of the Agreement and thereafter as provided in the Agreement, that Franchisee shall punctually perform each and every undertaking, agreement and covenant set forth in the Agreement (and any amendments) and that each and every representation of Franchisee made in connection with the Agreement (and any amendments) are true, correct and complete in all respects at and as of the time given; and (2) agrees to be bound by each and every provision in the Agreement (and any amendments) and to be liable for Franchisee's breach thereof, including without limitation, Franchisee's indebtedness arising under the Agreement and any amendments.

Each of the undersigned waives: (a) acceptance and notice of acceptance by Franchisor of the foregoing undertakings; (b) notice of demand for nonperformance of any obligations hereby guaranteed; (c) protest and notice of default to any third party with respect to the nonperformance of any obligations hereby guaranteed; (d) any right he may have to require that an action be brought against Franchisee or any other person as a condition of liability; and (e) any and all other notices and legal or equitable defenses to which he may be entitled.

Each of the undersigned consents and agrees that: (i) his direct and immediate liability under this Guaranty shall be joint and several; (ii) he shall render any performance required under the Agreement upon demand if Franchisee fails or refuses to do so punctually; (iii) such liability shall not be contingent or conditioned upon pursuit by Franchisor of any remedies against Franchisee or any other person; and (iv) such liability shall not be diminished, relieved or otherwise, affected by any extension of time, credit other indulgence which Franchisor may from time to time grant to Franchisee or to any other person including, without limitation, the acceptance of any partial payment or performance or the compromise or release of claims, none of which shall in any way modify or amend this guaranty, which shall be continuing and irrevocable until satisfied in full.

Any and all disputes shall be resolved by litigation and brought, maintained and concluded exclusively in either the State Court of New Jersey as hereinafter specified or in Federal Court in the United States District Court, Newark vicinage of New Jersey. If Franchisor initiates litigation in the State Court of New Jersey such litigation may, in Franchisor's sole discretion, be instituted in one of the following counties: Morris County, Essex County, or Union County, New Jersey. If litigation is instituted by the undersigned in State Court, such litigation shall be instituted maintained and concluded in Morris County, New Jersey and if in Federal Court, the United States District Court in the Newark vicinage of New Jersey. The undersigned, waive to the fullest extent permitted by law, any objection that it, now or in the future has to laying of jurisdiction or venue of any litigation, brought by Franchisor in Federal Court of the United States District Court in the Newark vicinage of New Jersey or if in State Court by Franchisor, in Morris County, Union County or Essex County in New Jersey or if brought by the undersigned signatory in State Court, only in Morris County, New Jersey. The undersigned waives any objection to jurisdiction or venue of such court or proceeding brought in such court or that such court is an inconvenient forum. The undersigned further acknowledge that Franchisor may institute legal action against the undersigned jointly and severally, for injunctive relief, including temporary restraining orders and preliminary injunctions in any court of competent jurisdiction, without any bond, against any conduct or threatened conduct for which no adequate remedy at law may be available or which

may cause irreparable harm to Franchisor. Franchisor shall be entitled to such relief in addition to such further and other relief as may be available at equity or law and the undersigned's sole remedy in the event of the entry of injunction, shall be its dissolution, if warranted, upon hearing duly had (all claims for damages by reason of the wrongful issuance of any such injunction being expressly waived).

A facsimile signature, including photocopied, faxed and electronically transmitted (such as PDF) copies of a signature ("Facsimile Signature"), is binding to the same extent as an original signature and shall be deemed an original signature with regard to this Agreement and all Riders and Amendments hereto. Guarantor(s) hereto agree that the Corporate Guaranty of Franchisee's Obligations may be executed electronically by any means Franchisor chooses, and if by electronic signature, the electronic signature shall be binding to the same extent as an original signature and shall be deemed an original signature with regard to this Corporate Guaranty of Franchisee's Obligations. Guarantor(s) is(are) not entitled to challenge the validation or authenticity of the electronic signature or the document on the ground that it is not the original.

IN WITNESS WHEREOF, each of the undersigned has hereunto affixed his signature, under seal, on the same day and year as the Agreement was executed.

**GUARANTOR**

\_\_\_\_\_  
Name:

Title:

STATE OF \_\_\_\_\_)

COUNTY OF \_\_\_\_\_)

On this \_\_\_\_ day of \_\_\_\_\_, 20\_\_, personally appeared before me \_\_\_\_\_, who is known to me, and represented to me that as \_\_\_\_\_(title) he/she has the authority to enter into this agreement on behalf of the signatory Guarantor entity, and in my presence he/she did execute this Guaranty.

[NOTARY SEAL]

\_\_\_\_\_  
Notary Public

My Commission Expires:\_\_\_\_\_

**EXHIBIT ONE E**

**to the Franchise Agreement between Franchisor and Franchisee. The terms and definitions set out in the Summary Page of the Franchise Agreement are incorporated herein and made a part hereof as if fully set out.**

**SBA ADDENDUM TO  
FRANCHISE AGREEMENT**

THIS ADDENDUM ("Addendum") is made and entered into on \_\_\_\_\_, 20\_\_, by and between Everything Yogurt Brands, LLC ("Franchisor"), located at 25 Washington Street, Morristown, NJ 07960, 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 United States Small Business Administration ("SBA"). SBA requires the execution of this Addendum as a condition for obtaining the 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.

**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.

**Exhibit ONE F**

**to the Franchise Agreement between Franchisor and Franchisee. The terms and definitions set out in the Summary Page of the Franchise Agreement are incorporated herein and made a part hereof as if fully set out.**

**BANK DRAFT AUTHORIZATION FORM FOR DIRECT PAYMENT  
(ACH DEBIT AUTHORIZATION)**

Company Name \_\_\_\_\_ Company ID Number: \_\_\_\_\_

I (we) hereby authorized Franchisor entity-Everything Yogurt Brands, LLC (“Franchisor”), hereinafter called COMPANY, to initiate debit entries for Royalty and Advertising fees equivalent to what is contained in the Franchisee Agreement with Franchisor (the “Franchise Agreement”) to my (our) account indicated below and the financial institution named below, hereinafter called FINANCIAL INSTITUTION, to debit the same to such account. I (we) acknowledge that the origination of ACH transactions to my (our) account must comply with the provisions of U.S. law.

Company may debit my account for amounts becoming due by me on a weekly basis and/or what is required in the Franchisee Agreement, according to the due date on my account and any fees associated with any returned items.

Financial Institution Name:

Branch:

Address:

Type of Account (check one below):

City/State:

Checking:

ZIP:

Savings:

Account Name:

Routing Number:

Acct Number:

This authority is to remain in full force and effect until COMPANY has received written notification from me (or either of us) of its termination in such time and manner as to afford COMPANY and FINANCIAL INSTITUTION a reasonable opportunity to act on it.

Corporate Legal Name: \_\_\_\_\_

Customer Account Number: \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Email address: \_\_\_\_\_

**PLEASE ATTACH COPY OF VOIDED CHECK TO THIS FORM!**

**EXHIBIT ONE G**

**to the Franchise Agreement between Franchisor and Franchisee. The terms and definitions set out in the Summary Page of the Franchise Agreement are incorporated herein and made a part hereof as if fully set out.**

**Applicable State Addendums (indicated by checkmark)**

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

**CALIFORNIA**  
**ADDENDUM TO**  
**EVERYTHING YOGURT BRANDS, LLC**  
**FRANCHISE AGREEMENT**

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

2. THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE DISCLOSURE DOCUMENT AT LEAST 14 DAYS PRIOR TO EXECUTION OF AGREEMENT.

3. Any provision of a franchise agreement, franchise disclosure document, acknowledgement, questionnaire, or other writing, including any exhibit thereto, disclaiming or denying any of the following shall be deemed contrary to public policy and shall be void and unenforceable:

- a. Representations made by the franchisor or its personnel or agents to a prospective franchisee.
- b. Reliance by a franchisee on any representations made by the franchisor or its personnel or agents.
- c. Reliance by a franchisee on the franchise disclosure document including any exhibit thereto.
- d. Violations of any provision of this division.

4. California Business and Professions Code 20000 through 20043 provides rights to the franchisee concerning termination, transfer or non-renewal of a franchise. If the franchise agreement contains a provision that is inconsistent with the law, the law will control.

5. The franchise agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law. (11. U.S.C.A. Sec. 101 et seq.).

6. The franchise agreement contains a covenant not to compete which extends beyond the termination of the franchise. This provision may not be enforceable under California law.

7. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act).

8. The franchise agreement requires application of the laws of New Jersey. This provision may not be enforceable under California law.

9. Section 31125 of the California Corporations Code requires us to give you a disclosure document, in a form containing the information that the commissioner may by rule or order require, before a solicitation of a proposed material modification of an existing franchise.

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

11. The franchise agreement requires any and all claims and actions arising out of or relating to this Agreement must be commenced within one (1) year from the occurrence of the facts giving rise to such claim or action.

12. OUR WEBSITE, [WWW.VILLARESTAURANTGROUP.COM](http://WWW.VILLARESTAURANTGROUP.COM), HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION AT [www.dfpi.ca.gov](http://www.dfpi.ca.gov).

All initially capitalized terms not defined herein shall have the same meaning as ascribed to them in the Franchise Agreement. Except as expressly modified hereby, the agreements shall remain in full force and effect in accordance with its terms.

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Rider concurrently with the execution of the Agreements on the day and year first above written.

EVERYTHING YOGURT BRANDS, LLC  
A Delaware limited liability company

FRANCHISEE

By: \_\_\_\_\_

\_\_\_\_\_  
(Signature)

Title: \_\_\_\_\_

\_\_\_\_\_  
(Print Name)

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Print Name)

**INDIANA**  
**RIDER TO**  
**EVERYTHING YOGURT BRANDS FRANCHISE AGREEMENT**

This Rider to the Franchise Agreement by and between Everything Yogurt Brands and Franchisee is dated \_\_\_\_\_, 20\_\_.

A. The following are modifications to the Franchise Agreement:

1. Paragraphs 1 and 3 of the Franchise Agreement is modified by the inclusion of the following language:

Indiana Code §§ 23-2-2.7-1(2) and 23-2-2.7-2(4) prohibits the Franchisor to operate a substantially identical business to that of the franchisee's within the franchisee's territory regardless of trade name.

2. Paragraphs 8 and 11 of the Franchise Agreement is modified by the inclusion of the following language:

Indiana Code § 23-2-2.7-1(4) states that franchisors are prohibited from obtaining money, good, services, or any other benefit from any other person with whom the franchisee does business, on account of, or in relation to, the transaction between the franchisee and the other person, other than for compensation for services rendered by the franchisor, unless the benefit is promptly accounted for, and transmitted to the franchisee.

Indiana Code § 23-2-2.7-1(6) states that franchisors are prohibited from allowing for an increase in prices of goods provided by the franchisor which the franchisee had ordered for private retail consumers prior to the franchisee's receipt of an official price increase notification.

3. Paragraph 22 of the Franchise Agreement is modified by the inclusion of the following language:

The post-termination covenant not to compete may not be enforceable under Indiana Code § 23-2-2.7-1(9).

4. Paragraph 18.02 (b)5. of the Franchise Agreement is modified by the inclusion of the following language:

Any general release is exclusive of any claims arising under the Indiana Deceptive Franchise Practices Act, Indiana Code § 23-2-2.7.

5. Paragraph 24.03 of the Franchise Agreement is modified by the inclusion of the following language:

Provided, however, that the liability is not caused by the Franchisee's proper reliance on or use of procedures or materials provided by the Franchisor.

6. Paragraph 29.01 of the Franchise Agreement is modified by the inclusion of the following language:

The choice of law is subject to the superseding provisions of Indiana Franchises Acts, IC 23-2-2.5 and IC 23-2-2.7.

7. Paragraphs 29.02, 29.03, 29.04, 29.05 and 29.06 of the Franchise Agreement are modified by the inclusion of the following language:

Indiana Code § 23-2-2.7-1(10) prohibits (1) the reservation of the right to injunctive relief or any specified remedy, (2) the limitation of remedies available to either party, and (3) stipulations as to appropriate forum or venue.

All initially capitalized terms not defined herein shall have the same meaning as ascribed to them in the Franchise Agreement. Except as expressly modified hereby, the agreements shall remain in full force and effect in accordance with its terms.

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Rider concurrently with the execution of the Agreements on the day and year first above written.

EVERYTHING YOGURT BRANDS, LLC  
A Delaware limited liability company

FRANCHISEE

By: \_\_\_\_\_

\_\_\_\_\_  
(Signature)

Title: \_\_\_\_\_

\_\_\_\_\_  
(Print Name)

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Print Name)

## MARYLAND

### RIDER TO EVERYTHING YOGURT BRANDS FRANCHISE AGREEMENT

This Rider to the Franchise Agreement by and between Everything Yogurt Brands, LLC and Franchisee is dated \_\_\_\_\_, 20\_\_.

1. Paragraph 29.01 of the Franchise Agreement is modified by the inclusion of the following language:

Any clause(s) referencing choice of forum is not applicable to claims arising under the Maryland Franchise Registration and Disclosure Law.

2. The following language shall be added to Paragraphs 2.02 and 18.02 of the Franchise Agreement:

Pursuant to COMAR 02.02.08. 16L, any general release, estoppel or waiver of liability required as a condition of purchase, renewal and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

Pursuant to Section 14-226 of the Maryland Franchise Registration and Disclosure Law, we are prohibited from requiring prospective franchisees to assent to any release, estoppel or waiver of liability as a condition of purchasing a franchise. Our Franchise Agreement requires franchisees to disclaim the occurrence and/or acknowledge the non-occurrence of acts that would constitute a violation of the Franchise Law in order to purchase your franchise. Therefore, such representations are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

3. The following language shall be added to Paragraph 29.04 of the Franchise Agreement:

Pursuant to COMAR 02.02.08L(3), the period of limitations less than three years shall not apply to any claims arising under the Maryland Franchise Registration and Disclosure Law.

4. Notwithstanding anything to the contrary stated in the Franchise Agreement, you may bring a lawsuit in Maryland against us for claims under the Maryland Franchise Registration and Disclosure Law.

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.

All initially capitalized terms not defined herein shall have the same meaning as ascribed to them in the Franchise Agreement. Except as expressly modified hereby, the agreements shall remain in full force and effect in accordance with its terms.

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Rider concurrently with the execution of the Franchise Agreement on the day and year first above written.

**EVERYTHING YOGURT BRANDS, LLC**  
A Delaware limited liability company

**FRANCHISEE**

By: \_\_\_\_\_

Title: \_\_\_\_\_

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Print Name)

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Print Name)

**MINNESOTA**

**RIDER TO  
EVERYTHING YOGURT BRANDS FRANCHISE AGREEMENT**

This Rider to the Franchise Agreement by and between Everything Yogurt Brands and Franchisee is dated \_\_\_\_\_, 20\_\_.

1. Paragraph 12.03 of the Franchise Agreement is amended by the inclusion of the following:  
The franchisor will protect the franchisee’s right to use the trademarks, service marks, trade names, logotypes or other commercial symbols or indemnify the franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the name.
2. Paragraphs 19.02 and 19.03 of the Franchise Agreement is amended by the inclusion of the following:  
With respect to franchises governed by Minnesota law, the franchisor will comply with Minn. Stat. Sec. 80C, 14 Subds. 3, 4, and 5 which require, except in certain specified cases, that a franchisee be given ninety (90) days notice of termination (with sixty (60) days to cure) and one hundred eighty 180 days notice for non-renewal of the franchise agreement.
3. Paragraph 29.01 of the Franchise Agreement is amended by the inclusion of the following:  
Minn. Stat. § 80C.21 and Minn. Rule 2860.4400J prohibit us from requiring litigation to be conducted outside Minnesota. In addition, nothing in the Disclosure Document or agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.
4. Paragraph 29.03 of the Franchise Agreement is amended by the inclusion of the following:  
Under Minn. Rule 2860.4400J, a franchisee cannot waive any rights, the franchisee cannot consent to the franchisor obtaining injunctive relief, although the franchisor may seek injunctive relief and a franchisee cannot be required to consent to waiver of a jury trial. In addition, a court will determine if a bind is required.
5. Paragraph 18.02 of the Franchise Agreement is amended by the inclusion of the following:  
Under Minn. Rule 2860.4400D, we are prohibited from requiring you to sign a general release.
6. No statement, questionnaire, or acknowledgement 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 with the franchise.

All initially capitalized terms not defined herein shall have the same meaning as ascribed to them in the Franchise Agreement. Except as expressly modified hereby, the Franchise Agreement shall remain in full force and effect in accordance with its terms.

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Rider concurrently with the execution of the Franchise Agreement on the day and year first above written.

EVERYTHING YOGURT BRANDS, LLC  
A Delaware limited liability company

FRANCHISEE

By: \_\_\_\_\_

\_\_\_\_\_  
(Signature)

Title: \_\_\_\_\_

\_\_\_\_\_  
(Print Name)

**NEW YORK**

**RIDER TO  
EVERYTHING YOGURT BRANDS FRANCHISE AGREEMENT**

This Rider to the Franchise Agreement by and between Everything Yogurt Brands, LLC and Franchisee is dated \_\_\_\_\_, 20\_\_.

1. The following language shall be added to Paragraph 18 of the Franchise Agreement:  
  
However, no assignment shall be made except to an Assignee who in the good faith judgment of Franchisor, is willing and able to assume Franchisor’s obligations under this Agreement.
2. The first line in Paragraph 29.03 of the Franchise Agreement shall be amended to read as follows:  
  
“Injunctive Relief. Everything Yogurt Brands, LLC may seek to obtain in any court of competent jurisdiction ...”
3. Notwithstanding anything to the contrary in the Franchise Agreement, the franchisee may terminate the Franchise Agreement on any grounds available by New York law.
4. Irregardless of any choice of law provision in the Franchise Agreement, the provisions shall not be considered a waiver of any right conferred upon the franchisor or upon the franchisee or upon the area developer by article 33 of the General Business law of the State of New York.
5. Notwithstanding anything to the contrary in the Franchise Agreement, no assignment will be made by Franchisor of the Franchise Agreement, except to an assignee who in the good faith judgment of Franchisor is willing and financially able to assume Franchisor’s obligations under the Franchise Agreement.

All initially capitalized terms not defined herein shall have the same meaning as ascribed to them in the Franchise Agreement. Except as expressly modified hereby, the Franchise Agreement shall remain in full force and effect in accordance with its terms.

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Rider concurrently with the execution of the Franchise Agreement on the day and year first above written.

FRANCHISOR  
EVERYTHING YOGURT BRANDS, LLC  
A Delaware limited liability company

By: \_\_\_\_\_

Title: \_\_\_\_\_

FRANCHISEE

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Print Name)

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Print Name)

**EXHIBIT ONE H**

**to the Franchise Agreement between Franchisor and Franchisee. The terms and definitions set out in the Summary Page of the Franchise Agreement are incorporated herein and made a part hereof as if fully set out.**

Menu Items

**WRAPPERS**

Chicken Caesar  
Chicken Fajita  
Turkey Club  
Roasted Vegetables  
Balsamic Chicken & Peppers  
Tuna Salad  
Chicken Salad  
Thai Chicken

**PANINI**

French Ham & Swiss  
Fire Roasted Chicken & Peppers  
Chicken Margarita  
Pesto Caprese  
Salami Italiano  
Turkey & Blue

**SANDWICHES**

Classic Chicken  
Chicken Bacon Rancher

**SIGNATURE SALADS**

Pick N Mix  
Mediterranean Greek  
GreenLeaf's  
Cobb

**BEYOND GREAT SIDES**

Fresh Fruit Cup  
Side Salad  
Yogurt Muffins/Loaf Cakes  
Yogurt Parfait

**SPECIALTY SOUPS**

**BREAKFAST**

Bagels  
Rolls  
Assorted Baked Goods

**BEVERAGES**

Fountain Soda

Bottled Water  
Bottled Beverages  
Orange Juice  
Milk  
Coffee  
Tea  
(hot and cold)  
Espresso Drinks

Banana's Smoothies & Frozen Yogurt Menu Items

**SMOOTHIES**

**FROSTIES**

**NON-FAT YOGURT**

**YOGURT PARFAITS**

**JUST A CUP**

**WHIP CREAM SUNDAES**

**BANANA SPLIT**

**MILKSHAKES**

**HAND ROLLED PRETZELS**

**BREAKFAST**

Bagels  
Rolls  
Assorted Baked Goods

**BEVERAGES**

Fountain Soda

Bottled Water  
Bottled Beverages  
Orange Juice  
Milk  
Coffee  
Tea  
(hot and cold)  
Espresso Drinks

**EXHIBIT ONE I**

**to the Franchise Agreement between Franchisor and Franchisee. The terms and definitions set out in the Summary Page of the Franchise Agreement are incorporated herein and made a part hereof as if fully set out.**

Non-Compete Items

**Green Leaf's Beyond Great Salads Non-Compete Items**

Pick N Mix and all types of salads

Wrappers

Paninis

**Bananas Smoothies & Frozen Yogurt Non-Compete Items**

Smoothies

Frosties

Yogurt

**Other Non-Compete Items**

Pick N Mix and all types of salads

Wrappers

Paninis

**AND / OR**

Smoothies

Frosties

Yogurt

**EXHIBIT ONE J**

**to the Franchise Agreement between Franchisor and Franchisee. The terms and definitions set out in the Summary Page of the Franchise Agreement are incorporated herein and made a part hereof as if fully set out.**

**NOT APPLICABLE IN THE STATE OF MARYLAND**

**EVERYTHING YOGURT BRANDS, LLC**

**DEPOSIT AGREEMENT**

The enclosed check, in the amount of \$\_\_\_\_\_ Dollars shall act as a deposit toward the payment of the Initial Franchise Fee of \$\_\_\_\_\_ if box 1 is checked or the Purchase Price of the Everything Yogurt Brands, LLC company owned restaurant for the purchase price of \$\_\_\_\_\_ if box 2 is checked.

Check the appropriate box in either 1 or 2 below:

1.  \$12,500 payable to Everything Yogurt Brands, LLC for a deposit toward the purchase of a Everything Yogurt Brand Franchise
2.  \$\_\_\_\_\_ (10% of the Purchase Price) payable to Everything Yogurt Brands, LLC shall act as a deposit toward the purchase of the Everything Yogurt Brand company restaurant at the address set out below.

We understand that the above deposit, when accepted by Everything Yogurt Brands, LLC will allow us for a 3-month period to purchase a Everything Yogurt Brands Franchise for the Initial Franchise Fee specified above or when box 2 is checked we understand our deposit shall be applied to the purchase of a company restaurant at the location set out below.

We agree when box 1 is checked if we sign a Franchise Agreement within three (3) months from the date our deposit is received the total deposit will be applied as a credit to the initial franchise fee. We further agree that when box 2 is checked we must complete the purchase by executing all closing agreements with in three (3) months from the date our deposit is received and if we do the total deposit will be applied as a credit to the Purchase Price. If we do not sign a Franchise Agreement or complete the purchase of the Everything Yogurt Brands company restaurant in three (3) months we agree that Everything Yogurt Brands may retain fifty percent (50%) of our deposit and shall refund the balance of our deposit within 10 days after the expiration of the three (3)-month period.

We understand and agree that neither our deposit nor any rights associated with it are assignable without the prior written consent of Everything Yogurt Brands, LLC, which consent may be withheld by Everything Yogurt Brands at its sole and absolute discretion.

This deposit and other payments shall be made payable to “EVERYTHING YOGURT BRANDS, LLC”.

A facsimile signature, including photocopied, faxed and electronically transmitted (such as PDF) copies of a signature, is binding to the same extent as an original signature and shall be deemed an original signature with regard to this Deposit Agreement and all Riders and any Amendments hereto. The parties further agree that this Deposit Agreement may be executed electronically by any means Everything Yogurt

Brands, LLC chooses, and if by electronic signature, the electronic signature shall be binding to the same extent as an original signature and shall be deemed an original signature with regard to this Deposit Agreement and all Riders, Amendments or Addenda hereto. You are not entitled to challenge the validation or authenticity of the electronic signature or the document on the ground that it is not the original.

By our signature below, we accept and hereby acknowledge receipt of a completed copy of this Deposit Agreement and agree to the terms herein this the \_\_\_ day of \_\_\_\_\_, 20\_\_.

Agreed: (Prospective Franchisee(s)):

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Address: \_\_\_\_\_

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Address: \_\_\_\_\_

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Address: \_\_\_\_\_

**RESTAURANT LOCATION:**

Address: \_\_\_\_\_

**PROPOSED FRANCHISE LOCATION:**

Address: \_\_\_\_\_

Accepted: **EVERYTHING YOGURT BRANDS, LLC**

BY: \_\_\_\_\_

DATE: \_\_\_\_\_

**Exhibit B**  
**To Disclosure Document**  
**Area Development Agreement**

---

**AREA DEVELOPMENT AGREEMENT**

---

**AREA DEVELOPMENT AGREEMENT SUMMARY PAGE**

Franchisor: Everything Yogurt Brands, LLC  
A. State of Formation: Delaware  
B. Address: 25 Washington Street, Morristown, NJ 07960

Developer: \_\_\_\_\_  
A. State of Formation: \_\_\_\_\_  
B. Address: \_\_\_\_\_  
C. Designated Agent in New Jersey  
Name/Address:  
\_\_\_\_\_  
\_\_\_\_\_

Guarantors: (Individually and collectively "Guarantors")  
A. Name & Address:  
\_\_\_\_\_  
\_\_\_\_\_  
B. Name & Address:  
\_\_\_\_\_  
\_\_\_\_\_  
C. Name & Address:  
\_\_\_\_\_  
\_\_\_\_\_

Development Fee: ("Development Fee")  
\$ \_\_\_\_\_

Development Area: ("Development Area")  
\_\_\_\_\_  
\_\_\_\_\_

**TABLE OF CONTENTS  
TO  
AREA DEVELOPMENT AGREEMENT**

<b><u>SECTION</u></b>	<b>PAGE</b>
1. INTRODUCTION .....	1
1.1 OUR SYSTEM .....	1
1.2 REPRESENTATIONS .....	1
1.3 CONFIRMATIONS .....	2
1.4 BUSINESS ORGANIZATION .....	2
2. TERM AND SUCCESSION .....	3
2.1 TERM OF AGREEMENT .....	3
2.2 SUCCESSOR RIGHTS AND CONDITIONS .....	3
2.3 TIMING AND METHOD .....	4
2.4 RIGHTS ON EXPIRATION .....	4
3. DEVELOPMENT RIGHTS AND OBLIGATIONS .....	4
3.1 DEVELOPMENT RIGHTS .....	4
3.2 RIGHTS RETAINED .....	5
3.3 DEVELOPMENT OBLIGATIONS .....	5
3.4 EFFECT OF FAILURE .....	6
4. DEVELOPMENT FEE.....	7
4.1 AMOUNT AND CONSIDERATION.....	7
4.2 FRANCHISE FEES.....	7
5. SITE SELECTION/FRANCHISES.....	7
5.1 SITE REPORTS .....	7
5.2 SITE EVALUATION.....	7
5.3 SITE ACCEPTANCE.....	7
5.4 EFFECT OF ACCEPTANCE.....	8
5.5 FRANCHISE AGREEMENT.....	8
6. MANAGEMENT OF BUSINESS .....	8
6.1 MANAGEMENT .....	8
6.2 MANAGEMENT PERSONNEL .....	9
6.3 JOINT AND SEVERAL.....	9
7. CONFIDENTIAL INFORMATION/EXCLUSIVE RELATIONSHIP .....	9
7.1 TYPES OF CONFIDENTIAL INFORMATION.....	9
7.2 NONDISCLOSURE AGREEMENT .....	10
7.3 COMPETITIVE RESTRICTIONS.....	11

8. MARKS AND INTERNET .....	12
8.1 OWNERSHIP AND GOODWILL OF MARKS.....	12
8.2 LIMITATIONS ON YOUR USE OF MARKS.....	12
8.3 NOTIFICATION OF INFRINGEMENT AND CLAIMS .....	12
8.4 DISCONTINUANCE OF USE OF MARKS .....	13
8.5 SIGNAGE.....	13
8.6 INTERNET.....	13
9. TERMINATION.....	14
9.1 TERMINATION UPON NOTICE .....	14
9.2 CROSS-DEFAULT .....	15
10. EFFECT OF TERMINATION AND EXPIRATION.....	15
10.1 CONTINUING OBLIGATIONS .....	15
10.2 POST-TERM COMPETITIVE RESTRICTIONS .....	15
10.3 GRANT OF FRANCHISES .....	16
10.4 MARKS AND CONFIDENTIAL INFORMATION .....	16
11. TRANSFERS.....	16
11.1 BY FRANCHISOR .....	16
11.2 BY DEVELOPER .....	16
11.3 TRANSFER TO A BUSINESS ENTITY .....	16
11.4 CONDITIONS FOR APPROVAL OF TRANSFER.....	17
11.5 FIRST REFUSAL.....	18
11.6 DEATH OR PERMANENT DISABILITY .....	19
11.7 PUBLIC OFFERINGS OR SECURITIES .....	19
11.8 FRANCHISE TRANSFERS .....	19
12. RELATIONSHIP OF THE PARTIES/INDEMNIFICATION.....	19
12.1 INDEPENDENT CONTRACTORS .....	19
12.2 NO LIABILITY FOR ACTS OF OTHER PARTY .....	20
12.3 TAXES .....	20
12.4 INDEMNIFICATION .....	20
13. ENFORCEMENT.....	20
13.1 SEVERABILITY; SUBSTITUTION OF VALID PROVISIONS .....	20
13.2 WAIVERS .....	21
13.3 LIMITATION OF LIABILITY .....	21
13.4 APPROVAL AND CONSENTS .....	21
13.5 MISCELLANEOUS .....	21
14. MERGER, ACQUISITION OR AFFILIATION.....	25
15. ANTI-TERRORISM COMPLIANCE.....	25

## Exhibits

Exhibit Two A	Principal Owner's Statement
Exhibit Two B	Owner's Personal Guaranty of Developer's Obligations
Exhibit Two C	Corporate Guaranty of Developer's Obligations
Exhibit Two D	Confidentiality And Non-Competition Agreement
Exhibit Two E	Deposit Agreement
Exhibit Two F	State Riders

## AREA DEVELOPMENT AGREEMENT

**THIS AREA DEVELOPMENT AGREEMENT** (this “Agreement”) is effective on \_\_\_\_\_, 20\_\_\_\_ (the “**Agreement Date**”). The parties to this agreement are, **EVERYTHING YOGURT BRANDS, LLC**, a Delaware limited liability company, with our principal office located at 25 Washington Street, New Jersey 07960, (referred to in this Agreement as “Franchisor” or sometimes “**we**,” “**us**” or “**our**”) and the Developer identified on the Summary Page (hereinafter referred to as “Developer” or sometimes “you” or “your”).

### **1. INTRODUCTION.**

1.1 **Our System.** Franchisor and our affiliates have expended considerable time and effort in developing a comprehensive system for the establishment and operation of Green Leaf’s Beyond Great Salads restaurants, Bananas Smoothies & Frozen Yogurt concepts or Green Leaf’s Beyond Great Salads including the Bananas Smoothies & Frozen Yogurt concept, (collectively, “EYB Concept (s)”) featuring, among other things, a comprehensive system for establishment and operation of the EYB Concepts, distinctive exterior and interior design, décor, color scheme and furnishings; uniform standards, specifications and procedures for operations; quality and uniformity of products and services offered, procedures for management and inventory control; training and assistance and advertising and promotional programs (collectively, “the System”), all of which may be changed, improved and further developed by us from time to time.

Franchisor uses, promotes and licenses certain trademarks, service marks and other commercial symbols in the operation of EYB Concepts, including the trade and service marks “**Green Leaf’s Beyond Great Salads**,” “**Bananas Smoothies & Frozen Yogurt**,” “**The Market By Villa**,” and other associated designs, artwork and trade dress, which have gained and continue to gain public acceptance and goodwill, and may create, use and license additional trademarks, service marks and commercial symbols in conjunction with the operation of EYB Concepts (collectively, the “**Marks**”). We grant to persons who meet our qualifications and are willing to undertake the investment and effort, the right to develop and operate multiple EYB Concepts located within a defined geographic area.

1.2 **Representations.** Developer represents and warrants to Franchisor that Developer:

- (a) has read this Agreement and our Franchise Disclosure Document;
- (b) understands that Franchisor may modify its current form of franchise agreement from time to time; however, any modifications during the term of this Agreement will not vary the amount of Franchise Fees or royalty fees to be paid by you;
- (c) understands and accepts the terms, conditions and covenants contained in this Agreement as being reasonably necessary to maintain Franchisor’s high standards of quality service and the uniformity of those standards at all EYB Concepts in order to protect and preserve the goodwill of the Marks;
- (d) has 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 EYB Concepts may evolve and change over time.
- (e) that an investment in EYB Concepts involves business risks and that the success of the venture is largely dependent upon your business abilities and efforts;

(f) as an inducement to Franchisor's entry into this Agreement, Developer has made no misrepresentations in obtaining the development rights granted in this Agreement;

(g) Franchisor has provided to you a copy of our Franchise Disclosure Document and an executable copy of the Franchise Agreement at least 14 calendar days prior to the execution of the Franchise Agreement or Franchisor's receipt of any consideration from Developer;

1.3 **Confirmations.** Franchisor expressly disclaims the making of any warranty or guaranty, express or implied, as to the revenues, sales or profits or the extent to which Franchisor will continue to develop and expand the network of EYB Concepts. Any statements regarding the business venture are made solely in the Franchise Disclosure Document delivered to Developer prior to signing this Agreement. Franchisor states that any statement regarding the potential or probable revenues, sales or profits of the business venture or statistical information regarding any existing EYB Concept owned by Franchisor or our affiliates that is not contained in our Franchise Disclosure Document is unauthorized, unwarranted and unreliable and should be reported to us immediately.

1.4 **Business Organization.** If Developer is at any time a business organization ("Business Entity") (like a corporation, limited liability company or partnership) Developer agrees and represents that:

(a) Developer has the authority to execute, deliver and perform your obligations under this Agreement and is duly organized or formed and validly existing in good standing under the laws of the state of incorporation or formation;

(b) Developer's organizational or governing documents will recite that the issuance and transfer of any ownership interests in Developer is restricted by the terms of this Agreement, and all certificates and other documents representing ownership interests in Developer will bear a legend referring to the restrictions of this Agreement;

(c) the Principal Owners Statement will completely and accurately describe all of Developer's Owners and their interests in Developer. A copy of Developer's current form of Principal Owners Statement is attached to this Agreement as Exhibit Two A and made a part hereof;

(d) Developer and its Owners agree to revise the Principal Owners Statement as may be necessary to reflect any ownership changes and to furnish such other information about Developer's organization or formation as we may request (no ownership changes of 51% or more may be made without our approval);

(e) each of Developer's Owners during the term of this Agreement will sign and deliver to Franchisor our standard form of Principal Owner's Guaranty undertaking to be bound jointly and severally by all provisions of this Agreement and any other agreements between Developer and Franchisor. A copy of Franchisor's current form of Owner's Personal Guaranty of Developer's Obligations is attached hereto as Two B and of the Corporate Guaranty of Developer's Obligations is attached as Exhibit Two C and each Exhibit is made a part hereof.

(f) at Franchisor's request, Developer will furnish true and correct copies of all documents and contracts governing the rights, obligations and powers of Developer's Owners and agents (like articles of incorporation or organization, and partnership, operating or shareholder agreements).

## 2. **TERM AND SUCCESSION.**

2.1 **Term of Agreement.** Unless sooner terminated in accordance with the terms of this Agreement, the term of this Agreement and all rights granted to Developer hereunder shall expire on the Opening Deadline date listed in the Development Schedule. This Agreement may be terminated before it expires in accordance with Section 9 of this Agreement. Upon expiration or termination of this Agreement, Developer will not have any further rights to acquire franchises to operate EYB Concepts; but Developer may continue to develop, own and operate all EYB Concepts subject to the franchise agreements (the “Franchise Agreement(s)”) with Franchisor in accordance with their terms. On expiration of this Agreement Franchisor may grant Developer successor development rights as described below.

### 2.2 **Successor Rights and Conditions.**

(a) At the expiration of the term of this Agreement, if Developer and Franchisor both determine that additional EYB Concepts should be developed in the Development Area, Franchisor will offer Developer the right to enter into a successor area development agreement (a “**Successor Agreement**”) if Developer meets all of the following conditions:

(i) Developer agrees to further develop the Development Area in accordance with the Development Schedule that Developer and Franchisor agree upon and is established in the Successor Agreement;

(ii) Developer (or any affiliate) is not in default of any provision of this Agreement, any Franchise Agreement, or any other agreement Developer (or an affiliate) has entered into with Franchisor;

(iii) Developer signs and delivers to Franchisor the Successor Agreement (which will be our then-current form of Area Development Agreement), which may include different fees and performance criteria and schedules;

(iv) Developer pays to Franchisor the Development Fee required by the Successor Agreement;

(v) Developer signs and delivers to us the General Release then used by us and which form and content shall be attached to the then current form of Franchisor’s disclosure document, of any and all claims against Franchisor and our officers, directors, employees, agents, affiliates, successors and assigns; and

(vi) Developer has provided Franchisor with the most recent financial statements. Such financial statements present fairly the financial position of Developer at the dates indicated therein and the results of Developer’s cash flow for the year then ended. Developer agrees to maintain at all times, during the term of the Successor Agreement sufficient working capital to fulfill all Developer’s obligations under the Successor Agreement. Developer’s financial statement has been prepared in conformity with generally accepted accounting principles applicable to the respective periods involved and, except as expressly described in applicable notice, applied on a consistent basis. No material liabilities, adverse claims, commitments or obligations of any nature exist as of the date of the Successor Agreement, whether accrued, unliquidated absolute, contingent or otherwise, which are not reflected as liabilities on the financial statements and your financial statements are acceptable to us, in our absolute sole discretion.

(b) After initially deciding that that the Development Area does not warrant additional EYB Concepts, if Franchisor later decides otherwise, Franchisor may offer you the right to enter into a Successor Agreement (on the conditions described in Section 2.2(a)) if Developer continues to be the only operator of EYB Concepts in the Development Area.

2.3 **Timing and Method.** Not less than 6 months nor more than 12 months prior to the expiration of this Agreement, Developer will notify Franchisor that Developer wishes to enter into a Successor Agreement with Franchisor. After receiving that notice, Franchisor will either deliver to Developer the form of Successor Agreement, including the proposed Development Schedule to be used in the Successor Agreement or our written notice that we have determined that no additional EYB Concepts may be developed in the Development Area. Developer and Franchisor must both sign and deliver to each other the Successor Agreement (with a completed Successor Development Schedule) at least 30 days prior to the expiration of the term of this Agreement. If you do not sign and deliver to us the Successor Agreement, and pay the Development Fee required under the Successor Agreement within 30 days prior to the expiration of this Agreement, Developer will be deemed to have elected not to enter into a Successor Agreement with Franchisor. If Developer does not meet the requirements described in Section 2.2, this Agreement will expire when indicated in Section 2.1.

2.4 **Rights on Expiration.** Upon expiration of this agreement and when Franchisor determines that the Development Area is large enough for further development unless Developer signs a Successor Agreement with Franchisor, Franchisor may then operate or grant other persons franchises to operate EYB Concepts within the Development Area. Developer may continue to own and operate all EYB Concepts then in operation under Franchise Agreements with Franchisor.

### 3. **DEVELOPMENT RIGHTS AND OBLIGATIONS.**

3.1 **Development Rights.** If Developer is in full compliance with all of the provisions of this Agreement and all of the Franchise Agreements, then during the term of this Agreement, Franchisor will:

(a) grant to Developer (and affiliates) franchises for ownership and operation of Green Leaf's Restaurants to be located within the following geographic area (the "**Development Area**"):   

---

---

---

(b) unless otherwise specified in Paragraph 3.1 (a), Developer has no exclusive rights in or to the Development Area, and, in addition to those rights specified in Section 3.2, Paragraphs 3.2 (a), (b), (c), (d) and (e), Franchisor may establish, sell, license others to open or operate EYB Concepts anywhere within the Development Area. If Paragraph 3.1 (a) specifies the Development Area is exclusive, then, while this Agreement is in effect provided that Developer opens and operates the EYB Concepts in accordance with the Development Obligations set forth in Paragraph 3.3, sub-paragraphs 3.3 (a) and 3.3 (b), and that the minimum number of EYB Concepts Developer has operating in the Development Area at any given time is not less than the minimum required pursuant to the Minimum Development Quota (Development Schedule), Franchisor will not operate, or license any person other than Developer to operate, an EYB Concept under the Marks and the System within the Development Area. Any exclusive area you are granted will exclude non-traditional venues, including airports, university and college campuses, hospitals and medical centers, sports or entertainment venues and military or other government owned facilities within the Development Area.

3.2 **Rights Retained.**

Franchisor retains the right in its sole control to:

(a) establish and grant to other franchisees the right to establish EYB Concepts anywhere outside the Development Area, on such terms and conditions as Franchisor deems appropriate (even immediately outside the border of the Development Area, but not the location specified in the Franchise Agreement for any EYB Concept Developer operates under this Agreement and continue to operate);

(b) operate and grant franchises to others to operate businesses, whether inside or outside the Development Area, specializing in the sale of products or provision of services, other than a Competitive Business or an EYB Concept, using certain of the Marks and pursuant to such terms and conditions as Franchisor deems appropriate;

(c) operate and grant franchises to others to operate businesses, or provide other services, whether inside or outside the Development Area, that do not use any of the Marks;

(d) except as otherwise expressly provided in Paragraph 3.1 (b) above, Franchisor and our affiliates have the right to engage in any business activities or in any business whatsoever, including, the right to (i) market and sell inside and outside of the Development Area, through channels of distribution other than set forth in the Franchise Agreement (like internet, e-commerce, mail order or grocery, retail or convenience stores) or through special purpose sites including sites at which access to the general public is limited (like airports, university and college campuses, hospitals and medical centers, sports and entertainment venues, military and other government facilities, stadiums, theme parks, grocery stores, etc.), goods and services competitive with goods and services offered by EYB Concepts, under the Marks or under trade names, service marks or trademarks other than the Marks, without any compensation to you;

(e) purchase, merge, acquire, be acquired by or affiliate with an existing competitive or non-competitive franchise or non-franchise network, chain or any other business regardless of the location of that other business' facilities, and that following such activity Franchisor may operate, franchise or license those other businesses and/or facilities under any names or marks other than, while this Agreement is in effect, the Marks, regardless of the location of these businesses and/or facilities, which may be within the Development Area or immediately outside its border.

3.3 **Development Obligations.** During the term of the Agreement, Developer will at all times faithfully, honestly and diligently perform Developer's obligations and continuously exert Developer's best efforts to promote and enhance the development of EYB Concepts within the Development Area. Without limiting the forgoing obligations, Developer agrees to:

(a) obtain locations and premises for Green Leaf's Restaurants (the "**Sites**" accepted by us; and

(b) commence construction of, develop and open a total of \_\_\_\_\_ Green Leaf's Restaurants within the time periods ("**Development Periods**") mandated by the following schedule (the "**Development Schedule**"):

<b><u>Minimum Development Quota</u></b>				
<b>Development Period</b>	<b>A. Number of Green Leaf's Beyond Great Salads, locations to be opened during Development Period</b>	<b>B. Number of Bananas Smoothies &amp; Frozen Yogurt locations to be opened during Development Period</b>	<b>C. Number of Green Leaf's Beyond Great Salads with Bananas Smoothies &amp; Frozen Yogurt</b>	<b>Cumulative # EYB Concepts set out in A, B and C to be Opened Through End of Development Period</b>
1.				
2.				
3.				
4.				
5.				

EYB Concepts will not count towards meeting the Minimum Development Quota for any Development Period until they have been fully constructed, developed and have opened operations in accordance with their respective franchise agreements with Franchisor. Franchisor will determine if any EYB Concept has opened for purposes of meeting the Development Schedule and any Minimum Development Quota for any Development Period. If an EYB Concept is permanently closed after having been opened, Developer agrees to develop and open a substitute an EYB Concept within 1 year from the date of its permanent closing separate and apart from the Development Schedule.

Developer acknowledges and agrees that we may require Developer to use a name for the EYB Concept other than Green Leaf's Beyond Great Salads or Bananas Smoothies & Frozen Yogurt, in which case we may require Developer to use the name "The Market By Villa". Franchisor has the sole right to use one or more additional or substitute names and proprietary marks other than Green Leaf's Beyond Great Salads or Bananas Smoothies & Frozen Yogurt and Developer agrees to make such changes, substitutes or additions as we direct, in our sole discretion and at Developer's sole expense.

3.4 **Effect of Failure.** Strict Compliance with the Development Schedule is the essence of this Agreement. If Developer does not timely meet the Minimum Development Quota as of the end of any Development Period shown on the Development Schedule, Developer will be in default of Developer's obligations under this Agreement. If such a default occurs, it will constitute a material breach of this Agreement and Franchisor may then, in its sole discretion, elect to:

- (a) terminate this Agreement;
- (b) have the right to operate (directly or through affiliates) or grant franchises for the operation of Green Leaf's Restaurants within the Development Area;
- (c) grant Developer an extension under the Development Schedule for such time period as Franchisor may specify at its sole option for a non-refundable extension fee equal to the balance of the Franchise Fees for the number of EYB Concepts that are to be opened and operated under the Development Schedule but are not yet open; or

(d) reduce the Development Area and the Development Schedule to a size and magnitude that Franchisor estimates Developer's capable of operating otherwise in accordance with this Agreement.

#### 4. **DEVELOPMENT FEE.**

4.1 **Amount and Consideration.** When Developer signs this Agreement, Developer agrees to pay to us a development fee (the "**Development Fee**"). The Development Fee depends on the number of EYB Concepts to be opened and what EYB Concepts are to be developed. For example, if Developer were to develop 2 Green Leaf's Beyond Great Salads restaurants (in the Continental U.S.), then the total Development Fee is \$50,000 [\$25,000 for the first location + \$25,000 for the second location]. Thus, the upfront Development Fee paid when signing this Agreement is \$37,500 (\$25,000 for the first restaurant and \$12,500 for the second restaurant (1/2 of \$25,000)). The Development Fee constitutes payment only for the rights we grant you under this Agreement. The Development Fee is non-refundable and is fully earned by Franchisor on receipt.

4.2 **Franchise Fees.** At the time of executing the franchise agreement for each EYB Concept developed under the Area Development Agreement after the first one, Developer is required to pay the balance of the Franchise Fee. Thus, using the example in Section 4.1 above, after paying the initial \$37,500 Development Fee, the second restaurant's franchise fee balance is \$12,500 (the remaining 1/2 of \$25,000). These fees are non-refundable and are fully earned by Franchisor on receipt.

#### 5. **SITE SELECTION/FRANCHISES.**

Subject to the provisions of this Agreement, Franchisor will grant franchises to Developer for the operation of EYB Concepts to be located within the Development Area on the following conditions:

5.1 **Site Reports.** Developer agrees to submit to Franchisor a complete report (containing such information and collateral materials as Franchisor requires from time to time) for each Site at which Developer proposes to establish and operate an EYB Concept, before Developer acquires any interest in it (by lease or purchase). A complete site report should contain demographic, commercial and market feasibility studies, a site plan, photographs and such other information as Franchisor determines appropriate periodically. Each Site Developer submits must be based on Developer's belief that it conforms to the site criteria Franchisor establishes from time to time.

5.2 **Site Evaluation.** Franchisor will evaluate all proposed Sites and all Sites are subject to Franchisor's prior written acceptance. In evaluating a Site that Developer proposes, Franchisor will consider such matters as demographic characteristics of the proposed site, traffic patterns, land use and zoning, licensing and regulatory concerns, residential and recreational quality, parking, character of the neighborhood, renovation and construction concerns, competition from other facilities in the area, the proximity to other facilities, the nature of other businesses and EYB Concepts in proximity to the Site and other commercial and residential characteristics (including the purchase price, rental obligations and other lease or acquisition terms for the proposed Site), and the size, appearance and other physical characteristics of the Site. Developer agrees to obtain Franchisor's prior written consent to the Site before Developer signs any lease for, or a binding purchase agreement for, the proposed Site.

5.3 **Site Acceptance.** Franchisor may withhold consent to a Site for any reason Franchisor deems to be based on its good faith business judgment. Franchisor will, by delivery of written notice to Developer, accept or reject each Site proposed by you for the operation of an EYB Concept.

Franchisor agrees to exert commercially reasonable efforts to notify you within 30 days after Franchisor has received the complete site report and other materials Franchisor has requested.

5.4 **Effect of Acceptance.** Franchisor's acceptance of the Site (including its location, appearance and size) indicates only that Franchisor believes it falls within the acceptable criteria Franchisor has established at that time. Developer acknowledges and agrees that:

(a) Franchisor's acceptance of the Site does not imply, assure, guaranty, warrant or predict profitability or success, express or implied;

(b) application of criteria that have been effective with respect to other Sites may not be predictive of the potential for all Sites and that, subsequent to Franchisor's acceptance of a Site, demographic and/or economic factors included in, or excluding from, Franchisor's criteria could change, thereby altering the potential of a Site;

(c) the uncertainty and instability of such criteria are beyond Franchisor's control and Franchisor is not responsible for the failure of a Site approved by Franchisor to meet expectations as to potential revenue or operational criteria; and

(d) Developer's acceptance of a franchise for the operation of an EYB Concept at a site Developer proposes is based upon your own independent investigation of the suitability of that location and that Site even though we may provide guidance and assistance to you in selecting the Site for your EYB Concept.

5.5 **Franchise Agreement.** If Franchisor has accepted, and Developer has obtained lawful possession of or a formal commitment for the Site, Franchisor will offer Developer a franchise to operate an EYB Concept at the proposed Site by delivering to Developer a Franchise Agreement in a form ready for signing by Developer (or an affiliate). Franchisor understands and agrees that we may modify the Franchise Agreement from time to time; however, any modifications during the term of this Agreement will not vary the amount of the Franchise Fee, royalty fees or other fees to be paid to Franchisor. Developer (or an affiliate) must sign and deliver such Franchise Agreement to Franchisor within 30-days after our delivery of the Franchise Agreement to Developer, along with Developer's payment of the applicable Franchise Fee. If Developer (or your affiliate) do not timely sign and return such Franchise Agreement and tender payment of the Franchise Fee Franchisor may revoke Franchisor's offer to grant Developer a franchise to operate an EYB Concept at such proposed Site. Contemporaneously with the signing of the Franchise Agreement, each of Developer's direct or indirect Owners must sign and deliver to Franchisor an Owner's Personal Guaranty in the form attached to the Franchise Agreement.

## 6. **MANAGEMENT OF BUSINESS.**

6.1 **Management.** Developer (or, if Developer is a Business Entity a person having management rights and powers (e.g., officers, managers, partners, etc.) (the "**Operating Partner(s)**") agree to:

(a) supervise the development and operation of Green Leaf's Restaurants franchised pursuant to this Agreement;

(b) attend such training programs, meetings and conventions which we may offer during the term of this Agreement; and

(c) pay and bear all expenses incurred by Developer and Developer's Operating Partners(s) in attending such meetings, programs or conventions.

## 6.2 **Management Personnel.**

(a) **Ownership Interest:** As a developer of multiple EYB Concepts, Developer will not be in a position to have direct, personal day-to-day management responsibility for the EYB Concepts that Developer will own and operate. However, Developer understands and acknowledges that each of the EYB Concepts that Developer (or your affiliates) own and operate must be under the oversight, supervision and direction of an Operating Partner who has a direct economic ownership interest (at least 10 %) in such EYB Concept (or the Business Entity that owns and operates it). Accordingly, Developer agrees that each Green Leaf's Restaurant will be under the oversight and direction of an Operating Partner who meets all the following qualifications and conditions:

(i) Has ownership interest of at least 10% of the economic interest in such Green Leaf's Restaurant or Business Entity;

(ii) Has a sufficient amount of experience in managing and operating restaurants in terms of duration, operational responsibilities and previous training and who has satisfactorily completed Franchisor's training programs so that such person can demonstrate to our satisfaction that he or she is capable of overseeing the operations of an EYB Concept;

(iii) Has oversight responsibility and authority over the EYB Concept on a day-to-day basis;

(iv) Is bound by Franchisor's then-current form of confidentiality and non-competition agreement (or other form of contract satisfactory to Franchisor); and

(v) Satisfactorily completes Franchisor's initial training program, certification and any other training programs we request from time to time.

Developer will provide to Franchisor a copy of the organizational and governing documents for the Business Entity(ies) that demonstrates that the Operating Partner has the requisite ownership interest.

6.3 **Joint and Several.** If two or more persons are at any time the Developer under this Agreement, their obligations to Franchisor are joint and several and the term "Developer" refers to all of them.

## 7. **CONFIDENTIAL INFORMATION/EXCLUSIVE RELATIONSHIP.**

7.1 **Types of Confidential Information.** Franchisor possesses certain confidential information relating to the development and operation of EYB Concepts, which includes but is not limited to the following (collectively, the "Confidential Information"):

(a) the System and the know-how related to its use;

(b) plans, specifications, size and physical characteristics of EYB Concepts;

(c) site selection criteria, land use and zoning techniques and criteria;

(d) sources, design and methods of use of equipment, furniture, forms, materials, supplies, Internet or Intranet, “business to business” or “business to customer” networks or communities and other e-commerce methods of business;

(e) any marketing (including but not limited to websites, online advertising, social media marketing and sponsorships), advertising and promotional programs for EYB Concepts;

(f) staffing and delivery methods and techniques for personal services;

(g) the selection, testing and training of managers and other employees for EYB Concepts;

(h) the recruitment, qualification and investigation methods to secure employment for employment candidates;

(i) the approved Computer software we make available or recommend for EYB Concepts;

(j) methods, techniques, formats, specifications, procedures, information and systems related to and knowledge of and experience in the development, operation and franchising of EYB Concepts;

(k) knowledge of specifications for and identities of and suppliers of certain products, materials, supplies, furniture, furnishings and equipment;

(l) recipes, formulas, preparation methods and serving techniques; and

(m) knowledge of operating results and financial performance of EYB Concepts other than those operated by you (or your affiliates);

(n) pricing, purchase agreements and contracts.

We will disclose certain Confidential Information to Developer through various manuals and in providing training, guidance and assistance to you from time to time.

7.2 **Nondisclosure Agreement.** Developer acknowledges and agrees that:

(a) Developer will not acquire any interest in the Confidential Information, other than the right to utilize it in the development and operation of EYB Concepts under the Franchise Agreements during the term of this Agreement, and that the duplication or use of the Confidential Information in any other business would constitute an unfair method of competition; and

(b) the Confidential Information is proprietary, may involve our trade secrets and is disclosed to you solely on the condition that you agree that Developer:

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

(ii) will maintain the absolute confidentiality of the Confidential Information during and after the term of this Agreement;

(iii) will not make unauthorized copies of any portion of the Confidential Information disclosed via electronic medium, in written form or in other tangible form, including, for example, the Manuals; and

(iv) will adopt and implement all reasonable procedures that we prescribe from time to time to prevent unauthorized use or disclosure of the Confidential Information including, restrictions on disclosure to your employees and the use of nondisclosure and noncompetition agreements Franchisor may prescribe for employees or others who have access to the Confidential Information.

7.3 **Competitive Restrictions.** Developer agrees and acknowledges that Franchisor would be unable to protect the Confidential Information against unauthorized use or disclosure and would be unable to encourage a free exchange of ideas and information among EYB Concepts if owners of franchised EYB Concepts were permitted to hold any interest in any business or facility owning, operating, managing franchising or licensing, any concept featuring, or selling, in whole or in part, the same or similar types of food, beverages, smoothies as our franchised EYB Concepts, including but not limited to Green Leaf's Beyond Great Salads (Pick N Mix and all types of Salads, Wrappers, Paninis), and Bananas Smoothies & Frozen Yogurt (Smoothies, Frosties, Yogurt), and The Market By Villa, including catering service or food service facility as well as franchised EYB Concepts and other goods as any of its menu items (other than an EYB Concept under a franchise agreement with us) (a "**Competitive Business**"). Developer also acknowledges that Franchisor has entered into this Agreement with Developer in part in consideration of and in reliance on Developer's agreement to deal exclusively with Franchisor. Therefore, you agree as follows:

(a) **Noncompetition and Non-solicitation:** During the term of this Agreement neither Developer nor any of Developer's Owners if Developer is a Business Entity (a "**Restricted Person**") will:

(i) engage in a Competitive Business or perform services for a Competitive Business, directly or indirectly, as a director, owner, proprietor, officer, manager, employee, consultant, representative, agent, independent contractor or otherwise, except under a franchise agreement with Franchisor or Franchisor's affiliates;

(ii) have any direct or indirect interest, as a disclosed or beneficial owner, in a Competitive Business, except under franchise agreements with Franchisor or Franchisor's affiliates;

(iii) have any direct or indirect interest, as a disclosed or beneficial owner, in any entity which is granted or is granting franchises or licenses to others to operate any Competitive Business, except EYB Concepts under franchise agreements with Franchisor or Franchisor's affiliates; or

(iv) directly or indirectly, on behalf of Developer or any other person, or as an employee, proprietor, owner, consultant, agent, contractor, employer, affiliate, partner, officer, director or associate, or stockholder of any other person or entity, or in any other capacity, solicit, divert, take away, or interfere with any of the business, customers, clients, contractors, referral sources, trade or patronage of Franchisor's, Franchisor's affiliate or our franchisees as such may exist throughout the term of this Agreement.

(b) **Public Companies:** Notwithstanding the foregoing, any aggregate ownership of 5% or less of the issued and outstanding shares of any class of stock of a publicly traded company is not prohibited by the provisions of this Section.

(c) **Confidentiality, Non-solicitation and Noncompetition Agreement:** You must require and obtain, at your expense, execution and delivery to Franchisor of restrictive covenants, in the form of a Confidentiality, Non-solicitation and Non-competition Agreement attached hereto as Exhibit “Two D” and made a part hereof from all of Developer’s Owners, and any person employed by or under an independent contractor relationship with Developer whom receives or will receive any training by Franchisor or you which is directly or indirectly related to the System or involves any of the Confidential Information no later than ten days following the effective date of this Agreement (or, if any individual or entity attains such status after the effective date of this Agreement, within ten days following such individual or entity’s attaining such status).

## 8. MARKS AND INTERNET.

8.1 **Ownership and Goodwill of Marks.** Developer’s right to use the Marks is derived solely from this Agreement and the Franchise Agreements and limited to Developer’s operation of the EYB Concept at the Sites pursuant to and in compliance with the Franchise Agreements and all System Standards Franchisor prescribes from time to time during term of the Franchise Agreements. Developer’s unauthorized use of the Marks will be a breach of this Agreement and an infringement of our rights in and to the Marks. Developer acknowledges and agrees that Developer’s usage of the Marks and any goodwill established by such use will be exclusively for Franchisor’s benefit and that neither this Agreement nor the Franchise Agreements confer any goodwill or other interests in the Marks upon Developer (other than the right to operate the EYB Concept in compliance with the Franchise Agreements). All provisions of this Agreement and the Franchise Agreements applicable to the Marks apply to any additional proprietary trade and service marks and commercial symbols we authorize to use.

8.2 **Limitations on Your Use of Marks.** Developer agrees to use the Marks as the sole identification of the EYB Concept, except that Developer agrees to identify Developer as the independent owner in the manner we prescribe in the Manual or otherwise. Franchisor may place or require you to place a conspicuous notice at a place Franchisor designates in each of Developer’s EYB Concepts identifying Developer as its independent owner and operator. Developer agrees not to remove, destroy, cover or alter that notice without our prior consent. If Developer does not do so, Franchisor may accomplish the notice or identification as we see fit, and Developer agrees to reimburse Franchisor for doing so. Developer may not use any Mark as part of any corporate or legal business name or with any prefix, suffix or other modifying words, terms, designs or symbols (other than logos we license to you), or in any modified form, nor may Developer use any Mark in connection with any social media networking, including but not limited to any postings on social media sites or media network sites nor with the performance or sale of any unauthorized services or products or in any other manner Franchisor has not expressly authorized in writing. No Mark may be used in any advertising concerning the transfer, sale or other disposition of any EYB Concept or an ownership interest in Developer. Developer agrees to display the Marks prominently in the manner Franchisor prescribes at the EYB Concept, on supplies or materials Franchisor designates and in connection with forms and advertising and marketing materials. Developer agrees to give such notices of trade and service mark registrations as Franchisor specifies and to obtain any fictitious or assumed name registrations required under applicable law.

8.3 **Notification of Infringements and Claims.** Developer agrees to notify Franchisor 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 Developer agrees not to communicate with any person other than Franchisor, Franchisor’s attorneys and Developer’s attorneys in connection with any such infringement, challenge or claim. Franchisor has sole discretion to take such action as Franchisor deems appropriate and the right to control exclusively any litigation, U.S. Patent and Trademark Office proceeding or any other administrative proceeding arising out of any such infringement, challenge or claim or otherwise relating to

any Mark. Developer agrees to sign any and all instruments and documents, render such assistance and do such acts and things as, in the opinion of Franchisor's attorneys, may be necessary or advisable to protect and maintain our interests in any litigation or Patent and Trademark Office or other proceeding or otherwise protect and maintain our interests in the Marks.

8.4 **Discontinuance of Use of Marks.** If it becomes advisable at any time in Franchisor's sole discretion for Franchisor 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, Developer agrees to comply with Franchisor's directions within a reasonable time after receiving notice. Franchisor will not be obligated to reimburse Developer for any direct or indirect loss, including loss of revenue attributable to any modified or discontinued Mark or for any expenditure Developer makes to promote a modified or substitute trademark or service mark.

8.5 **Signage.** Developer's signage must comply with all state and local laws and ordinances. The signage must also incorporate the specific letter style, curvature, approved colors and trademark associated with our logo. Developer must not use a sign that deviates from the standard logo unless and until Developer has submitted a request for such deviation to Franchisor in writing with drawings and Franchisor has approved such deviation in writing. If Developer employs any signage that does not comply with this Agreement, Developer will be in material breach of this Agreement.

8.6 **Internet.** Developer may not maintain a World Wide Web site or otherwise maintain a presence or advertise on the Internet or any other public computer network in connection with any EYB Concept without Franchisor's prior written approval, which Franchisor may withhold for any reason or no reason and in Franchisor's sole discretion. Developer agrees to submit to Franchisor for our approval before use true and correct printouts of all Web site pages Developer proposes to use in Developer's Web site connection with the business. Developer understands and agrees that Franchisor's right of approval of all such Web materials is necessitated by the fact that such Web materials will include and be inextricably lined with the Marks. Developer may only use material which Franchisor has approved. Should Franchisor grant Developer the right to establish a Website in connection with the business authorized by this agreement, the Web site must conform to all of Franchisor's Web site requirements, whether set forth in its Manual or otherwise. Developer agrees to provide all hyperlinks or other links that Franchisor requires. If Franchisor grants approval for a Web site, Developer may not use any of the Proprietary Information at the site except as Franchisor expressly permits. You may not post any of our proprietary, confidential or copyrighted material or information on its Web site without Franchisor's prior written permission. If Developer wishes to modify an approved site, all proposed modifications must also receive Franchisor's prior written approval. Developer explicitly understands that Developer may not post on the Web site any material which any third party has any direct or indirect ownership interest in (including, without limitation, video clips, photographs, sound bites, copyrights, trademarks or service marks, or any other text or image which any third party may claim intellectual property ownership interests in). Developer agrees to list on the Web site, should Franchisor ever grant Developer the right to have a Web site in connection with any aspect of this Agreement, any Web site maintained by Franchisor, and any other information Franchisor requires in the manner Franchisor dictates. Developer agrees to obtain Franchisor's prior written approval for any Internet domain name and/or home page address. The requirement for Franchisor's prior approval set forth in this Paragraph will apply to all activities on the Internet or other communications network to be conducted by Developer, except that Developer may maintain one or more E-mail addresses and may conduct individual E-mail communications with Franchisor's prior written approval. Developer agrees to obtain our prior approval as provided above if Developer proposes to send advertising to multiple addresses via E-mail.

## 9. TERMINATION.

9.1 **Termination Upon Notice.** Franchisor may terminate this Agreement, effective on delivery of notice of termination to Developer, if:

(a) Developer fails to meet Developer's obligations in accordance with the Development Schedule (unless Franchisor exercises other remedies under Paragraph 3.3 "**Development Obligations**");

(b) Developer (or, if Developer is a Business Entity, any Operating Partner or any Owner) make an unauthorized assignment or transfer of this Agreement, an ownership interest in Developer or any interest in any affiliate's EYB Concept or Franchise Agreement granted pursuant to this Agreement;

(c) Developer (or, if Developer is a Business Entity, any Operating Partner or any Owner) have made any material misrepresentation or omission in Developer's application for the development rights conferred by this Agreement;

(d) Developer (or, if Developer is a Business Entity, any Operating Partner or any Owner) are or have been convicted of, or plead, or have pleaded no contest, or guilty, to a felony or other serious crime or offense that is likely to adversely affect Developer's reputation, our reputation or the reputation of any other EYB Concept;

(e) Developer (or, if Developer is a Business Entity, any Operating Partner or any Owner) make any unauthorized use of the Marks, fail to comply with Franchisor's Internet restrictions or any unauthorized use or disclosure of the Confidential Information;

(f) Developer fails to make payments of any amounts due to Franchisor or Franchisor's affiliates under this Agreement or any other agreement that Developer has with Franchisor (including any Franchise Agreement), and does not correct such failure within 10 days after written notice of such failure is delivered to Developer;

(g) Developer fails to perform or observe any provision of any lease or sublease for any Site, any financing document for any Site or any lease or financing document for any of the approved Operating Assets and does not correct such failure within the applicable cure period;

(h) Developer does not enter into a franchise agreement within 15 days after Developer has obtained lawful possession of a lease for or a contract to purchase a Site;

(i) Developer, or one of Developer's principal Owners, make an assignment for the benefit of creditors or admit in writing your insolvency or inability to pay Developer's debts generally as they become due; consent to the appointment of a receiver, trustee or liquidator of all or the substantial part of your property; Developer's business, or a principal Owner's business, is attached, seized, subjected to a warrant or levied upon, unless such attachment, seizure, warrant or levy is vacated within 30 days; or any order appointing a receiver, trustee or liquidator of Developer, or a principal Owner, or the business of any of them is not vacated within 30 days following the entry of such order (Developer must notify Franchisor in writing within 10 days of any of the events listed in this Section in Paragraph 9.2);

(j) Developer, or any of Developer's principal Owners, engage in any dishonest or unethical conduct which may adversely affect the reputation of EYB Concepts or the goodwill associated with the Marks;

(k) Developer fails to comply with any other provision of the Agreement or any provision of any other agreement Developer has with Franchisor (including any Franchise Agreement), after Franchisor has notified Developer of the failure whether or not such failures to comply are corrected after notice of the failure is delivered to Developer;

(l) Developer fails on 2 or more separate occasions within any 12 consecutive month period or on 3 occasions during the term of this Agreement to comply with this Agreement or any other agreement Developer has with us (including any Franchise Agreement), after Franchisor has notified Developer of the failure whether or not such failures to comply are corrected after notice of the failure is delivered to Developer; or

(m) Developer has delivered to Developer (or an affiliate) a notice of termination of a Franchise Agreement in accordance with its terms and conditions or Developer (or your affiliates) has terminated a Franchise Agreement.

9.2 **Cross-Default.** Any default or breach by Developer, Developer's affiliates and/or any guarantor of Developer's of any other agreement between Franchisor or Franchisor's affiliates and Developer and/or such other parties will be deemed a default under this Agreement, and any default or breach of this Agreement by Developer and/or such other parties will be deemed a default or breach under any and all such other agreements between Franchisor or Franchisor's affiliates and Developer, Developer's affiliates and/or any guarantor of Developer's. If the nature of the default under any other agreement would have permitted Franchisor (or our affiliate) to terminate this Agreement if the default had occurred under this Agreement, then Franchisor will have the right to terminate all such other agreements in the same manner provided for in this Agreement for termination hereof. Developer's "affiliates" means any persons or entities controlling, controlled by or under common control with Developer.

## 10. **EFFECT OF TERMINATION AND EXPIRATION.**

10.1 **Continuing Obligations.** All of the obligations under this Agreement which expressly or by their nature survive the expiration or termination of this Agreement continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement, until they are satisfied in full or by their nature expire. Within 5 days immediately following termination or expiration of this Agreement for any reason, Developer must pay to us all fees or other amounts due us under this Agreement, or any other agreement, note, or obligation between Developer and Franchisor.

10.2 **Post-Term Competitive Restrictions.** Upon termination or expiration of this Agreement for any reason, Developer and Developer's Owners and guarantors agree that, for a period of 2 years commencing on the effective date of termination or expiration, no Restricted Person will have any direct or indirect interest (e.g. through a spouse, child, or other family member) as a disclosed or beneficial owner, investor, partner, director, officer, employee, consultant, member, manager, representative or agent or in any other capacity in any Competitive Business operating:

- (a) at any Site or within the Development Area;
- (b) within 5 miles of any Site or the Development Area; or
- (c) within 5 miles of any other EYB Concept, planned, in operation or under construction on the later of the effective date of the termination or expiration.

If any Restricted Person refuses voluntarily to comply with the foregoing obligations, the 2-year period will commence on the effective date of termination or expiration. Each Restricted Person expressly acknowledges that he or she possesses skills and abilities of a general nature and has other opportunities for exploiting such skills. Consequently, enforcement of the covenants made in this Section will not deprive Developer of Developer's personal goodwill or ability to earn a living. You acknowledge and agree that the time and geographic restrictions contained in this Section are reasonable and necessary to protect our interests and investments and do not and will not unduly burden Developer or deprive Developer of Developer's ability to earn a living. Developer acknowledges and agrees that any claim Developer has, or may have arising from this Agreement, or otherwise have or may have against Franchisor will not constitute a defense to Franchisor's enforcement of the restrictive covenants contained in this Agreement.

10.3 **Grant of Franchises.** Upon termination or expiration of this Agreement for any reason, Developer's rights under this Agreement will terminate and Developer agrees to immediately and permanently cease Developer's development activities. Franchisor will then have no further obligation to grant Franchisor additional franchises for EYB Concepts.

10.4 **Marks and Confidential Information.** Except in connection with EYB Concepts, Developer is then operating under Franchise Agreements, or with respect to which a Franchise Agreement has been signed, Developer agrees to immediately and permanently cease use, by advertising or in any manner whatsoever, the Marks and the Confidential Information; slogan, trademarks, trade names, service marks, designs, trade dress or logos which are similar in nature to the Marks; or any equipment, materials, forms, confidential methods, procedures, recipes and techniques associated with or similar to the System or which display the Marks or any other distinctive forms, slogans, signs, symbols, trade dress or devices associated with or belonging to Franchisor.

## 11. **TRANSFERS.**

11.1 **By Franchisor.** This Agreement is fully transferable by Franchisor and inures to the benefit of any assignee or other legal successor to Franchisor's interest, as long as such assignee or successor agrees to be bound by, and assumes all of Franchisor's continuing obligations under it.

11.2 **By Developer.** Developer understands and acknowledges that the rights and duties created by this Agreement are personal to you (or, if you are a corporation, limited liability company or partnership, your Owners) and that Franchisor has granted this Agreement in reliance upon Franchisor's perceptions of the individual or collective character, skill, aptitude, attitude, business ability and financial capacity of Developer (or, if you are a Business Entity, Developer's Owners). Therefore, neither this Agreement (or any interest therein) nor any part or all of the ownership of Developer may be transferred by Developer or Developer's Owners without our prior written approval. Any such transfer without Franchisor's prior written approval constitutes a breach of this Agreement and will convey no rights, or interests in, this Agreement. As used in this Agreement, the term "transfer" includes Developer's (or your Owners') voluntary, involuntary, direct or indirect assignment, sale, gift or other disposition of any interest in: (a) this Agreement; (b) Developer; or (c) any of the Franchise Agreements.

11.3 **Transfer to a Business Entity.** Notwithstanding Paragraph 11.2 of this Section, if Developer is in full compliance with this Agreement, Developer may transfer this Agreement to a Business Entity that conducts no business other than Developer's EYB Concept businesses and so long as each shareholder, member, partner or any other ownership interest, shall jointly and severally guarantee the performance and full payment of the obligations under this Agreement. Furthermore, Developer may not transfer any ownership interests to anyone who does not meet Franchisor's approval. The organizational or governing documents of the business organization must recite that the issuance and transfer of any

ownership interests in the business organization are restricted by the terms of this Agreement, are subject to Franchisor's approval, and all certificates or other documents representing ownership interests in the business organization must bear a legend referring to the restriction of this Agreement.

#### 11.4 **Conditions for Approval of Transfer.**

(a) **Application:** If Developer (or, if Developer is a Business Entity, Developer's Owners) are in full compliance with this Agreement and all of the Franchise Agreements, Franchisor will not unreasonably withhold its approval of a transfer that meets all the applicable requirements of this Section. The proposed transferee and its owners must be individuals of good moral character and otherwise meet our then applicable standards for developers of EYB Concepts.

(b) **Development Rights:** If the transfer of the development rights granted under this Agreement or a controlling interest in the Developer, or if the transfer is one of a series of transfers which in the aggregate constitute the transfer of the development rights granted under this Agreement or a controlling interest in the Developer, all of the following conditions must be met prior to or concurrently with the effective date of the transfer:

(i) the transferee must have sufficient business experience, aptitude and financial resources to operate Developer's business and develop the Development Area, and must either already own an EYB Concept or is acquiring one or more of them in association with the transfer;

(ii) Developer agrees to pay Franchisor all amounts owed to Franchisor or Franchisor's affiliates, if any, which are then due and unpaid and submit all required reports and statements which have not yet been submitted, under this Agreement, any Franchise Agreement or any other agreement between Developer (or an affiliate) and Franchisor (or our affiliates);

(iii) the transferee and/or the transferee's personnel must agree to complete Franchisor's initial training program to Franchisor's satisfaction;

(iv) the transferee must meet Franchisor's current owner criteria and agree to be bound by and expressly assume all of the terms and conditions of this Agreement for the remainder of its term;

(v) if permitted by applicable law, Developer (and Developer's Owners) shall execute a general release, under seal, in the form satisfactory to Franchisor, of any and all claims against Franchisor and Franchisor's officers, directors, employees and agents;

(vi) Franchisor must approve the material terms and conditions of such transfer including, without limitation, that the price and terms of payment are not so burdensome as to affect adversely the future development of the Development Area and the operation of EYB Concepts in it;

(vii) if the transferee finances any part of the sale price of the transferred interest, Developer (and Developer's Owners) must agree that all obligations of the transferee under or pursuant to any promissory notes, agreements or security interests reserved by Developer (or Developer's Owners) must be subordinate to transferee's obligations to us to comply with this Agreement or Franchise Agreements executed by the transferee;

(viii) all Restricted Persons must sign and deliver to Franchisor an agreement in which they will comply with the competitive restrictions contained in Paragraph 10.2 of Section 10 of this Agreement for 2 years commencing on the effective date of the transfer; and

(ix) the transferee must pay us a fee equal to 50% of the remainder of the Franchise Fees for the EYB Concepts that are required to be opened under the Development schedule that are not yet open.

In connection with any transfer permitted under this Section, Developer agrees to provide Franchisor with all documents to be signed by Developer and the proposed assignee or transferee at least 30 business days prior to signing.

11.5 **First Refusal.** If Developer (or Developer's Owners) at any time determine to transfer this Agreement (as defined above) Developer will obtain a bona fide, signed written offer, an earnest money deposit (in the amount of 5% or more of the offering price) from a responsible and fully disclosed purchaser and submit an exact copy of such offer to Franchisor. The offer must apply only to an interest in this Agreement or Developer. It must not include the purchase of any other property or rights of Developer (or Developer's Owners). The offer must completely describe the purchase price, payment terms, terms of the assumption of liabilities and all other material terms of the transfer (including all exhibits and other information so that Franchisor may readily determine the foregoing). Within 30 days from the date Franchisor receives the copy of such offer, Franchisor may purchase Developer's rights under this Agreement and the assets of Developer's business on the terms and conditions contained in the offer provided to Franchisor, except that:

(a) Franchisor may substitute cash for any form of payment proposed in the offer (with a discounted amount if an interest rate will be charged on any deferred payments);

(b) Franchisor's credit will be deemed equal to the credit of any proposed purchaser;

(c) Franchisor will have no less than 90 days to prepare for a closing; and

(d) Franchisor is entitled to receive, and Developer and Developer's Owners agree to make, all customary representations and warranties given by the seller of the assets of a business or with the capital stock of an incorporated business, as applicable, including, without limitation, representations and warranties as to:

(i) ownership and condition of and title to stock or other forms of ownership interests and/or assets;

(ii) liens and encumbrances relating to the stock or other ownership interests and/or assets; and

(iii) validity of contracts and the liabilities contingent or otherwise of the corporation whose stock is being purchased.

The 30 day period will not commence until Developer has delivered to Franchisor full and complete documentation to enable Franchisor to fully evaluate the offer.

If Franchisor exercises Franchisor's right of first refusal, Developer and Developer's selling Owner(s) agree that, for a period of 2 years commencing on the date of the closing, Developer and they will be bound by the competitive restrictions contained in Paragraph 10.2 of Section 10 of this Agreement.

If Franchisor does not exercise Franchisor's right of first refusal, Developer or Developer's Owners may complete the transfer on the terms contained in the offer, subject to Franchisor's approval of the transfer as described in this Section of this Agreement. If the transfer as described in the offer is not completed within 90 days after delivery of the offer to Franchisor, or if there is a material change in the terms of the offer, Developer must notify Franchisor and Franchisor will have an additional option to purchase (on the terms of the revised offer, if any, and otherwise as set forth herein) during the 30 day period following Developer's notification of the expiration of the 90 day period or the material change to the terms of the offer.

**11.6 Death or Permanent Disability.** Upon Developer's death or permanent disability or that of one of Developer's Owners, the executor, administrator, conservator or other personal representative of such person must transfer his or her interest within a reasonable time, not to exceed 6 months from the date of death or permanent disability, to a third party approved by Franchisor. Such transfer, including, without limitation, transfer by devise or inheritance, is subject to all the conditions for transfers contained in Paragraph 11.4 of Section 11 and unless transferred by gift, devise or inheritance, subject to the terms of Paragraph 11.5 of Section 11. Failure to dispose of such interest within that time period constitutes a breach of this Agreement. Franchisor consent to a transfer of any interest subject to the restrictions of this Section does not constitute a waiver of any claims Franchisor may have against the assignor; nor will it be deemed a waiver of Franchisor's right to demand the assignee's exact compliance with any of the terms or conditions of this Agreement or any Franchise Agreements.

**11.7 Public Offerings of Securities.** Notwithstanding any other provisions of this Agreement, Developer agrees not to, without our prior written consent, sell or offer to sell any of your securities if such sale or offer would be required to be registered pursuant to the provisions of the Securities Act of 1933, as amended, and the rules and regulations pursuant thereto, or the securities laws of any other state or territory of the United States of America or of any other jurisdiction. All advertisements or promotional materials must be previously approved by us. You may not use any advertising or promotional materials that we have disapproved.

**11.8 Franchise Transfers.** A transfer of any EYB Concept developed pursuant to this Agreement may be made only in connection with the transfer of the Franchise Agreement for such EYB Concept, and a transfer of the Franchise Agreement for any such EYB Concept may be made only in connection with the transfer of all interests of Developer in such EYB Concept (or the affiliate that owns such EYB Concept). A transfer must comply with all of the requirements for a transfer set forth in the Franchise Agreement.

## **12. RELATIONSHIP OF THE PARTIES/INDEMNIFICATION.**

**12.1 Independent Contractors.** Developer and Franchisor understand and agree that this Agreement does not create a fiduciary relationship between the parties. Franchisor and Developer are independent contractors. Nothing in this Agreement is intended to make either party a general or special agent, joint venturer, partner or employee of the other for any purpose. Developer agrees to conspicuously identify Developer in all dealings as the owner of development rights granted under an Area Development Agreement with Franchisor in the ways Franchisor specifies for doing so. Developer agrees to place notices

of independent ownership on such forms, business cards, stationary, advertising and other materials as we may require from time to time.

12.2 **No Liability for Acts of Other Party.** Franchisor agrees not to employ any of the Marks in signing any contract or applying for any license or permit or in a manner that may result in our liability for any of your indebtedness or obligations. Developer agrees to not use the Marks in any way not expressly authorized by this Agreement or the Franchise Agreements. Except as expressly authorized in writing, neither Developer nor Franchisor will make any express or implied agreements, warranties, guarantees or representations or incur any debt in the name or on behalf of the other or be obligated by or have any liability under any agreements or representation made by the other. Franchisor will not be obligated for any damages to any person or property directly or indirectly arising out of the operations of Developer's business authorized by or conducted pursuant to this Agreement.

12.3 **Taxes.** Franchisor will have no liability for any sales, use, service, occupation, excise, gross receipts, income, payroll property or other taxes, whether levied upon Developer or Developer's assets or upon Franchisor, arising in connection with the business conducted by Developer pursuant to this Agreement or any Franchise Agreement. Payment of all such taxes is solely Developer's responsibility. In the event of a bona fide dispute as to Developer's liability for taxes, Developer may contest liability in accordance with applicable law. In no event will Developer permit a tax sale, seizure, or attachment to occur against any of Developer's assets, including this Agreement.

12.4 **Indemnification.** Developer agrees to indemnify, defend and hold Franchisor, Developer's affiliates and Franchisor's respective members, shareholders, directors, officers, employees, agents, successors and assignees (the "Indemnified Parties") harmless from and against and to reimburse them for all claims, obligations and damages described in this Section, any and all taxes described in Paragraph 12.3 of Section 12 of this Agreement and any and all claims and liabilities directly or indirectly arising out of the operation of Developer's business (even if Franchisor's negligence is alleged, but not proven), Developer's breach of this Agreement or Developer's use of the Marks in any manner not in accordance with this Agreement. For purposes of this indemnification, "claims" means and includes all obligations, damages (actual, consequential or otherwise) and costs reasonably incurred in the defense of any claim against any of the Indemnified Parties including, without limitation, reasonable costs, other expenses of litigation, attorney fees, arbitration or alternative dispute resolution and travel and living expenses. The Indemnified Parties have the right to defend any such claim against them in such manner as they deem appropriate or desirable in their sole discretion. This indemnity will continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement. Under no circumstances will Franchisor or any other Indemnified Party be required to seek recovery from any insurer or other third party, or otherwise to mitigate our, their or Developer's losses and expenses, in order to maintain and recover fully a claim against Developer. Developer agrees that a failure to pursue such recovery or mitigate a loss will in no way reduce or alter the amounts Franchisor or another Indemnified Party may recover from Developer.

### 13. **ENFORCEMENT.**

13.1 **Severability; Substitution of Valid Provisions.** Except as otherwise stated in this Agreement, each provision of this Agreement, and any portion of any provision, are severable. 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, Developer and Franchisor agree that such provisions 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. Franchisor may modify such invalid or unenforceable provision to the extent required to be valid and enforceable. In such event, Developer will be bound by the modified provisions.

13.2 **Waivers.** Developer and Franchisor may by written instrument unilaterally waive or reduce any obligation of the other under this Agreement. Any waiver granted by Franchisor shall be without prejudice to any other rights Franchisor may have, will be subject to continuing review by Franchisor and may be revoked, in Franchisor's sole discretion, at any time and for any reason, effective upon deliver to Developer of 10 days' prior notice. Developer and Franchisor shall not be deemed to have waived any right reserved by this Agreement by virtue of any custom or practice of the parties at variance with it; any failure, refusal or neglect by Developer or Franchisor to exercise any right under this Agreement or to insist upon exact compliance by the other with its obligations hereunder; any waiver, forbearance, delay, failure or omission by Franchisor to exercise any right, whether of the same, similar or different nature, with respect to other Green Leaf's Restaurants; or the acceptance by Franchisor of any payments due from Developer after any breach of this Agreement.

13.3 **Limitation of Liability.** Neither Franchisor nor Developer will be liable for loss or damage or deemed to be in breach of this Agreement if failure to perform obligations results from:

- (a) compliance with any law, ruling, order, regulation, requirement or instruction of any federal, state or municipal government or any department or agency thereof;
- (b) acts of God, terror, war or similar events;
- (c) acts or omissions of a similar event or cause.

However, such events or delays do not excuse payments of amounts owed at any time.

13.4 **Approval and Consents.** Whenever this Agreement requires our advance approval, agreement or consent, Developer agrees to make a timely written request for it. Franchisor's approval or consent will not be valid unless it is in writing. If Franchisor provides to you any waiver, approval, consent, or suggestion, or if Franchisor neglects or delays Franchisor's response or deny any request for any of those, Franchisor will not be deemed to have made any warranties or guarantees which Developer may rely on, and will not assume any liability or obligation to Developer.

13.5 **Miscellaneous.**

(a) **Governing Law.** Except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051 *et seq.*), this Agreement and the relationship of Franchisor and Developer shall be governed by the laws of New Jersey. However, if any provision of this Agreement would not be enforceable under New Jersey law, and if any of the Development Area is located outside of New Jersey and such provision would be enforceable under the laws of the state in which the Development Area is located, then such provisions shall be constituted under the laws of that state. Nothing in this Paragraph is intended to subject this Agreement to any franchise or similar law, rule or regulation of the state of New Jersey to which it otherwise would not be subject.

Except as otherwise stated herein, any and all controversies, claims or disputes among Franchisor, Developer and any or all of their respective owners, affiliates, officers, directors, shareholders, members, employees and agents shall be resolved by litigation and brought, maintained and concluded exclusively in either the State Courts of New Jersey as hereinafter specified or in Federal Court the United States District

Court, in the Newark vicinage of New Jersey. If Franchisor initiates litigation in the State Courts of New Jersey such litigation shall be instituted maintained and concluded in either Morris County, Essex County or Union County New Jersey. If litigation is instituted by Developer, its owners or any party hereto other than Franchisor, in State Court, such litigation shall be instituted maintained and concluded only in Morris County, New Jersey and if in Federal Court, the United States District Court in the Newark vicinage of New Jersey. Developer and each owner, waive to the fullest extent permitted by law, any objection that Developer and each owner, may now or in the future have to the laying of jurisdiction or venue of any litigation arising out of or in connection with this Agreement brought by Franchisor in Federal Court in the United States District State Court in the Newark vicinage of New Jersey or in State Court by Franchisor in either Morris County, Essex County, or Union County in New Jersey or if brought by Developer and/or any owner thereof in the State Court in Morris County, New Jersey. Developer and any owner thereof or any party hereto, waives any objection as to jurisdiction or venue of any action or proceeding brought in such court or that such court is an inconvenient forum. The Developer or any owner or any party hereto, further acknowledge and agrees that Franchisor may institute legal action for injunctive relief, including temporary restraining orders and preliminary injunctions pursuant to Paragraph 13.5 (b) below.

You agree that service of process may be made upon you in any proceeding relating to or arising out of this Agreement or any provision of this Agreement or the relationship created by this Agreement as follows:

(i) by any means allowed by New Jersey law or Federal law or the law of the jurisdiction in which the Development Area is located; and

(ii) service upon any employee who is over the age of 18; or

(iii) service upon an agent for service of process in the State of New Jersey, who is approved by Franchisor. Developer shall appoint an agent for service of process within in the State of New Jersey 10 days of the date this Agreement is executed by Developer; or

(iv) as otherwise agreed by the parties in writing.

(b) Injunctive Relief. Franchisor may obtain in any court of competent jurisdiction any injunctive relief, including temporary restraining orders and preliminary injunctions, against conduct or threatened conduct for which no adequate remedy at law may be available or which may cause it irreparable harm. Franchisor may have such injunctive relief, without bond, but upon due notice, in addition to such further and other relief as may be available at equity or law, and Developer's sole remedy in the event of the entry of such injunction, shall be its dissolution, if warranted, upon hearing duly had (all claims for damages by reason of the wrongful issuance of any such injunction being expressly waived). Developer and each of Developer's owners acknowledges that any violation of Section 8,9,10,11 and 13 would result in irreparable injury to Franchisor for which no adequate remedy at law may be available. Accordingly, Developer and each of its owners consent to the issuance of an injunction prohibiting any conduct in violation of any of those Sections and agrees that the existence of any claim Developer or any of its owners may have against Franchisor, whether or not arising from this Agreement, shall not constitute a defense to the enforcement of any of those Sections.

(c) Costs of Enforcement. If Franchisor asserts a claim or defense against a claim or files a counter-claim or cross claim in a judicial or other proceeding for amounts Developer or any of Developer's owners owe Franchisor or any of Franchisor's affiliates, or if Franchisor enforces this Agreement or any provision in this Agreement in a judicial or other proceeding, Developer agrees to pay Franchisor for all of

Franchisor's costs and expenses, including reasonable accounting, paralegal, expert witness and attorneys' fees (which shall include reasonable compensation for time spent by any in-house counsel or outside counsel on retainer). If Franchisor is required to engage legal counsel in connection with Developer's failure to comply with this Agreement or any provision of this Agreement, Developer must pay us for any attorneys' fees Franchisor incur.

(d) Successors and Assigns. This Agreement is binding on the parties hereto and their respective executors, administrators, heirs, assigns and successors in interest.

(e) Limitations on Legal Actions. Except with respect to Developer's obligations regarding use of the Marks and the Confidential Information, Developer and each of Developer's Owners each waive, to the fullest extent permitted by law, any right to or claim for any punitive, special or exemplary damages against the Franchisor. Developer and each of Developer's owners waive to the fullest extent permitted by applicable law, the right to recover consequential damages for any claim directly or indirectly arising from or relating to this Agreement.

Developer agrees that, for Franchisor's franchise system to function properly, Franchisor should not be burdened with the costs of litigating system-wide disputes. Accordingly, any disagreement between Developer (and Developer's owners) and Franchisor shall be considered unique as to its facts and shall not be brought as a class action, and Developer (and each of Developer's owners) waives any right to proceed against Franchisor and any of Franchisor's affiliates, owners, officers, directors, employees, agents, successors and assigns by way of class action. In any legal action between the parties, the court shall not be precluded from making its own independent determination of the issues in question, notwithstanding the similarity of issues in any other legal action involving Franchisor and any other developer, and each party waives the right to claim that a prior disposition of the same or similar issues preclude such independent determination.

DEVELOPER WAIVES ANY AND ALL RIGHTS, ACTIONS OR CLAIMS UNDER THE FEDERAL ACT ENTITLED "RACKETEER INFLUENCE AND CORRUPT ORGANIZATIONS," 18 U.S.C. § 1964 *et seq.*

(f) Waiver of Jury Trial. THE PARTIES AGREE THAT ANY LEGAL ACTION IN CONNECTION WITH THIS AGREEMENT SHALL BE TRIED TO THE COURT SITTING WITHOUT A JURY, AND ALL PARTIES HERETO WAIVE ANY RIGHT TO HAVE ANY ACTION TRIED BY JURY.

(g) Release of Existing Liability. You hereby release Franchisor and Franchisor's affiliates, and their respective officers, directors, shareholders, employees, agents and assigns from and against any and all liability existing as of the date of this Agreement arising in connection with or relating to any agreements, whether written or oral, existing between Franchisor or Franchisor's affiliates and Developer as of the date of this Agreement.

(h) Construction. The language of this Agreement shall be construed according to its fair meaning and not strictly against any party. The introduction, personal guarantees, exhibits and riders (if any) to this Agreement, as well as the Confidential Operations & Training Manual, are a part of this Agreement, which constitutes the entire agreement of the parties. Except as otherwise expressly provided herein, there are no other oral or written agreements, understandings, representations or statements relating to the subject matter of this Agreement, other than the Franchise Disclosure Document, that either party may or does rely on or that will have any force or effect. Nothing in this Agreement shall be deemed to confer any rights or remedies on any person or legal entity not a party hereto. This Agreement shall not be

modified, except by written agreement signed by both parties, except that the Confidential Operations & Training Manual may be modified by Franchisor in accordance with the provisions of this Agreement.

The headings of this section are for convenience only and do not limit or construe their contents. The word “including” shall be construed to include the words “without limitation.” The term “Developer,” “you,” or “your” is applicable to one or more persons, a corporation, limited liability company or a partnership or legal entity and its owners, as the case may be. If two or more persons are at any time Developer hereunder, whether as partners, joint venturers or otherwise, their obligations and liabilities to Franchisor shall be joint and several. The term “affiliate” shall mean any person or entity that directly or indirectly owns or controls the referenced party, that is directly or indirectly owned or controlled by the referenced party, or that is under common control with the referenced party. The term “control” means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of an entity, whether through ownership of voting securities, by contract or otherwise.

This Agreement may be executed in multiple copies, each of which shall be deemed an original. Time is of the essence in this Agreement.

(i) Approvals and Consents. Whenever this Agreement requires the approval or consent of either party, the other party shall make written request therefore, and such approval or consent shall be obtained in writing.

(j) Notices and Consents. Whenever this Agreement requires the approval or consent of either party, the other party shall make written request therefore, and such approval or consent shall be obtained in writing.

(k) Notices and Payments. All notices, requests and reports permitted or required to be delivered by this Agreement shall be deemed delivered: (i) at the time delivered by hand to the recipient party (or to an officer, director or partner of the recipient party); (ii) on the same day of the transmission by facsimile, telegraph or other reasonably reliable electronic communication system; (iii) 1 business day after being placed in the hands of a commercial courier service for guaranteed overnight delivery; or (iv) 5 business days after placement in the United States Mail by Registered or Certified Mail, Return Receipt Requested, postage prepaid and addressed to the party to be notified at its most current principal business address of which the notifying party has been notified in writing. All payments and reports required by this Agreement shall be sent to Franchisor at the address identified in this Agreement unless and until a different address has been designated by written notice. No restrictive endorsement on any check or in any letter or other communication accompanying any payment shall bind Franchisor, and our acceptance of any such payment shall not constitute an accord and satisfaction.

(l) Patent Errors and Blanks. Franchisor may correct any and all patent errors and fill in all blanks in this Agreement or in any Collateral Schedule or Exhibit, consistent with the agreement of the parties.

Developer waives any and all rights, actions or claims for relief under the Federal Act entitled “Racketeer Influenced And Corrupt Organizations”, 18 U.S.C. Section 1961 *et seq.*

(m) Privacy. Developer shall abide by all applicable laws pertaining to privacy of information collected or maintained regarding customers or other individuals (“Privacy”), and shall comply with Franchisor’s standards and policies pertaining to Privacy. If there is a conflict between Franchisor’s standards and policies pertaining to Privacy and applicable law, Developer shall: (a) comply with the requirements of applicable law; (b) immediately give Franchisor written notice promptly of such conflict;

and (c) and fully cooperate with Franchisor and Franchisor's counsel as Franchisor may request to assist Franchisor in Franchisor's determination regarding the most effective way, if any, to meet Franchisor's standards and policies pertaining to Privacy within the bounds of applicable law.

(n) Signatures. A facsimile signature, including photocopied, faxed and electronically transmitted (such as PDF) copies of a signature, is binding to the same extent as an original signature and shall be deemed an original signature with regard to this Agreement and all Riders and any Amendments hereto. The parties hereto further agree that this Area Development Agreement may be executed electronically by any means Franchisor chooses, and if by electronic signature, the electronic signature shall be binding to the same extent as an original signature and shall be deemed an original signature with regard to this Area Development Agreement and all Riders, Amendments or Addenda hereto. You are not entitled to challenge the validation or authenticity of the electronic signature or the document on the ground that it is not the original.

#### 14. **MERGER, ACQUISITION OR AFFILIATION.**

Developer agrees that Franchisor has the right, now, or in the future, to purchase, merge, acquire, or affiliate with an existing competitive or non-competitive franchise network, chain, or any other business regardless of the location of that chain's or business' facilities, and to operate, franchise or license those businesses and/or facilities as "EYB Concepts" operating under the Marks or any proprietary marks or any of their marks following Franchisor's purchase, merger, acquisition or affiliation, regardless of the location of these facilities (which Developer acknowledges may be within its "Development Area", proximate thereto, or proximate to any of the EYB Concepts).

Franchisor will have the right to assign this Agreement, and all of Franchisor's rights and privileges under this Agreement, to any person, firm, corporation or other entity.

Developer agrees and affirms that Franchisor may sell ourselves, our assets, name and Marks or other proprietary marks and/or Franchisor's system to a third party; may go public; may engage in a private placement of some or all of Franchisor's securities; may merge, acquire other corporations, or be acquired by another corporation; and/or may undertake a refinancing, recapitalization, leveraged buyout or other economic or financial restructuring. With regard to any of the above sales, assignments and dispositions, Developer expressly and specifically waives any claim, demand, or damages arising from or related to the loss of our name, and Marks, proprietary marks (or any variation thereof) and system and/or the loss of association with or identification of Green Leaf's Restaurants under this Agreement. Developer specifically releases any and all other claims, demands or damages arising from or related to the foregoing merger, acquisition and other business combination activities including, without limitation, any claim of divided loyalty, breach of fiduciary duty, fraud, breach of contract or breach of the implied covenant of good faith and fair dealing.

If Franchisor assigns its rights in this Agreement, nothing herein shall be deemed to require Franchisor to remain in the restaurant business or any business which Franchisor now conducts or to offer to sell any food items, products or services to Developer or any franchised EYB Concept.

#### 15. **ANTI-TERRORISM COMPLIANCE**

Developer agrees to comply with, and/or assist Franchisor to the fullest extent possible in Franchisor's 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**”). In connection with such compliance you certify, represent and warrant that none of your property or interests is subject to being “blocked” under any of the Anti-Terrorism Laws and that Developer is not otherwise in violation of any of the Anti-Terrorism Laws. Any violation of the Anti-Terrorism Laws by Developer or Developer’s employees or any “blocking” of Developer’s assets under the Anti-Terrorism Laws constitute grounds for immediate termination of this Agreement and any other agreements Developer has entered into with Franchisor or any of our affiliates.

The parties to this Agreement now sign and deliver this Agreement in 2 counterparts effective as of the date shown on page 1, regardless of the actual date of signature.

**ATTEST:**

\_\_\_\_\_

**EVERYTHING YOGURT BRANDS, LLC**

By: \_\_\_\_\_

\_\_\_\_\_  
(Printed Name)

Title: \_\_\_\_\_

**DEVELOPER:**

**INDIVIDUALS:**

\_\_\_\_\_  
Witness

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
Witness

\_\_\_\_\_  
(Printed Name)

\_\_\_\_\_  
Witness

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
Witness

\_\_\_\_\_  
(Printed Name)

STATE OF \_\_\_\_\_)

COUNTY OF \_\_\_\_\_)

On this \_\_\_\_ day of \_\_\_\_\_, 20\_\_, before me appeared \_\_\_\_\_,  
known to me to be the Developer herein with authority to execute this Agreement, and in my presence and  
in the presence of a witness he did execute same.

[NOTARY SEAL]

\_\_\_\_\_  
Notary Public

My Commission Expires: \_\_\_\_\_

[OR]

**ATTEST:**

**CORPORATION, PARTNERSHIP OR  
LIMITED LIABILITY COMPANY**

\_\_\_\_\_  
(Name of Entity)

\_\_\_\_\_  
Witness

By: \_\_\_\_\_

\_\_\_\_\_  
(Printed Name)

Its: \_\_\_\_\_

Date: \_\_\_\_\_

STATE OF \_\_\_\_\_)

COUNTY OF \_\_\_\_\_)

I, the undersigned, a Notary Public in and for said County in said State, hereby certify that \_\_\_\_\_, who is named as \_\_\_\_\_, (position in entity) of \_\_\_\_\_ (name of entity) a \_\_\_\_\_ (state where formed and type of entity) is signed to the foregoing Agreement, and who is known to me, acknowledge before me on this day, that being informed of the contents of said Agreement, he (she), as \_\_\_\_\_(position in entity), and with full authority, executed the same voluntarily for and as the act of said legal entity.

Given under my hand and official seal this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

[NOTARY SEAL]

\_\_\_\_\_  
Notary Public \_\_\_\_\_

My Commission Expires: \_\_\_\_\_

**EXHIBIT TWO A**

**to the Area Development Agreement between Franchisor and Developer. The terms and definitions set out in the Summary Page of the Area Development Agreement are incorporated herein and made a part hereof as if fully set out.**

**PRINCIPAL OWNERS STATEMENT**

This form must be completed by Developer if Developer has multiple owners or if Developer's business, is owned by a business organization (like a corporation, partnership or limited liability company). Franchisor is relying on the truth and accuracy of this form in awarding the Area Development to you.

1. **Form of Owner.** Developer is a (check one):

- (a) General Partnership
- (b) Corporation
- (c) Limited Partnership
- (d) Limited Liability Company
- (e) Other

Specify: \_\_\_\_\_

Developer was formed under the laws of \_\_\_\_\_.  
(State)

2. **Business Entity.** Developer was incorporated or formed on \_\_\_\_\_, 20\_\_\_\_, under the laws of the State of \_\_\_\_\_. Developer has not conducted business under any name other than your corporate name, limited liability company or partnership name and \_\_\_\_\_  
\_\_\_\_\_. The following is a list of all persons who have management rights and powers (e.g., officers, managers, partners, etc.)

<b><u>Name of Person</u></b>	<b><u>Positions Held</u></b>
_____	_____
_____	_____
_____	_____
_____	_____

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

<b><u>Owners Name and Address</u></b>	<b><u>Description of Interest</u></b>
_____	_____
_____	_____
_____	_____
_____	_____

4. **Governing Documents.** Attached are copies of the documents and contracts governing the ownership, management and other significant aspects of the business organization (e.g., articles of incorporation or organization, operating agreement, partnership or shareholder agreements, etc.) This Statement of Principal Owners is current and complete as of \_\_\_\_\_, 20\_\_\_\_.

5. **Signatures.** A facsimile signature, including photocopied, faxed and electronically transmitted (such as PDF) copies of a signature, is binding to the same extent as an original signature and shall be deemed an original signature with regard to this Principal Owner's Statement and all Riders and any Amendments hereto. Owner hereto further agrees that this Principal Owner's Statement may be executed electronically by any means Franchisor chooses, and if by electronic signature, the electronic signature shall be binding to the same extent as an original signature and shall be deemed an original signature with regard to this Principal Owner's Statement and all Riders, Amendments or Addenda hereto. You are not entitled to challenge the validation or authenticity of the electronic signature or Principal Owner's Statement on the ground that it is not the original.

**OWNER  
INDIVIDUALS**

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Print Name)

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Print Name)

**CORPORATION, LIMITED LIABILITY  
COMPANY OR PARTNERSHIP**

\_\_\_\_\_  
(Name)

By: \_\_\_\_\_  
Title: \_\_\_\_\_

**EXHIBIT TWO B**

**to the Area Development Agreement between Franchisor and Developer. The terms and definitions set out in the Summary Page of the Area Development Agreement are incorporated herein and made a part hereof as if fully set out.**

**OWNERS' PERSONAL GUARANTY OF  
DEVELOPER'S OBLIGATIONS**

In consideration of, and as an inducement to, the execution of the Everything Yogurt Brands, LLC Area Development Agreement dated as of \_\_\_\_\_, 20\_\_ (the "Agreement") by and between EVERYTHING YOGURT BRANDS, LLC ("EYB"), and \_\_\_\_\_ ("Developer"), each of the undersigned owners of an interest in Developer hereby personally and unconditionally: (1) guarantees to EYB and its successors and assigns, for the term of the Agreement and thereafter as provided in the Agreement, that Developer shall punctually pay and perform each and every undertaking, agreement and covenant set forth in the Agreement and that each and every representation of Developer made in connection with the Agreement is true, correct and complete in all respects at and as of the time given; and (2) agrees personally to be bound by, and personally liable for the breach of, each and every provision in the Agreement.

Each of the undersigned waives: (a) acceptance and notice of acceptance by EYB of the foregoing undertakings; (b) notice of demand for payment of any indebtedness or nonperformance of any obligations hereby guaranteed; (c) protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations hereby guaranteed; (d) any right he or she may have to require that an action be brought against Developer or any other person as a condition of liability; and (e) any and all other notices and legal or equitable defenses to which he or she may be entitled.

Each of the undersigned consents and agrees that: (i) his or her direct and immediate liability under this guaranty shall be joint and several; (ii) he or she shall render any payment or performance required under the Agreement upon demand if Developer fails or refuses punctually to do so; (iii) such liability shall not be contingent or conditioned upon pursuit by EYB of any remedies against Developer or any other person; and (iv) such liability shall not be diminished, relieved or otherwise affected by any extension of time, credit or other indulgence which EYB may from time to time grant to Developer or to any other person including, without limitation, the acceptance of any partial payment or performance or the compromise or release of any claims, none of which shall in any way modify or amend this guaranty, which shall be continuing and irrevocable during the term of the agreement.

This guaranty shall be interpreted and construed under the laws of the State of New Jersey. In the event of any conflict of law, the laws of the State of New Jersey shall prevail. Any and all disputes shall be resolved by litigation and brought, maintained and concluded exclusively in the State Court of New Jersey as hereinafter specified or in Federal Court in the United States District Court, Newark vicinage of New Jersey. If EYB initiates litigation in the State Court of New Jersey litigation may, in EYB's sole discretion, be instituted in Morris County, Essex County, or Union County, New Jersey. If litigation is instituted by any of the undersigned in State Court, such litigation shall be instituted maintained and concluded only in Morris County, New Jersey and if in Federal Court, the United States District Court in the Newark vicinage of New Jersey. The undersigned, waive to the fullest extent permitted by law, any objection that they jointly and severally, now or in the future have, to laying of jurisdiction or venue of any litigation, brought by EYB in Federal Court in United States District Court in the Newark vicinage of New Jersey or in a State Court by EYB, in either Morris County, Union County or Essex County in New Jersey or if brought by any of the undersigned signatories in State Court, only in Morris County, New Jersey. Each of the undersigned waives

any objection to jurisdiction or venue of such court or proceeding brought in such court or that such court is an inconvenient forum. Each of the undersigned further acknowledge that EYB may institute legal action against the undersigned, jointly and severally, for injunctive relief, including temporary restraining orders and preliminary injunctions in any court of competent jurisdiction, without any bond. Legal action for injunctive relief may be commenced against any conduct or threatened conduct for which no adequate remedy at law may be available or which may cause irreparable harm to EYB. EYB shall be entitled to such relief in addition to such further and other relief as may be available at equity or law and the undersigned's sole remedy in the event of the entry of injunction, shall be its dissolution, if warranted, upon hearing duly had (all claims for damages by reason of the wrongful issuance of any such injunction being expressly waived).

Each of the undersigned owners of Developer agree that service of process upon each of the undersigned may be made upon each of the undersigned in any proceeding by service upon an agent for service of process in the State of New Jersey, who is approved by EYB. Each of the undersigned shall appoint an agent for service of process in New Jersey within 10 days of the date this Guaranty is executed by the undersigned.

Signatures: A facsimile signature, including photocopied, faxed and electronically transmitted (such as PDF) copies of a signature, is binding to the same extent as an original signature and shall be deemed an original signature with regard to this Agreement and all Riders and any Amendments hereto. Guarantor(s) hereto agree(s) that the Owners' Personal Guaranty of Developer's Obligations may be executed electronically by any means Franchisor chooses, and if by electronic signature, the electronic signature shall be binding to the same extent as an original signature and shall be deemed an original signature with regard to this Owners' Personal Guaranty of Developer's Obligations. Guarantor(s) is(are) not entitled to challenge the validation or authenticity of the electronic signature or the document on the ground that it is not the original.

[ Signatures on page that follows. ]

IN WITNESS THEREOF, each of the undersigned has hereunto affixed his signature, under seal, on the same day and year as the Agreement was executed.

**PERCENTAGE OF OWNERSHIP  
INTERESTS IN DEVELOPER**

**GUARANTOR(S)**

\_\_\_\_\_

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Print Name)

DATE: \_\_\_\_\_, 20\_\_

Subscribed and sworn to before me this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

Notary Public: \_\_\_\_\_

My Commission expires: \_\_\_\_\_

## **EXHIBIT TWO C**

**to the Area Development Agreement between Franchisor and Developer. The terms and definitions set out in the Summary Page of the Area Development Agreement are incorporated herein and made a part hereof as if fully set out.**

### **CORPORATE GUARANTY OF DEVELOPER'S OBLIGATIONS**

In consideration of and as an inducement to, the execution of the Area Development Agreement ("Agreement") by and between EYB and the Developer, the undersigned hereby unconditionally: (1) guarantees to EYB and its respective successors and assigns, for the term of the Agreement and thereafter as provided in the Agreement, that Developer shall punctually perform each and every undertaking, agreement and covenant set forth in the Agreement (and any amendments) and that each and every representation of Developer made in connection with the Agreement (and any amendments) are true, correct and complete in all respects at and as of the time given; and (2) agrees to be bound by each and every provision in the Agreement (and any amendments) and to be liable for Developer's breach thereof, including without limitation, Developer's indebtedness arising under the Agreement and any amendments.

Each of the undersigned waives: (a) acceptance and notice of acceptance by EYB of the foregoing undertakings; (b) notice of demand for nonperformance of any obligations hereby guaranteed; (c) protest and notice of default to any third party with respect to the nonperformance of any obligations hereby guaranteed; (d) any right he may have to require that an action be brought against Developer or any other person as a condition of liability; and (e) any and all other notices and legal or equitable defenses to which he may be entitled.

Each of the undersigned consents and agrees that: (i) the undersigned's direct and immediate liability under this Guaranty shall be joint and several; (ii) the undersigned shall render any performance required under the Agreement upon demand if Developer fails or refuses to do so punctually; (iii) such liability shall not be contingent or conditioned upon pursuit by EYB of any remedies against Developer or any other person; and (iv) such liability shall not be diminished, relieved or otherwise, affected by any extension of time, credit other indulgence which EYB may from time to time grant to Developer or to any other person including, without limitation, the acceptance of any partial payment or performance or the compromise or release of claims, none of which shall in any way modify or amend this guaranty, which shall be continuing and irrevocable until satisfied in full.

This guaranty shall be interpreted and construed under the laws of the State of New Jersey. In the event of any conflict of law, the laws of the State of New Jersey shall prevail. Any and all disputes shall be resolved by litigation and brought, maintained and concluded exclusively in the State Court of New Jersey as hereinafter specified or in Federal Court in the United States District Court, Newark vicinage of New Jersey. If EYB initiates litigation in the State Court of New Jersey litigation may, in EYB's sole discretion, be instituted in Morris County, Essex County, or Union County, New Jersey. If litigation is instituted by any of the undersigned in State Court, such litigation shall be instituted maintained and concluded only in Morris County, New Jersey and if in Federal Court, the United States District Court in the Newark vicinage of New Jersey. The undersigned, waive to the fullest extent permitted by law, any objection that they jointly and severally, now or in the future have, to laying of jurisdiction or venue of any litigation, brought by EYB in Federal Court in United States District Court in the Newark vicinage of New Jersey or in a State Court by EYB, in Morris County, Union County or Essex County in New Jersey or if brought by any of the undersigned signatories in State Court, only in Morris County, New Jersey. Each of the undersigned waives any objection to jurisdiction or venue of such court or proceeding brought in such court or that such court is an inconvenient forum. Each of the undersigned further acknowledge that EYB may institute legal action against the

undersigned, jointly and severally, for injunctive relief, including temporary restraining orders and preliminary injunctions in any court of competent jurisdiction, without any bond. Legal action for injunctive relief may be commenced against any conduct or threatened conduct for which no adequate remedy at law may be available or which may cause irreparable harm to EYB. EYB shall be entitled to such relief in addition to such further and other relief as may be available at equity or law and the undersigned's sole remedy in the event of the entry of injunction, shall be its dissolution, if warranted, upon hearing duly had (all claims for damages by reason of the wrongful issuance of any such injunction being expressly waived).

A facsimile signature, including photocopied, faxed and electronically transmitted (such as PDF) copies of a signature ("Facsimile Signature"), is binding to the same extent as an original signature and shall be deemed an original signature with regard to this Agreement and all Riders and Amendments hereto. Guarantor(s) hereto agree(s) that the Corporate Guaranty of Developer's Obligations may be executed electronically by any means Franchisor chooses, and if by electronic signature, the electronic signature shall be binding to the same extent as an original signature and shall be deemed an original signature with regard to this Corporate Guaranty of Developer's Obligations. Guarantor(s) is(are) not entitled to challenge the validation or authenticity of the electronic signature or the document on the ground that it is not the original.

IN WITNESS WHEREOF, each of the undersigned has hereunto affixed his signature, under seal, on the same day and year as the Agreement was executed.

GUARANTOR:  
Entity Name:

\_\_\_\_\_  
Name:  
Title:

STATE OF \_\_\_\_\_)

COUNTY OF \_\_\_\_\_)

On \_\_\_\_\_, 20\_\_, personally appeared before me \_\_\_\_\_, who is known to me, and represented to me that as \_\_\_\_\_(title) he/she has the authority to enter into this agreement on behalf of the Guarantor entity, and in my presence he/she did execute this Guaranty.

[NOTARY SEAL]

\_\_\_\_\_  
Notary Public

My Commission Expires:\_\_\_\_\_

**EXHIBIT TWO D**

**to the Area Development Agreement between Franchisor and Developer. The terms and definitions set out in the Summary Page of the Area Development Agreement are incorporated herein and made a part hereof as if fully set out.**

**CONFIDENTIALITY AND NON-COMPETITION AGREEMENT**

THIS AGREEMENT, made as of the \_\_\_ day of \_\_\_\_\_, 20\_\_\_, by and between \_\_\_\_\_ (hereinafter referred to as "Developer") with offices at \_\_\_\_\_ and \_\_\_\_\_ (hereinafter referred to as "Officer/Employee");

WHEREAS, Everything Yogurt Brands, LLC ("EYB") is the possessor of drawings, plans, specifications, experiences, technical knowledge recipes and know-how in the field of the construction and operation of restaurants offering food products primarily featuring or selling in whole or in part, the same or similar type of food, beverages, smoothies as franchised EYB Concepts, including but not limited to Green Leaf's Beyond Great Salads (Pick N Mix and all types of Salads, Wrappers, Paninis) and Bananas, Smoothies & Frozen Yogurt (Smoothies, Frosties, Yogurt), and The Market By Villa, and in particular, with respect to the preparation of various food products that it considers to be confidential or proprietary information of value (hereinafter referred to as "Confidential Information");

WHEREAS, EYB has granted a license to use the Confidential Information in connection with the contemplated ownership and/or operation of EYB Concepts locations to be located within the Development Area of \_\_\_\_\_ (hereinafter referred to as the "Project") that shall necessitate the release of Confidential Information, which information may be in oral, written or pictorial form; and

WHEREAS, we are willing to make certain confidential information available to you, the extent thereof to be determined solely by EYB, and for the purpose of the Project only, subject to the terms and conditions of this Agreement;

NOW, THEREFORE, in consideration of the premises and mutual promises, the parties hereto agree as follows:

1. That Officer/Employee shall hold confidential all information transmitted to it by Developer, relating to the Project, whether in oral, written or pictorial form;
2. That all written and pictorial embodiments of all of the Confidential Information received by Officer/Employee, including copies thereof, are and shall remain the property of EYB and shall be surrendered to Developer upon the termination of Officer/Employee's employment or earlier, as directed by EYB;
3. That Officer/Employee shall not reproduce, copy or photograph in any manner or form, any documents, drawings or memoranda embodying the Confidential Information without the express consent of Developer, and then only for the purpose of carrying on the purposes of the Project;
4. That no Confidential Information imparted to Officer/Employee, and no technical data acquired by it by virtue of the utilization of EYB's services as aforesaid, shall be used by it during or subsequent Officer/Employee's employment with Developer for benefit of any other person, firm or corporation other than for Developer and/or EYB, in connection with the Project, unless it shall have first secured the written consent of an officer of Developer to such use;

5. That Officer/Employee shall limit dissemination of the Confidential Information of EYB, made available hereunder to the extent reasonably necessary for the performance of the aforesaid services on the Project;

6. That in the event of a breach or threatened breach of any of the terms and conditions of this Agreement by Officer/Employee, EYB shall be entitled to an injunction restraining said party about to commit any breach thereof, from committing same without first proving or showing any actual damages;

7. That Officer/Employee shall not, alone or with others, directly or indirectly, represent or accept employment by any other person, firm, association, partnership or corporation for compensation, nor shall they maintain any interest as owner, stockholder, partner, investor, consultant, officer, employee, director, lender or otherwise, directly or indirectly, in any business or enterprise whatsoever, that is in competition with EYB's principal business then being carried on without the prior written consent of EYB;

8. That the obligation of confidentiality shall survive the termination of employment by Developer, and shall continue indefinitely until the Confidential Information has been voluntarily disclosed to the public by EYB, independently developed and disclosed by others, or otherwise enters the public domain through lawful means;

9. This Agreement supersedes and replaces any and all prior confidentiality agreements, written or oral, between the parties hereto relating to the Confidential Information covered by this Agreement. No waiver of any provisions of this Agreement or any right hereunder, or any modification hereof, and no authorization of any act not in conformity herewith shall be deemed to amend or supersede this Agreement, in whole or in part, unless such waiver or authorization in writing, specifically so provides;

10. This Agreement is governed by the laws of the State in which the Project is located.

11. Signatures: A facsimile signature, including photocopied, faxed and electronically transmitted (such as PDF) copies of a signature, is binding to the same extent as an original signature and shall be deemed an original signature with regard to this Agreement and all Riders and any Amendments hereto. The parties hereto agree that this Confidentiality and Non-Competition Agreement may be executed electronically by any means EYB chooses, and if by electronic signature, the electronic signature shall be binding to the same extent as an original signature and shall be deemed an original signature with regard to this Confidentiality and Non-Competition Agreement and all Riders, Amendments or Addenda hereto. Developer is not entitled to challenge the validation or authenticity of the electronic signature or this Confidentiality and Non-Competition Agreement on the ground that it is not the original.

IN WITNESS WHEREOF, the parties have executed this Agreement on the dates set forth below. Upon execution and delivery by both parties, the effective date of this Agreement shall be deemed to be the day and year first above written.

[ Signatures on page that follows. ]

**OFFICER/EMPLOYEE:**

\_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**DEVELOPER:**

\_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**EXHIBIT TWO E**

**to the Area Development Agreement between Franchisor and Developer. The terms and definitions set out in the Summary Page of the Area Development Agreement are incorporated herein and made a part hereof as if fully set out.**

---

**DEPOSIT AGREEMENT (Area Development Agreement)**

---

**DEPOSIT AGREEMENT (Area Development Agreement)**

The enclosed check, in the amount of \$ \_\_\_\_\_ Dollars shall act as a deposit toward the payment of the Development Fee of \$ \_\_\_\_\_ for the Development Rights and obligations of \_\_\_\_\_ Everything Yogurt Brands, LLC concepts as set forth and described in the Area Development Agreement which is required to be signed by you within \_\_\_\_\_ months from the date your deposit is received.

You understand that the above deposit when accepted by Everything Yogurt Brands, LLC (“Franchisor”) will allow you for a \_\_\_\_\_ month period to enter into an Area Development Agreement for a Development \_\_\_\_\_ Area \_\_\_\_\_ described \_\_\_\_\_ as \_\_\_\_\_

\_\_\_\_\_ to develop the number of Green Leaf’s Beyond Great Salads concept, Bananas Smoothies and Frozen Yogurt concept or Green Leaf’s Beyond Great Salads including the Bananas Smoothies & Frozen Yogurt concept specified hereinabove.

If you fail to sign an Area Development Agreement within \_\_\_\_\_ months of the date of your deposit and acceptance by Everything Yogurt Brands, LLC, Franchisor may retain 50% of your deposit and refund the balance of your deposit within 10 days after the expiration of the period set forth above to sign the Area Development Agreement. If you sign the Area Development Agreement within \_\_\_\_\_ months from the date your deposit is received by Everything Yogurt Brands, LLC, the total deposit will be applied as a credit to the Development Fee specified hereinabove.

The undersigned acknowledges and agrees that neither their deposit nor any rights associated with this Deposit Agreement are assignable without the prior written consent of Everything Yogurt Brands, LLC which consent may be withheld by Everything Yogurt Brands, LLC at its sole and absolute discretion.

This deposit and any other payments shall be made payable to “EVERYTHING YOGURT BRANDS, LLC.”

Signatures: A facsimile signature, including photocopied, faxed and electronically transmitted (such as PDF) copies of a signature, is binding to the same extent as an original signature and shall be deemed an original signature with regard to this Deposit Agreement and all Riders and any Amendments hereto. The parties hereto agree that this Deposit Agreement may be executed electronically by any means Franchisor chooses, and if by electronic signature, the electronic signature shall be binding to the same extent as an original signature and shall be deemed an original signature with regard to this Deposit Agreement and all Riders, Amendments or Addenda hereto. You are not entitled to challenge the validation or authenticity of the electronic signature or the document on the ground that it is not the original.

[ Signatures on page that follows. ]

By our signatures below, we accept and hereby acknowledge receipt of a completed copy of this Deposit Agreement and agree to the terms herein, on this the \_\_\_ day of \_\_\_\_\_, 20\_\_.

Agreed (Prospective Area Developer(s):

Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
Signature: \_\_\_\_\_

Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
Signature: \_\_\_\_\_

Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
Signature: \_\_\_\_\_

Accepted: EVERYTHING YOGURT BRANDS, LLC  
By: \_\_\_\_\_  
Date: \_\_\_\_\_

---

**EXHIBIT TWO F**

**to the Area Development Agreement between Franchisor and Developer. The terms and definitions set out in the Summary Page of the Area Development Agreement are incorporated herein and made a part hereof as if fully set out.**

**State Riders (Area Development Agreement)**

**MARYLAND  
RIDER TO  
EVERYTHING YOGURT BRANDS AREA DEVELOPMENT AGREEMENT**

This Rider to the Area Development Agreement by and between Everything Yogurt Brands, LLC and Developer is dated \_\_\_\_\_, 20\_\_.

1. Section 13.5 of the Area Development Agreement is modified by the inclusion of the following language:

Any clause(s) referencing choice of forum is not applicable to claims arising under the Maryland Franchise Registration and Disclosure Law.

2. The following language shall be added to Sections 2.2 and 11.4 of the Area Development Agreement:

Pursuant to COMAR 02.02.08. 16L, any general release, estoppel or waiver of liability required as a condition of purchase, renewal and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

Pursuant to Section 14-226 of the Maryland Franchise Registration and Disclosure Law, we are prohibited from requiring prospective franchisees to assent to any release, estoppel or waiver of liability as a condition of purchasing a franchise. Our Franchise Agreement requires franchisees to disclaim the occurrence and/or acknowledge the non-occurrence of acts that would constitute a violation of the Franchise Law in order to purchase your franchise. Therefore, such representations are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

3. The following language shall be added to Section 13.5 of the Area Development Agreement:

Pursuant to COMAR 02.02.08L(3), the period of limitations less than three years shall not apply to any claims arising under the Maryland Franchise Registration and Disclosure Law.

4. Notwithstanding anything to the contrary stated in the Franchise Agreement, you may bring a lawsuit in Maryland against us for claims under the Maryland Franchise Registration and Disclosure Law.

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.

All initially capitalized terms not defined herein shall have the same meaning as ascribed to them in the Franchise Agreement. Except as expressly modified hereby, the agreements shall remain in full force and effect in accordance with its terms.

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Rider concurrently with the execution of the Franchise Agreement on the day and year first above written.

**EVERYTHING YOGURT BRANDS, LLC**  
A Delaware limited liability company

By: \_\_\_\_\_

Title: \_\_\_\_\_

**DEVELOPER:**

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Print Name)

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Print Name)

**NEW YORK**

**RIDER TO  
EVERYTHING YOGURT BRANDS AREA DEVELOPMENT AGREEMENT**

This Rider to the Area Development Agreement by and between Everything Yogurt Brands, LLC and Developer is dated \_\_\_\_\_, 20\_\_.

1. The following language shall be added to Paragraph 11.1 of the Area Development Agreement:

However, no assignment shall be made except to an Assignee who in the good faith judgment of Franchisor, is willing and financially able to assume Everything Yogurt Brands, LLC's obligations under this Agreement.

2. The first line in Paragraph 13.5 b. of the Area Development Agreement shall be amended to read as follows:

“Injunctive Relief. Everything Yogurt Brands, LLC may seek to obtain in any court of competent jurisdiction ...”

3. The Area Developer may terminate the Area Development Agreement on any grounds available by law.

4. Irregardless of any choice of law provision in the Area Development Agreement, the provisions shall not be considered a waiver of any right conferred upon the franchisor or upon the area developer by article 33 of the General Business law of the State of New York.

All initially capitalized terms not defined herein shall have the same meaning as ascribed to them in the Area Development Agreement. Except as expressly modified hereby, the Area Development Agreement shall remain in full force and effect in accordance with its terms.

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Rider concurrently with the execution of the Area Development Agreement on the day and year first above written.

FRANCHISOR:  
EVERYTHING YOGURT BRANDS, LLC  
A Delaware limited liability company

AREA DEVELOPER

By: \_\_\_\_\_

\_\_\_\_\_  
(Signature)

Title: \_\_\_\_\_

\_\_\_\_\_  
(Print Name)

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Print Name)

**EXHIBIT C**  
**To**  
**Disclosure Document**

**STATE ADDENDUM TO DISCLOSURE DOCUMENT**

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

**CALIFORNIA**  
**ADDENDUM TO**  
**EVERYTHING YOGURT BRANDS, LLC**  
**DISCLOSURE DOCUMENT**

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

2. THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE DISCLOSURE DOCUMENT AT LEAST 14 DAYS PRIOR TO EXECUTION OF AGREEMENT.

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

4. California Business and Professions Code 20000 through 20043 provides rights to the franchisee concerning termination, transfer or non-renewal of a franchise. If the franchise agreement contains a provision that is inconsistent with the law, the law will control.

5. The franchise agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law. (11. U.S.C.A. Sec. 101 et seq.).

6. The franchise agreement contains a covenant not to compete which extends beyond the termination of the franchise. This provision may not be enforceable under California law.

7. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act).

8. The franchise agreement requires application of the laws of New Jersey. This provision may not be enforceable under California law.

9. Section 31125 of the California Corporations Code requires us to give you a disclosure document, in a form containing the information that the commissioner may by rule or order require, before a solicitation of a proposed material modification of an existing franchise.

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

11. The franchise agreement requires any and all claims and actions arising out of or relating to this Agreement must be commenced within one (1) year from the occurrence of the facts giving rise to such claim or action.

12. OUR WEBSITE, [WWW.VILLARESTAURANTGROUP.COM](http://WWW.VILLARESTAURANTGROUP.COM), HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION AT [www.dfpi.ca.gov](http://www.dfpi.ca.gov).

13. Any provision of a franchise agreement, franchise disclosure document, acknowledgement, questionnaire, or other writing, including any exhibit thereto, disclaiming or denying any of the following shall be deemed contrary to public policy and shall be void and unenforceable:

- a. Representations made by the franchisor or its personnel or agents to a prospective franchisee.
- b. Reliance by a franchisee on any representations made by the franchisor or its personnel or agents.
- c. Reliance by a franchisee on the franchise disclosure document including any exhibit thereto.
- d. Violations of any provision of this division.

## INDIANA

### ADDENDUM TO EVERYTHING YOGURT BRANDS DISCLOSURE DOCUMENT

Notwithstanding anything to the contrary set forth in the Everything Yogurt Brands Disclosure Document, the following provisions shall supersede and apply to all franchises offered and sold in the State of Indiana.

1. Item 8 is revised as follows:

Indiana Code §23-2-2.7-1(4) states that franchisors are prohibited from obtaining money, goods, services, or any other benefit from any other person with whom the franchisee does business, on account of, or in relation to, the transaction between the franchisee and the other person, other than for compensation for services rendered by the franchisor, unless the benefit is promptly accounted for, and transmitted to the franchisee.

Indiana Code §23-2-2.7-1(6) states that franchisors are prohibited from allowing for an increase in prices of goods provided by the franchisor which the franchisee had ordered for private retail consumers prior to the franchisee's receipt of an official price increase notification.

2. Item 12 is modified by the addition of the following language at the end of the last paragraph:

Indiana Code §23-2-2.7-1(2) and Indiana Code §23-2-2.7-2(4) prohibit the franchisor from operating a substantially identical business to that of the franchisee within the franchisee's territory regardless of trade name.

3. The Summary Column of Items 17(c) and 17(m) are modified by the addition of the following language at the end of the paragraph:

The release does not waive any claims arising under the Indiana Deceptive Franchise Practice Act, Indiana Code §23-2-2.7.

4. Item 17(r) is modified by the addition of the following language at the end of the paragraph:

The post-termination covenant not to compete may not be enforceable under Indiana Code §23-2-2.7-1(9).

5. Item 17 (t) Summary Column is revised as follows:

Only the Disclosure Document, terms of the Franchise Agreement and executed amendments to the Franchise Agreement are binding (subject to state law). Any other agreements, whether oral or written, are not enforceable.

6. Item 17(w) Summary Column is revised as follows:

Indiana's franchise laws will govern franchises granted to Indiana residents as well as franchises located within the State of Indiana.

**MARYLAND**

**ADDENDUM TO  
EVERYTHING YOGURT BRANDS DISCLOSURE DOCUMENT**

Notwithstanding anything to the contrary set forth in the Disclosure Document the following provisions shall supersede and apply to all franchises offered and sold in the State of Maryland:

Item 17 is revised as follows:

Pursuant to COMAR 02.02.08.16L, the general release required as a condition of purchase, renewal and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

Any clause(s) referencing to choice of forum is not applicable to claims arising under the Maryland Franchise Registration and Disclosure Law.

The Maryland Franchise Registration and Disclosure Law provides that you have a right to 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 three (3) years after the grant of the franchise.

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.

## MINNESOTA

### ADDENDUM TO EVERYTHING YOGURT BRANDS DISCLOSURE DOCUMENT

Minnesota law provides franchisees with certain rights regarding termination and nonrenewal of their franchises. As in effect in November 1990, Minn. Stat. Ann. Sec. 80.C.14, Subd. 3, 4 and 5 require, except in certain specified cases, that a franchisee be given 90 days notice of termination (with 60 days to cure) and 180 days notice for nonrenewal of a franchise agreement.

The franchisor will protect the franchisee's right to use the trademarks, service marks, trade names, logotypes or other commercial symbols or indemnify the franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the name.

Under Minn. Rule 2860.4400J, (1) a franchisee cannot waive any rights, (2) the franchisee cannot consent to the franchisor obtaining injunctive relief, although the franchisor may seek injunctive relief, and (3) a franchisee cannot be required to consent to waiver of a jury trial. In addition, a court will determine whether a bond is required.

Minn. Stat. §80C.21 and Minn. Rule 2860.440J prohibit us from requiring litigation to be conducted outside Minnesota. In addition, nothing in the Disclosure Document or agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum or remedies provided for by the laws of the jurisdiction.

Under Minn. Rule 2860.4400D, we are prohibited from requiring you to sign a general release.

No statement, questionnaire, or acknowledgement 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 with the franchise.

## NEW YORK

### ADDENDUM TO EVERYTHING YOGURT BRANDS DISCLOSURE DOCUMENT

For franchises and franchisees subject to the New York General Business Law B Article 33, statutes and regulations, the following information supersedes or supplements, as the case may be, the corresponding disclosures in the main body of the text of the Everything Yogurt Brands, LLC New York Franchise Offering Prospectus.

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

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

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

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

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

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

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

D. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State, or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending

action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

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

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

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

You may terminate the agreement on any grounds available by law.

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

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

**VIRGINIA**  
**ADDENDUM TO**  
**EVERYTHING YOGURT BRANDS DISCLOSURE DOCUMENT**

In Item 8 of the Disclosure Document, when you make a written request to us to use an alternate supplier, we will notify you of approval within 90 to 120 days of your request.

In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, the Franchise Disclosure Document for Everything Yogurt Brands, LLC for use in the Commonwealth of Virginia shall be amended as follows:

The following statements are added to Item 17.h.

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

**EXHIBIT D**  
**To**  
**Disclosure Document**

**LIST OF ADMINISTRATORS**

We intend to register this disclosure document as a “franchise” in some or all of the following states, in accordance with the applicable state law. If and when we pursue franchise registration (or otherwise comply with the franchise investment laws) in these states, the following are the state administrators responsible for the review, registration, and oversight of franchises in that state:

<b>State Agencies/Agents for Service of Process</b>		
<b>STATE</b>	<b>ADDRESS</b>	<b>PHONE</b>
California - Los Angeles Department/Commissioner of Financial Protection and Innovation	320 West 4th Street, Suite 750 Los Angeles, CA 90013-2344	866-275-2677
California - Sacramento Department/Commissioner of Financial Protection and Innovation	2101 Arena Boulevard Sacramento, CA 95834	866-275-2677
California - San Diego Department/Commissioner of Financial Protection and Innovation	1455 Frazee Road, Suite 315 San Diego, CA 92108	866-275-2677
California - San Francisco Department/Commissioner of Financial Protection and Innovation	One Sansome Street, Suite 600 San Francisco, CA 94104-4428	866-275-2677
Hawaii	335 Merchant Street, Room 203 Honolulu, HI 9813-2921	808-586-2722
Illinois	500 South Second Street Springfield, IL 62706	217-782-4465
Indiana	200 W. Washington Street, Room 201 Indianapolis, IN 46204	317-232-6681
Maryland	200 St. Paul Place, 20th Floor Baltimore, MD 21202-2020	410-576-6360
Michigan	670 Law Building Lansing, MI 48913	517-373-7117
Minnesota	85 7th Place East, Suite 280 St. Paul, MN 55101-2198	651-539-1600
New York	NYS Department of Law Investor Protection Bureau 28 Liberty Street, 21 <sup>st</sup> Floor New York, NY 10005	212-416-8222
North Dakota	600 East Boulevard Avenue, 5th Floor Bismarck, ND 58505	701-328-4712
Rhode Island	1511 Pontiac Avenue Cranston, RI 02920	401-462-9587
South Dakota Director of Division of Securities	124 S. Euclid, Suite 104 Pierre, SD 57501	605-773-4823
Virginia State Corporation Commission, Division of Securities and Retail Franchising	1300 E. Main Street, 9th Floor Richmond, VA 23219	804-371-9051
Washington Department of Financial Institutions Securities Division	P. O. Box 9033 Olympia, WA 98501	360-902-8760
Wisconsin	345 W. Washington Ave., 4th Floor Madison, WI 53703	608-266-8557

**EXHIBIT E**  
**To**  
**Disclosure Document**

**AGENTS FOR SERVICE OF PROCESS**

We intend to register this disclosure document as a “franchise” in some or all of the following states, in accordance with the applicable state law. If and when we pursue franchise registration (or otherwise comply with the franchise investment laws) in these states, we will designate the following state offices or officials as our agents for service of process in those states:

<b>State Agencies/Agents for Service of Process</b>		
<b>STATE</b>	<b>ADDRESS</b>	<b>PHONE</b>
California Department/Commissioner of Financial Protection and Innovation	320 West 4th Street, Suite 750 Los Angeles, CA 90013-2344	213-576-7500
Hawaii Commissioner of Securities	335 Merchant Street, Room 203 Honolulu, HI 9813-2921	808-586-2722
Illinois Illinois Attorney General	500 South Second Street Springfield, IL 62706	217-782-4465
Indiana Secretary of State	200 W. Washington Street, Room 201 Indianapolis, IN 46204	317-232-6681
Maryland Maryland Securities Commissioner	200 St. Paul Place, 20th Floor Baltimore, MD 21202-2020	410-576-6360
Michigan Department of Attorney General	670 Law Building Lansing, MI 48913	517-373-7117
Minnesota	85 7th Place East, Suite 280 St. Paul, MN 55101-2198	651-539-1600
New York Attention: New York Secretary of State New York Department of State	One Commerce Plaza 99 Washington Avenue, 6 <sup>th</sup> Floor Albany, NY 12231-0001	518-473-2492
North Dakota	600 East Boulevard Avenue, 5th Floor Bismarck, ND 58505	701-328-4712
Rhode Island Department of Business Regulation	1511 Pontiac Avenue Cranston, RI 02920	401-462-9587
South Dakota Director of Division of Securities	124 S. Euclid, Suite 104 Pierre, SD 57501	605-773-4823
Virginia Clerk of the State Corporation Commission	1300 E. Main Street, 1st Floor Richmond, VA 23219	804-371-9051
Washington Director of Dept. of Financial Institutions	150 Israel Road, SW Tumwater, WA 98501	360-902-8760
Wisconsin	345 W. Washington Ave., 4th Floor Madison, WI 53703	608-266-8557

**EXHIBIT F**  
**To**  
**Disclosure Document**

<b>LIST OF CURRENT FRANCHISEES (as of December 31, <del>2024</del>2023)</b>						
<b>FRANCHISEE</b>	<b>Green Leaf's Brand</b>	<b>Bananas Brand</b>	<b>Green Leaf's &amp; Bananas Brand</b>	<b>The Market Brand</b>	<b>ADDRESS</b>	<b>PHONE</b>
<b><u>Colorado</u></b>						
Mangia Fresh, Inc.			1		FlatIron Crossing 1 West FlatIron Crossing Drive Space FF220 Broomfield, CO 80021	303-469-2280
<b><u>Florida</u></b>						
Orlando Food Hall, LLC				1	Orlando International Airport Airside 2 9202 Jeff Fuqua Blvd. Ste. 1427 Orlando, FL 32827	407-825-3860
Orlando Food Hall, LLC			1		Orlando International Airport Airside 2 9202 Jeff Fuqua Blvd. Ste. 1427 Orlando, FL 32827	407-825-3860
Road Runner Enterprises Group Corp.			1		Sawgrass Mills 12801 W. Sunrise Blvd. Space 873 Sunrise, FL 33323	305-490-3835
<b><u>Louisiana</u></b>						
Roys Operating Group, LLC			1		Outlet Collection Riverwalk 500 Port of New Orleans Pl. Ste. 230 New Orleans, LA 70130	504-872-0045
<b><u>Maryland</u></b>						
A & V Ventures, Inc.			1		Arundel Mills 7000 Arundel Mills Circle Space FC-01 Hanover, MD 21076	443-661-4288
Alberto's Inc.			1		Towson Town Center 825 Delaney Valley Road Suite 357 Towson, MD 21204	410-339-7622

**LIST OF CURRENT FRANCHISEES (as of December 31, ~~2024~~2023)**

<b>FRANCHISEE</b>	<b>Green Leaf's Brand</b>	<b>Bananas Brand</b>	<b>Green Leaf's &amp; Bananas Brand</b>	<b>The Market Brand</b>	<b>ADDRESS</b>	<b>PHONE</b>
<b><u>New Jersey</u></b>						
Albertos Inc.		1			Bridgewater Commons Mall 400 Commons Way Space 461 Bridgewater, NJ 08807	908-526-6072
<b><u>New York</u></b>						
Asif Shahzad		1			Kings Plaza Shopping Center 5371 Kings Plaza Brooklyn, NY 11234	718-258-3828
H&A Venture, Inc.			1		Roosevelt Field 630 Old Country Road Space FC11 Garden City, NY 11530	516-741-1581
Villa LGA Food Hall, LLC	1				LaGuardia Airport Terminal B - Headhouse Food Hall Queens, NY 11371	718-554-9550
Taco Jersey Green, Inc.			1		Staten Island Mall 2655 Richmond Avenue Space FC40 Staten Island, NY 10314	718-791-5768
<b><u>Pennsylvania</u></b>						
AMEX FOODS, LLC			1		Ross Park Mall 1000 Ross Park Mall Drive Space VC06 Pittsburgh, PA 15237	412-358-9921
<b><u>Tennessee</u></b>						
Nashville Food Systems, LLC			1		Opry Mills 439 Opry Mills Drive Space FC 1 Nashville, TN 37214	615-649-0433
<b>Brand Total</b>	<b>1</b>	<b>2</b>	<b>10</b>	<b>1</b>		

**LIST OF CURRENT AREA DEVELOPERS (as of 12/31/~~24~~23)**

None

<b>COMPANY OWNED RESTAURANTS (As of December 31, <del>2024</del>2023)</b>					
<b>Green Leaf's Brand</b>	<b>Bananas Brand</b>	<b>Green Leaf's &amp; Bananas Brand</b>	<b>The Market Brand</b>	<b>ADDRESS</b>	<b>PHONE</b>
<b><u>California</u></b>					
		1		San Francisco (Livermore) Premium Outlets 3400 Paragon Outlets Drive, Space FC1 Livermore, CA 94550	925-292-7226
<b><u>Nevada</u></b>					
		1		Las Vegas Premium Outlets North 875 S. Grand Central Pkwy., #1490 Las Vegas, NV 89106	702-366-9387
<b><u>New Jersey</u></b>					
			1	Newark Liberty International Airport Terminal A 3 Brewster Road Newark, NJ 07114	
<b><u>North Carolina</u></b>					
		1		Concord Mills 8111 Concord Mills Blvd. Concord, NC 28027	704-979-9015
<b><u>Pennsylvania</u></b>					
		1		Wind Creek Casino 77 Sands Boulevard Bethlehem, PA 18105	877-726-3777
<b><u>Texas</u></b>					
			1	George Bush Intercontinental Airport 3950 S. Terminal Road - Terminal E, Space 3 Houston, TX 77032	281-233-7461
		1		La Plaza Mall 2200 South 10th Street, Space VC-09 McAllen, TX 78503	956-630-0229
<b><u>Virginia</u></b>					
		1		Leesburg Corner Premium Outlets 241 Fort Evans Rd., SE, STE. 639 Leesburg, VA 20176	703-737-7959

**COMPANY OWNED RESTAURANTS (As of December 31, ~~2024~~2023)**

<b>Green Leaf's Brand</b>	<b>Bananas Brand</b>	<b>Green Leaf's &amp; Bananas Brand</b>	<b>The Market Brand</b>	<b>ADDRESS</b>	<b>PHONE</b>
			1	Leesburg Corner Premium Outlets 241 Fort Evans Rd., SE, STE. 639 Leesburg, VA 20176	703-737-7959
<b>0</b>	<b>0</b>	<b>6</b>	<b>3</b>	<b>Brand Total</b>	

**EXHIBIT G**  
**To**  
**Disclosure Document**

**LIST OF FORMER FRANCHISEES (As of December 31, ~~2024~~2023)**

FRANCHISEE	BRAND	ADDRESS	PHONE
<u><del>New Hampshire</del>None</u>			
<del>Merrimack Food Systems LLC</del>	<del>Green Leaf's &amp; Bananas</del>	<del>Merrimack Premium Outlets 80 Premium Outlets Blvd., Suite 697 Merrimack, NH 03054</del>	<del>978-973-0294</del>
<u><del>New Jersey</del></u>			
<del>Hashmi Management Inc.</del>	<del>Green Leaf's &amp; Bananas</del>	<del>Garden State Plaza Rt. 4 &amp; Rt. 17 Space FC11 Paramus, NJ 07652</del>	<del>201-843-6250</del>
<del>Kurt Becker</del>	<del>Bananas</del>	<del>Bridgewater Commons Mall 400 Commons Way, Space 461 Bridgewater, NJ 08807</del>	<del>908-526-6072</del>

**EXHIBIT H**  
**To**  
**Disclosure Document**

**TABLE OF CONTENTS**

**TO**



**CONFIDENTIAL OPERATIONS & TRAINING MANUAL**

**OPERATIONS & TRAINING MANUAL**

**Table of Contents**

<b>Contents:</b>	<b>Page</b>
INTRODUCTION TO OUR COMPANY .....	3
Welcome to Management Training.....	7
Manager Training Agendas and Checklist.....	8
DAY ONE: ORIENTATION.....	10
Managing Food Service Sanitation.....	11
Personnel Sanitation.....	12
Restaurant Safety Plan .....	14
Flow of Food.....	15
Restaurant Sanitation .....	20
DAY TWO: SERVING BREAKFAST AND GENERAL PREP .....	23
Managing Restaurant Safety .....	24
General Safety Guidelines .....	24
DAY THREE: GENERAL PREP CONTINUED/SALAD BAR SET UP.....	30
Purchasing, Receiving, and Storage Procedures .....	31
DAY FOUR: PANINIS AND SANDWICHES.....	40
DAY FIVE: DELICIOUS WRAPPERS.....	41
Managing Food Production.....	42
Inventory Management .....	44
DAY SIX: FRESH SALADS .....	47
Opening, Shift Change and Closing Procedures .....	48
DAY SEVEN: OPENING THE RESTAURANT/HOSPITALITY .....	51
DAY EIGHT: CLOSING THE RESTAURANT/EQUIPMENT .....	52
Customer Relations.....	53
Marketing Promotions .....	57
DAY NINE: RESTAURANT ADMINISTRATION .....	59
Food Cost and Controls .....	60
Labor Cost and Controls .....	64
DAY TEN: BANANAS SMOOTHIES AND FROZEN YOGURT .....	68
DAY ELEVEN: BANANAS CLEANING AND MAINTENANCE PROGRAM .....	69
DAY TWELVE: PRETZELS .....	70
DAY THIRTEEN: OPERATING BANANAS .....	71
DAY FOURTEEN: FINAL RESTAURANT REVIEW .....	72
DAY FIFTEEN: FINAL RESTAURANT REVIEW .....	73

**Total Number of Pages 73**

**EXHIBIT I**  
**To**  
**Disclosure Document**  
**FINANCIAL STATEMENTS**

**EVERYTHING YOGURT BRANDS, LLC**  
**(A Limited Liability Company)**  
**FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 29, 2024,**  
**DECEMBER 31, 2023, AND DECEMBER 25, 2022**

**EVERYTHING YOGURT BRANDS, LLC**  
**(A Limited Liability Company)**  
**FOR THE YEARS ENDED DECEMBER 29, 2024, DECEMBER 31, 2023,**  
**AND DECEMBER 25, 2022**

**Table of Contents**

	<b><u>Page</u></b>
<b>Independent Auditor's Report</b>	1 - 2
<b>Financial Statements</b>	
Balance sheets	3
Statements of income	4
Statements of changes in members' equity	5
Statements of cash flows	6
Notes to financial statements	7 - 13

## INDEPENDENT AUDITOR'S REPORT

To the Members  
Everything Yogurt Brands, LLC  
Morristown, New Jersey

### Opinion

We have audited the accompanying financial statements of Everything Yogurt Brands, LLC (a limited liability company), which comprise the balance sheets as of December 29, 2024 and December 31, 2023, and the related statements of income, changes in members' equity and cash flows for the years ended December 29, 2024, December 31, 2023, and December 25, 2022, 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 Everything Yogurt Brands, LLC as of December 29, 2024 and December 31, 2023, and the results of its operations and its cash flows for the years ended December 29, 2024, December 31, 2023, and December 25, 2022, 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 Everything Yogurt Brands, LLC and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Responsibilities of Management for the Financial Statements

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

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

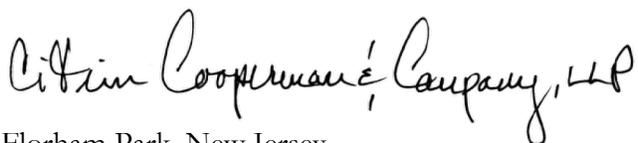
## Auditor's Responsibilities for the Audit of the Financial Statements

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.

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 Everything Yogurt Brands, LLC's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Everything Yogurt Brands, LLC's ability to continue as a going concern for a reasonable period of time.

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



Florham Park, New Jersey  
March 20, 2025

**EVERYTHING YOGURT BRANDS, LLC**  
**(A Limited Liability Company)**  
**BALANCE SHEETS**  
**DECEMBER 29, 2024 AND DECEMBER 31, 2023**

	<u>2024</u>	<u>2023</u>
<b><u>ASSETS</u></b>		
Current assets:		
Cash and cash equivalents	\$ 364,512	\$ 561,480
Royalties and advertising fees receivable, net	<u>22,494</u>	<u>22,504</u>
<b>TOTAL ASSETS</b>	<b>\$ <u>387,006</u></b>	<b>\$ <u>583,984</u></b>
<b><u>LIABILITIES AND MEMBERS' EQUITY</u></b>		
Current liabilities:		
Accounts payable and accrued expenses	\$ 9,399	\$ 11,405
Advertising fund payable	191,491	171,722
Deferred revenue, current (opened stores)	9,993	13,583
Due to affiliates	<u>45,584</u>	<u>10,443</u>
Total current liabilities	256,467	207,153
Long-term liabilities:		
Deferred revenue, net of current (opened stores)	<u>13,823</u>	<u>23,816</u>
Total liabilities	270,290	230,969
Commitments and contingencies (Notes 1, 5 and 7)		
Members' equity	<u>116,716</u>	<u>353,015</u>
<b>TOTAL LIABILITIES AND MEMBERS' EQUITY</b>	<b>\$ <u>387,006</u></b>	<b>\$ <u>583,984</u></b>

See accompanying notes to financial statements.

**EVERYTHING YOGURT BRANDS, LLC**  
**(A Limited Liability Company)**  
**STATEMENTS OF INCOME**  
**FOR THE YEARS ENDED DECEMBER 29, 2024, DECEMBER 31, 2023,**  
**AND DECEMBER 25, 2022**

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Revenues:			
Royalties	\$ 589,898	\$ 643,409	\$ 677,140
Advertising fund revenues	49,793	60,608	71,085
Franchise fees and transfer fees	<u>13,583</u>	<u>13,584</u>	<u>15,527</u>
Total revenues	<u>653,274</u>	<u>717,601</u>	<u>763,752</u>
Operating expenses:			
Administration and management fees	163,327	176,167	233,837
Professional and consulting fees	100,057	127,344	35,108
Rent	85,044	83,000	83,000
Advertising fund expenses	51,351	63,847	64,324
Other operating expenses	5,280	21,977	6,984
Bad debt expense	<u>-</u>	<u>-</u>	<u>10,522</u>
Total operating expenses	<u>405,059</u>	<u>472,335</u>	<u>433,775</u>
Income from operations	248,215	245,266	329,977
Other income:			
Interest income	<u>10,486</u>	<u>8,787</u>	<u>-</u>
<b>NET INCOME</b>	<u>\$ 258,701</u>	<u>\$ 254,053</u>	<u>\$ 329,977</u>

See accompanying notes to financial statements.

**EVERYTHING YOGURT BRANDS, LLC**  
**(A Limited Liability Company)**  
**STATEMENTS OF CHANGES IN MEMBERS' EQUITY**  
**FOR THE YEARS ENDED DECEMBER 29, 2024, DECEMBER 31, 2023,**  
**AND DECEMBER 25, 2022**

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Members' equity - beginning	\$ 353,015	\$ 698,962	\$ 418,985
Net income	258,701	254,053	329,977
Distributions	<u>(495,000)</u>	<u>(600,000)</u>	<u>(50,000)</u>
<b>MEMBERS' EQUITY - ENDING</b>	<b><u>\$ 116,716</u></b>	<b><u>\$ 353,015</u></b>	<b><u>\$ 698,962</u></b>

See accompanying notes to financial statements.

**EVERYTHING YOGURT BRANDS, LLC**  
**(A Limited Liability Company)**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 29, 2024, DECEMBER 31, 2023,**  
**AND DECEMBER 25, 2022**

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Cash flows from operating activities:			
Net income	\$ 258,701	\$ 254,053	\$ 329,977
Adjustments to reconcile net income to net cash provided by operating activities:			
Bad debt expense	-	-	10,522
Changes in operating assets and liabilities:			
Royalties and advertising receivable	10	4,165	(2,678)
Franchise fees receivable	-	-	(2,200)
Prepaid expenses	-	11,692	17,139
Accounts payable and accrued expenses	(2,006)	(7,164)	3,865
Due to affiliates	35,141	(4,609)	5,347
Advertising fund payable	19,769	43,582	64,316
Deferred revenue	<u>(13,583)</u>	<u>(13,584)</u>	<u>(15,527)</u>
Net cash provided by operating activities	298,032	288,135	410,761
Cash used in financing activities:			
Distributions	<u>(495,000)</u>	<u>(600,000)</u>	<u>(50,000)</u>
Net increase (decrease) in cash and cash equivalents	(196,968)	(311,865)	360,761
Cash and cash equivalents - beginning	<u>561,480</u>	<u>873,345</u>	<u>512,584</u>
<b>CASH AND CASH EQUIVALENTS -</b>			
<b>ENDING</b>	<u>\$ 364,512</u>	<u>\$ 561,480</u>	<u>\$ 873,345</u>

See accompanying notes to financial statements.

**EVERYTHING YOGURT BRANDS, LLC**  
**(A Limited Liability Company)**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 29, 2024, DECEMBER 31, 2023,**  
**AND DECEMBER 25, 2022**

**NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Organization

Everything Yogurt Brands, LLC (the "Company") was organized on August 14, 2003, as a Delaware limited liability company. The Company offers and sells franchises for multi-concept restaurant systems under the trade names "Greenleaf's Grille," "Everything Yogurt," "Everything Yogurt and Salad Cafe," "Everything Yogurt Express," "Bananas Frosty Fruit Shakes," "Bananas The Ultimate Juice Bar," "The Market," and "South Philly Steaks and Fries." The Company primarily operates in the United States of America.

As a limited liability company, the members are not liable for the debts, obligations, or liabilities of the Company, whether arising in contract, tort, or otherwise, unless a member has signed a specified guarantee.

Basis of presentation

The accompanying financial statements are presented in U.S. dollars and have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

Fiscal year

The Company's fiscal year ends on the last Sunday in December. The periods ended December 29, 2024, December 31, 2023 and December 25, 2022. The current year consisted of 52 weeks and each prior year consisted of 53 and 52 weeks, respectively.

Use of estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that directly affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the financial statements, and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

Cash equivalents

The Company considers all highly liquid instruments with an original maturity of three months or less to be cash equivalents.

Revenue recognition

*Franchise fees and royalties*

Contract consideration from franchising primarily consists of initial or renewal franchise fees, sales-based royalties, fixed royalty fees and transfer fees payable by a franchisee for the transfer of a franchise unit to another franchisee. The Company also enters into multi-unit franchise agreements ("MUOAs") and area development agreements ("ADAs") which grant a franchisee the right to develop two or more franchise units. The Company collects upfront fees for the grant of such rights. The initial franchise fees are nonrefundable and collected when the underlying franchise agreement or ADA is signed by the franchisee. Sales-based royalties and fixed fee royalties are payable weekly or monthly. Renewal fees are payable when an existing franchisee renews the franchise agreement for an additional term or when a transfer to a third party occurs, respectively.

**EVERYTHING YOGURT BRANDS, LLC**  
**(A Limited Liability Company)**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 29, 2024, DECEMBER 31, 2023,**  
**AND DECEMBER 25, 2022**

**NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Revenue recognition (continued)

*Franchise fees and royalties (continued)*

The Company's primary performance obligation under the franchise agreement mainly includes granting certain rights to access the Company's intellectual property and a variety of activities relating to opening a franchise unit, including site selection, training and other such activities commonly referred to collectively as "pre-opening activities." The Company has determined that a certain portion of its training provided to the franchisee is not brand-specific and provides the franchisee with relevant general business information that is separate and distinct from the operation of a company-branded franchise unit. The portion of training services provided that is not brand-specific is deemed to be distinct as it provides a benefit to the franchisee and is not highly interrelated or interdependent to the access of the Company's intellectual property and therefore is accounted for as a separate distinct performance obligation. All other pre-opening activities have been determined to be highly interrelated and interdependent to the access of the Company's intellectual property and therefore are accounted for as a single performance obligation, which is satisfied by granting certain rights to access the intellectual property over the term of each franchise agreement.

The Company estimates the standalone selling price of training services that are not brand specific using an adjusted market assessment approach. The Company first allocates the initial franchise fees and the fixed consideration under the franchise agreement to the standalone selling price of the training services that are not brand specific and the residual, if any, to the right to access the Company's intellectual property. Consideration allocated to training services that are not brand specific are recognized ratably as the training services are rendered.

Initial and renewal franchise fees allocated to the right to access the Company's intellectual property are recognized as revenue on a straight-line basis over the term of the respective franchise agreement. MUOAs and ADAs generally consist of an obligation to grant the right to open two or more units. These development rights are not distinct from franchise agreements; therefore, up-front fees paid by franchisees for development rights are deferred and apportioned to each franchise agreement signed by the franchisee. The pro-rata amount apportioned to each franchise agreement is recognized as revenue in the same manner as the initial and renewal franchise fees.

Royalties can be earned based on a percentage of franchisee gross revenues or a predetermined fixed fee. Franchise royalties are related entirely to the use of the Company's intellectual property. Royalties are recognized as franchisee sales occur and the royalty is deemed collectible, while fixed priced royalties are determined at the time of the agreement and recognized monthly.

Transfer fees paid in lieu of franchise fees are recognized on a straight-line basis over the term of the franchise agreement. Transfer fees paid in addition to a franchise fee are recognized when fees are charged.

Termination fees are recognized upon the termination date.

**EVERYTHING YOGURT BRANDS, LLC**  
**(A Limited Liability Company)**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 29, 2024, DECEMBER 31, 2023,**  
**AND DECEMBER 25, 2022**

**NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Revenue recognition (continued)

All other fees are recognized as services are rendered or when payment is received.

*Advertising fund*

The Company maintains an advertising fund established to collect and administer funds contributed for use in advertising and promotional programs for franchise units. Advertising fund revenues are collected from franchisees based on a percentage of franchisee gross revenues. The Company has determined that it acts as a principal in the collection and administration of the advertising fund and therefore recognizes the revenues and expenses related to the advertising fund on a gross basis. The Company has determined that the right to access its intellectual property and administration of the advertising fund are highly interrelated and therefore are accounted for as a single performance obligation. As a result, revenues from the advertising fund represent sales-based royalties related to the right to access the Company's intellectual property, which are recognized as franchisee sales occur. Franchisees contribute amounts up to 1% of sales towards an advertising fund maintained on behalf of the franchisees. When advertising fund fees exceed the related advertising fund expenses in a reporting period, advertising costs are accrued up to the amount of advertising fund revenues recognized

Royalties and advertising fees receivable

Royalties and advertising fees receivable are stated at the amount the Company expects to collect. The Company maintains allowances for doubtful accounts for estimated losses resulting from the inability of its franchisees to make required payments. The Company assesses collectibility by reviewing accounts receivable and its contract assets on a collective basis where similar risk characteristics exist. In determining the amount of the allowance for doubtful accounts, management considers historical collectibility and makes judgments about the creditworthiness of the pool of franchisees based on credit evaluations. Current market conditions and reasonable and supportable forecasts of future economic conditions are considered in adjusting the historical losses to determine the appropriate allowance for doubtful accounts. Uncollectible accounts are written off when all collection efforts have been exhausted.

There was no allowance for credit losses at December 29, 2024 and December 31, 2023.

Income taxes

As a limited liability company, the Company is treated as a partnership for federal and substantially all state income tax purposes. Accordingly, no provision has been made for income taxes in the accompanying financial statements, since all items of income or loss are required to be reported on the income tax returns of the members, who are responsible for any taxes thereon. The Company files income tax returns in the U.S. federal jurisdiction and in various states.

**EVERYTHING YOGURT BRANDS, LLC**  
**(A Limited Liability Company)**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 29, 2024, DECEMBER 31, 2023,**  
**AND DECEMBER 25, 2022**

**NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Uncertain tax positions

The Company recognizes and measures its unrecognized tax benefits in accordance with FASB Accounting Standards Codification ("ASC") 740, *Income Taxes*. Under that guidance, management assesses the likelihood that tax positions will be sustained upon examination based on the facts, circumstances and information available at the end of each period, including the technical merits of those positions. The measurement of unrecognized tax benefits is adjusted when new information is available or when an event occurs that requires a change.

Advertising

Advertising costs are expensed as incurred or as committed to be spent as part of the advertising fund. Advertising costs aggregated \$51,351, \$63,847 and \$64,324 for the years ended December 29, 2024, December 31, 2023, and December 25, 2022, respectively.

Targeted improvements to related-party guidance for variable interest entities

In October 2018, FASB issued ASU No. 2018-17, *Consolidation (Topic 810): Targeted Improvements to Related Party Guidance for Variable Interest Entities*, which no longer requires nonpublic companies to apply variable interest entity guidance to certain common control arrangements. The Company applied the provisions of this standard and has determined that the related parties, as described in Note 7, meet the conditions under the standard, and accordingly, is not required to include the accounts of the related parties in the Company's financial statements.

Co-borrow arrangement

The Company was a co-borrower along with several other commonly-owned affiliates on a credit facility. In accordance with an arrangement among the co-borrowers, proceeds from this facility were received and payable by the Company's affiliates. As of December 29, 2024, this loan was paid off in full.

Subsequent events

In accordance with FASB ASC 855, *Subsequent Events*, the Company has evaluated subsequent events through March 20, 2025, the date on which these financial statements were available to be issued. There were no material subsequent events that required recognition or additional disclosure in these financial statements.

**EVERYTHING YOGURT BRANDS, LLC**  
**(A Limited Liability Company)**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 29, 2024, DECEMBER 31, 2023,**  
**AND DECEMBER 25, 2022**

**NOTE 2. ROYALTIES RECEIVABLE**

Royalties and advertising fees receivable

Accounts receivable consisted of the following at December 29, 2024, December 31, 2023, and December 25, 2022:

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Royalties receivable	\$ 21,001	\$ 21,251	\$ 24,808
Advertising receivable	1,493	1,253	1,861
Allowance for doubtful accounts	<u>-</u>	<u>-</u>	<u>-</u>
Total royalties and advertising fees receivable, net	<u>\$ 22,494</u>	<u>\$ 22,504</u>	<u>\$ 26,669</u>

**NOTE 3. REVENUES AND RELATED CONTRACT BALANCES**

Disaggregated revenues

The Company derives its revenues from franchisees located throughout the United States. The economic risks of the Company's revenues is dependent on the strength of the economy in the United States, and its ability to collect on its contracts. The Company disaggregates revenue from contracts with customers by timing of revenue recognition by type of revenues, as it believes this best depicts how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors.

Revenues by timing of recognition were as follows:

	<u>2024</u>	<u>2023</u>	<u>2022</u>
<i>Point in time:</i>			
Royalties	\$ 589,898	\$ 643,409	\$ 677,140
Advertising fund revenues	<u>49,793</u>	<u>60,608</u>	<u>71,085</u>
Total point in time	639,691	704,017	748,225
<i>Over time:</i>			
Franchise fees	<u>13,583</u>	<u>13,584</u>	<u>15,527</u>
Total revenues	<u>\$ 653,274</u>	<u>\$ 717,601</u>	<u>\$ 763,752</u>

**EVERYTHING YOGURT BRANDS, LLC**  
**(A Limited Liability Company)**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 29, 2024, DECEMBER 31, 2023,**  
**AND DECEMBER 25, 2022**

**NOTE 3. REVENUES AND RELATED CONTRACT BALANCES (CONTINUED)**

Contract balances

Contract liabilities are comprised of unamortized initial and renewal franchise fees received from franchisees, which are presented as "Deferred revenue" in the accompanying balance sheets. A summary of significant changes in deferred revenue as of December 29, 2024 and December 31, 2023, is as follows:

	<u>2024</u>	<u>2023</u>
Deferred revenue at beginning of period	\$ 37,399	\$ 50,983
Revenue recognized during the period	<u>(13,583)</u>	<u>(13,584)</u>
Deferred revenue at end of period	<u>\$ 23,816</u>	<u>\$ 37,399</u>

Deferred revenue is expected to be recognized as revenue over the remaining term of the associated franchise agreement as follows:

<u>Year ending:</u>	<u>Amount</u>
2025	\$ 9,993
2026	5,660
2027	4,607
2028	3,390
2029	166
Thereafter	<u>-</u>
Total	<u>\$ 23,816</u>

**NOTE 4. CONCENTRATIONS OF CREDIT RISK**

Cash and cash equivalents

The Company places its cash and cash equivalents, which may at times be in excess of Federal Deposit Insurance Corporation insurance limits, with high credit quality financial institutions.

Accounts receivable

As of December 29, 2024 and December 31, 2023, two franchisees accounted for 63% and 60% of the Company's net royalties and advertising receivables, respectively.

Revenues

In 2024, three franchisees accounted for 52% of the Company's total revenue, in 2023, three franchisees accounted for 48% of the Company's total revenues, and in 2022, two franchisees accounted for 31% of the Company's total revenues.

**EVERYTHING YOGURT BRANDS, LLC**  
**(A Limited Liability Company)**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 29, 2024, DECEMBER 31, 2023,**  
**AND DECEMBER 25, 2022**

**NOTE 5. COMMITMENTS AND CONTINGENCIES**

Litigation

The Company is subject to various proceedings arising during the ordinary course of operations. Management believes that the ultimate resolution of these matters will not have a material adverse effect on the Company's financial condition.

**NOTE 6. LICENSE AGREEMENT**

On January 1, 2015, the Company entered into a non-exclusive indefinite license agreement with a commonly-owned affiliate for the use of various registered names (collectively, referred to as the "Marks"), in connection with the development, expansion, advertisement and administration of a franchise system of businesses operating quick-service restaurants that operate under the Marks. The license agreement is in effect until either party provides the other party notice of its intention to terminate the agreement with at least 60 days' notice. Per licensing agreement, there are no fees owed.

**NOTE 7. RELATED-PARTY TRANSACTIONS**

The Company pays administration and management fees to Villa Enterprise Management Ltd. ("Villa Enterprises"), a commonly-owned affiliate of the Company. Villa Enterprises provides administrative, management and accounting services for the Company. The existence of the Company's relationship with Villa Enterprises could result in operating results significantly different from those that would have been obtained if the entities were autonomous.

The total administration and management fees charged to operations for the years ended December 29, 2024, December 31, 2023, and December 25, 2022, amounted to \$163,327, \$176,167, and \$233,837, respectively.

Due to/from affiliates consists of occasional receipts and disbursements in the normal course of business on behalf of the Company's commonly-owned affiliates. These balances are unsecured, noninterest-bearing, and have no specified repayment terms. The balance due to affiliates amounted to \$45,584 and \$10,443 at December 29, 2024 and December 31, 2023, respectively.

The Company paid rent as part of a month-to-month lease arrangement to a commonly-owned affiliate of \$85,044, \$83,000, and \$83,000 for the years ended December 29, 2024, December 31, 2023, and December 25, 2022, respectively.

The Company recognized royalties from affiliate-owned franchises for the years ended December 29, 2024, December 31, 2023 and December 25, 2022, amounting to \$329,934, \$337,169 and \$287,993, respectively.

As of December 29, 2024 and December 31, 2023, net royalties receivables from affiliate-owned franchises amounted to \$15,251 and \$14,987, respectively, and are included in royalties and advertising fees receivable, net in the accompanying balance sheets.

**EXHIBIT J**  
**To**  
**Disclosure Document**  
**Sublease Agreement**

**SUBLEASE**

Sublessor (“Sublessor”):  
State of Formation:  
Address:

Sublessee (“Sublessee”):  
State of Formation:  
Address:

Sublease Date (“Sublease Date”):

Lease (“Lease”):  
Dated:  
Tenant (“Tenant”):  
Landlord (“Landlord”):  
Premises (“Demised Premises”): as described in the Lease.

Guarantor:

This **Sublease Agreement** is made this \_\_\_\_ day of \_\_\_\_\_, 20\_\_, by and between Everything Yogurt Brands, LLC, a Delaware limited liability company, having an address at 25 Washington Street, Morristown, New Jersey 07960 (“Sublessor”) and \_\_\_\_\_, having an address at \_\_\_\_\_, (“Sublessee”).

**WHEREAS**, Sublessor is the Tenant under the Lease, the terms and provisions of which are incorporated as if fully set out herein; and

**WHEREAS**, Sublessee acknowledges and agrees that they are in receipt of a copy of the Lease ; and

**WHEREAS**, Sublessor has agreed with the Sublessee to grant a Sublease of the Demised Premises to Sublessee subject to the terms of this Sublease; and

**WHEREAS**, Everything Yogurt Brands, LLC (“Franchisor”) and Sublessee (as “Franchisee”) have previously executed the current Franchise Agreement (“Franchise Agreement”) under which the Sublessee will operate a Restaurant as the term is defined in the Franchise Agreement subject to the terms of the Franchise Agreement and this Sublease; and Sublessee acknowledges that Landlord may unilaterally modify the Lease for the Demised Premises in which case this Sublease Agreement may be amended unilaterally by Sublessor to comport to the modification made by Landlord.

**NOW, THEREFORE**, in consideration of the rents reserved under the Sublease, the mutual covenants contained herein and for other good and valuable consideration, the parties agree as follows:

1. The Sublessor hereby Subleases the entire Premises to the Sublessee for a term equal to the original term of the Lease less one (1) day, commencing on the date Sublessee takes possession of the Demised Premises. Possession shall be defined as the date the Sublessee takes actual possession of the Demised Premises, but in no event shall it be later than sixty (60) days after Sublessee's graduation from the Franchisor's initial training course.
2. It is expressly agreed between the parties that in the event the Sublessor is unable to obtain the written consent of the Landlord to this Sublease (should such consent be required by the provisions of the Lease) this Sublease will be null and void and of no further effect and the Sublessee acknowledges and agrees that the Sublessor shall not be responsible for any loss or damage occasioned to the Sublessee by virtue of the refusal of the said Landlord to consent to this Sublease.
3. The Sublessee acknowledges and confirms all of the provisions of the Lease and agrees to be bound by the Lease as if all of the covenants of the Sublessor as Tenant contained therein had been fully incorporated into the Sublease as covenants of the Sublessee (with the exception of the Term), including but not limited to the obligation to carry insurance pursuant to the Lease.

Sublessee further acknowledges and agrees that Sublessor has the absolute right to modify and amend this Sublease whenever and as often as Landlord amends or modifies the Lease so that this Sublease Agreement reflects all modifications or amendments made to the Lease. Sublessee acknowledges it may incur increased cost to comply with the modifications. In the event of any amendment or modification to the Lease by Lessor then in that event, Sublessor shall give Sublessee notice in writing of the modification and such modification shall operate as an amendment to this Sublease Agreement without the need for further documentation. Sublessee recognizes Sublessor's absolute right to make such modifications at Sublessee's expense and Sublessee agrees to accept and implement any such modifications at Sublessee's expense as if such modification of the original Lease were part of this Sublease Agreement at the time of execution hereof. Sublessee shall make such changes and modifications in the manner and time which Sublessor directs in writing.

4. Sublessee hereby acknowledges and agrees that: the Lease is fully negotiated, it has not been charged for said negotiations., it did not rely on the negotiations, it had its own counsel review the Sublease and Sublessor and its attorneys, officers, representatives, general counsel and employees represented only Sublessor and not Sublessee in the negotiations. Sublessee hereby further agrees and acknowledges that it is accepting the Lease "as is", and that, consistent with paragraph 15 of this Sublease, neither Sublessor, nor any of its officers, employees, representatives, general counsel or attorneys have made any representations or promises upon which Sublessee has relied in connection with the Lease and this Sublease.
5. Sublessee shall supply the Landlord and the Sublessor with copies of the required Certificate of Insurance.
6. Where used in this Sublease any word or term that is specifically defined in the Lease shall have the same meaning as that ascribed to it in the Lease.
7. The Sublessee will pay any and all rents and other charges due and owing under the Lease directly to the Landlord, pursuant to the terms and conditions of the Lease. The fees due under the Franchise Agreement will be paid to Franchisor pursuant to the terms of the Franchise Agreement.
8. Sublessee acknowledges that Sublessor and/or its affiliates has/have a long- standing relationship with the Landlord under the Lease. If, as a result of said relationship, Sublessor achieves a rent

credit or other savings under the Lease, Sublessor will retain the benefit of said credit and/or savings, and Sublessee will continue to pay Landlord the amounts due and owing on the attached Lease.

9. The Sublessee covenants with the Sublessor to perform as follows:
  - (a) Pay rent as aforesaid; and
  - (b) Perform and observe all of the covenants on the part of the Sublessor as tenant under the provisions of the Lease and to keep the Sublessor fully and completely indemnified against all actions, claims, expenses and demands in respect to each and every of such covenants; and
  - (c) Not assign, sublet or part with possession of all or any part of the Demised Premises without the prior consent in writing of the Sublessor, which consent may be unreasonably withheld, or if granted, may be granted by the Sublessor upon such terms and conditions as the Sublessor may see fit; subject always to the prior consent of the Landlord in accordance with, and subject to, the terms of the Lease; and
  - (d) Pay when due all continuing franchise fees and advertising contributions as required by Sublessee's Franchise Agreement; such payments being characterized as additional rent under this Sublease Agreement; and
  - (e) Perform all of the covenants contained in the Franchise Agreement.
  
10. Sublessor shall have no liability to Sublessee with respect to any of the affirmative obligations of the Landlord under the Lease; but Sublessor shall, upon request of Sublessee and if required to do so by any applicable laws, codes or ordinances, bring any action or proceeding against the Landlord in Sublessee's name upon satisfactory proof to Sublessor's attorney from Sub.-Lessee that an action or proceeding must be taken in the name of Sublessor to cure or obtain any other relief on account of any breaches of the Lease on the part of the Landlord. Sublessee shall cooperate with Sublessor in any such action or proceeding. If not precluded from so doing by applicable law, Sublessor may include Sublessee as a party to any such action or proceeding, or may bring any such action or proceeding solely in the name of the Sublessee.

Sublessee may bring any such action or proceeding in its own name and on its own behalf provided Sublessee shall have first requested Sublessor to bring such action or proceeding and Sublessor shall not have, within thirty (30) days of such request, commenced such action or proceeding.

Sublessee agrees to indemnify Sublessor and hold Sublessor harmless and, immediately upon demand, to reimburse Sublessor for all attorneys fees and other charges and expenses Sublessor incurs as a result of any such action or proceeding brought by Sublessee or by Sublessor on behalf of the Sublessee. If Sublessor brings such action or proceeding as provided above, Sublessor may require that Sublessee pay in advance for the anticipated attorneys fees and other charges and expenses to be incurred.
  
11. In the event that the Sublessor's affiliate terminates the Franchise Agreement for any reason whatsoever, this Sublease shall be deemed to have been terminated on the same day as the date of termination of the Franchise Agreement. In addition, failure by the Sublessee to make payments to the Sublessor's affiliate as Franchisor of any and all franchise fees, advertising contributions and other required payments, shall constitute a default under this Sublease Agreement.
  
12. Proviso is made for re-entry by the Sublessor on non-payment of rent or non-performance of the covenants or agreements, which right of re-entry may be exercised immediately upon default,

having occurred and without prior notice to the Sublessee. The Sublessor shall in addition to such right of re-entry, have all the same rights as the Landlord under the Lease in the event of Default or non-performance by the Sublessee of this provision of this Sublease, all of which and all remedies available to the Landlord shall be considered to be incorporated in the Sublease by reference.

13. Any notice in writing which either party may desire to give to the other may be validly effectually given by mailing the same by prepaid registered mail, return receipt requested, or by a reputable overnight delivery service, addressed, if intended for the Sublessee to the Demised Premises, and if intended for the Sublessor to:

25 Washington Street  
Morristown, NJ 07960  
Phone #: (973) 285-4800  
Fax #: (973) 285-5252

or to such other addresses as either party may notify the other by notice in writing.

Every such notice shall be considered to have been received on the third (3rd) business day following the date of which it was so mailed.

14. Where there is more than one Sublessee, covenants and agreements of the Sublessee shall be considered joint and several covenants and agreements. The provisions of this Sublease shall be read with all the grammatical changes required if there is more than one (1) Sublessee or if the Sublessee is male, female or a corporation.
15. It is understood that there are no oral agreements between the parties hereto affecting this Sublease, and this Sublease supersedes and cancels any and all previous negotiations, arrangements, brochures, agreements and understandings, if any, between the parties hereto or displayed by Sublessor to Sublessee with respect to the subject thereof, and none thereof shall be used to interpret or construe this Sublease. This Sublease is and shall be considered to be the only Sublease agreement relative to the Premises between the parties hereto and their respective representatives and agents as of the date hereof. All negotiations and oral agreements acceptable to both parties have been merged into and are included herein, and no modification of this Sublease shall be effective unless the same shall be in writing and be signed by the parties hereto or, as the case may be their respective successors or assigns.
16. Sublessee shall not modify or seek to modify the Lease without Sublessor's prior written consent, which consent may be withheld in its sole discretion.
17. This Agreement may be signed in any number of counterparts, all of which when taken together shall form one valid and effective agreement. Electronic and facsimile signatures are acceptable and shall be binding and enforceable.
18. The individuals signing this Agreement on behalf of each of the parties represent that they have the authority to enter into this Agreement and to bind the respective parties.
19. This Sublease shall be governed and construed in accordance with the law of the state in which the Demised Premises is located, without regard to such state's conflict of laws principles.

20. Sublessor may correct any patent errors and fill in all blanks in this Agreement or any Collateral Schedule or Exhibit, consistent with the agreement of the parties.
21. A facsimile signature, including photocopied, faxed and electronically transmitted (such as PDF) copies of a signature, is binding to the same extent as an original signature and shall be deemed an original signature with regard to this Agreement and all Riders and any Amendments hereto. The parties hereto agree that this Sublease Agreement may be executed electronically by any means Sublessor chooses, and if by electronic signature, the electronic signature shall be binding to the same extent as an original signature and shall be deemed an original signature with regard to this Agreement and all Riders, Amendments or Addenda hereto. Sublessee is not entitled to challenge the validation or authenticity of the electronic signature or the document on the ground that it is not the original.
22. Sublessee hereby agrees that service of process upon sublessee(s) may be made upon Sublessee in any proceeding by service upon an agent for service of process in the State of New Jersey, who is approved by Sublessor. Sublessee(s) shall appoint an agent for service of process in the State of New Jersey within 10 days of the date of this Sublease Agreement is executed by Sublessee(s).
23. Sublessee understands and acknowledges that the rights and duties set forth in this Agreement are personal to Sublessee, and that Sublessor has granted this Sublease in reliance on Sublessee's business skills and financial capacity. Accordingly, neither Sublessee nor any immediate or remote successor to any party of Sublessee's interest in this Sublease, including any trustee in bankruptcy, shall sell, assign, transfer, convey, give away, pledge, mortgage or otherwise encumber any interest in this franchise without the prior written consent of Sublessor and provided that Sublessee shall first have complied with the conditions for transfer set forth in this Agreement to Sublessor's satisfaction. Any purported assignment or transfer, by operation of law or otherwise, not having the written consent of Sublessor shall be null and void and shall constitute a material breach of this Agreement, for which Sublessor may then terminate without opportunity to cure.

Sublessor shall not unreasonably withhold its consent to a transfer of any interest in this sublease; provided, however, that prior to the time of transfer, including transfer by a trustee in bankruptcy, Sublessee shall pay Sublessor, prior to approval by Sublessor, a transfer fee of \$10,000.00.

IN WITNESS WHEREOF, this Sublease has been executed the date and year above written.

Witnessed by:

\_\_\_\_\_

**SUBLESSOR:**

Everything Yogurt Brands, LLC

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Witnessed by:

\_\_\_\_\_

**SUBLESSEE:**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**OWNERS' PERSONAL GUARANTY OF  
SUBLESSEE'S OBLIGATIONS**

Sublessor ("Sublessor"): \_\_\_\_\_  
State of Formation: \_\_\_\_\_  
Address: \_\_\_\_\_

Sublessee ("Sublessee"): \_\_\_\_\_  
State of Formation: \_\_\_\_\_  
Address: \_\_\_\_\_

Sublease Date ("Sublease Date"): \_\_\_\_\_

Sublease between Sublessor and Sublessee dated the Sublease Date ("Sublease-")

Guarantor: \_\_\_\_\_

In consideration of, and as an inducement for Sublessor to enter into the Sublease, the undersigned owners of an interest in Sublessee hereby jointly, severally and unconditionally : (1) guarantees to Sublessor and its successors and assigns, for the term of the Sublease and thereafter as provided in the Sublease , that Sublessee shall punctually pay and perform each and every undertaking, agreement and covenant set forth in the Sublease and that each and every representation of Sublessee made in connection with the Sublease are true, correct and complete in all respects at and as of the time given; and (2) agrees personally to be bound by, and personally liable for the breach of, each and every provision in the Sublease .

Each of the undersigned waives: (a) acceptance and notice of acceptance by Sublessor of the foregoing undertakings; (b) notice of demand for payment of any indebtedness or nonperformance of any obligations hereby guaranteed; (c) protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations hereby guaranteed; (d) any right he/she may have to require that an action be brought against Sublessee or any other person as a condition of liability; and (e) any and all other notices and legal or equitable defenses to which he/she may be entitled.

Each of the undersigned consents and agrees that: (i) his/her direct and immediate liability under this guaranty shall be joint and several; (ii) he/she shall render any payment or performance required under the Sublease upon demand if Sublessee fails or refuses punctually to do so; (iii) such liability shall not be contingent or conditioned upon pursuit by Sublessor of any remedies against Sublessee or any other person; and (iv) such liability shall not be diminished, relieved or otherwise affected by any extension of time, credit or other indulgence which the Sublessor may from time to time grant to Sublessee or to any other person including, without limitation, the acceptance of any partial payment or performance or the compromise or release of any claims, none of which shall in any way modify or amend this guaranty, which shall be continuing and irrevocable during the term of the Sublease.

This guaranty shall be interpreted and construed under the laws of the state in which the Demised Premises are located, without regard to such states' conflict of laws principles. In the event of any conflict of law, the laws of the State of New Jersey shall prevail. Any and all disputes shall be resolved in the State or Federal Courts of New Jersey (Morris County or Newark vicinage).

A facsimile signature, including photocopied, faxed and electronically transmitted (such as PDF) copies of a signature, is binding to the same extent as an original signature and shall be deemed an original signature with regard to this Agreement and all Riders and any Amendments hereto. Guarantor(s) hereto

agree(s) that the Owners' Personal Guaranty of Sublessee's Obligations may be executed electronically by any means Sublessor chooses, and if by electronic signature, the electronic signature shall be binding to the same extent as an original signature and shall be deemed an original signature with regard to the Owners' Personal Guaranty of Sublessee's Obligations. Guarantor is(are) not entitled to challenge the validation or authenticity of the electronic signature or the document on the ground that it is not the original.

Each of the undersigned owners of Sublessee agree that service or process may be made upon each of the undersigned in any proceedings by service upon an agent for service of process in the State of New Jersey, who is approved by Sublessor. Each of the undersigned shall appoint an agent for service of process in the State of New Jersey within 10 days of the date this Guaranty is executed by the undersigned.

IN WITNESS THEREOF, each of the undersigned has hereunto affixed his/her signature, under seal, on the same day and year as the Agreement was executed.

**Percentage of ownership  
interests in Sublessee**

**GUARANTOR(S)**

\_\_\_\_\_

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Print Name)

\_\_\_\_\_

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Print Name)

Subscribed and sworn to before me this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

\_\_\_\_\_  
Notary Public

My Commission expires: \_\_\_\_\_

**EXHIBIT K**  
**To**  
**Disclosure Document**

**FRANCHISEE ORGANIZATIONS WE HAVE CREATED, SPONSORED OR ENDORSED**

NONE

**EXHIBIT L**  
**To**  
**Disclosure Document**

**RECEIPT**

## State Effective Dates

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

This document is effective and may be used in the following states, where the document is filed, registered or exempt from registration, as of the Effective Date stated below

State	Effective Date
California	<u>Pending</u> 04/09/24
Hawaii	
Illinois	
Indiana	<u>Pending</u> 04/30/24
Maryland	<u>Pending</u> 08/01/24
Michigan	
Minnesota	<u>Pending</u> 08/05/24
New York	<u>Pending</u> 04/12/24
North Dakota	
Rhode Island	
South Dakota	
Virginia	<u>Pending</u> 04/30/24 <del>As Amended-</del> 04/10/24
Washington	
Wisconsin	

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.

**EXHIBIT L**  
**To Disclosure Document**  
**EVERYTHING YOGURT BRANDS, LLC**

**RECEIPT**

(Keep this copy for your records)

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If Everything Yogurt Brands, LLC offers you a franchise, it must provide this disclosure document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

New York requires that 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 for the payment of any consideration that relates to the franchise relationship.

Michigan requires 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 Everything Yogurt Brands, 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, DC 20580 and the state agency listed in Exhibit D.

The franchisor is Everything Yogurt Brands, LLC, located at 25 Washington Street, Morristown, NJ 07960. Its telephone number is (973) 285-4800.

Issuance Date: ~~March 20, 2025~~ ~~March 22, 2024~~

The franchise seller for this offering is \_\_\_\_\_ whose principal business address and telephone number is 25 Washington Street, Morristown, NJ 07960 and telephone number is (973) 285-4800.

Everything Yogurt Brands, LLC authorizes the respective state agencies identified in Exhibit E to receive service of process for it in the particular state.

I received a disclosure document dated ~~March 20, 2025~~ ~~March 22, 2024~~ that included the following Exhibits:

- |           |   |
|-----------|---|
| Exhibit A | Franchise Agreement   |
| Exhibit B | Area Development Agreement                                      |
| Exhibit C | State Addendum to FDD   |
| Exhibit D | List of Administrators  |
| Exhibit E | Agents for Service of Process                                   |
| Exhibit F | List of Current Franchisees                                     |
| Exhibit G | List of Former Franchisees                                      |
| Exhibit H | Confidential Operating Manual Table of Contents                 |
| Exhibit I | Audited Financial Statements                                    |
| Exhibit J | Sublease Agreement  |
| Exhibit K | Franchisee Organizations We have Created, Sponsored or Endorsed |
| Exhibit L | Receipt (in duplicate)  |

**Complete Below for a Partnership, Corporation  
Limited Liability Company**

**OR**

**Individual Prospective Franchisee**

\_\_\_\_\_  
Date

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Name of Company: \_\_\_\_\_

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Telephone No: \_\_\_\_\_

Date: \_\_\_\_\_

Signature: \_\_\_\_\_

**EXHIBIT L**  
**To Disclosure Document**  
**EVERYTHING YOGURT BRANDS, LLC**

**RECEIPT**

(Return this copy to us)

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If Everything Yogurt Brands, LLC offers you a franchise, it must provide this disclosure document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

New York requires that 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 for the payment of any consideration that relates to the franchise relationship.

Michigan requires 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 Everything Yogurt Brands, 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, DC 20580 and the state agency listed in Exhibit D.

The franchisor is Everything Yogurt Brands, LLC, located at 25 Washington Street, Morristown, NJ 07960. Its telephone number is (973) 285-4800.

Issuance Date: ~~March 20, 2025~~ March 22, 2024

The franchise seller for this offering is \_\_\_\_\_ whose principal business address and telephone number is 25 Washington Street, Morristown, NJ 07960 and telephone number is (973) 285-4800.

Everything Yogurt Brands, LLC authorizes the respective state agencies identified in Exhibit E to receive service of process for it in the particular state.

I received a disclosure document dated ~~March 22, 2024~~ March 20, 2025 that included the following Exhibits:

- |           |   |
|-----------|---|
| Exhibit A | Franchise Agreement   |
| Exhibit B | Area Development Agreement                                      |
| Exhibit C | State Addendum to FDD   |
| Exhibit D | List of Administrators  |
| Exhibit E | Agents for Service of Process                                   |
| Exhibit F | List of Current Franchisees                                     |
| Exhibit G | List of Former Franchisees                                      |
| Exhibit H | Confidential Operating Manual Table of Contents                 |
| Exhibit I | Audited Financial Statements                                    |
| Exhibit J | Sublease Agreement  |
| Exhibit K | Franchisee Organizations We have Created, Sponsored or Endorsed |
| Exhibit L | Receipt (in duplicate)  |

**Complete Below for a Partnership, Corporation  
Limited Liability Company**

**OR**

**Individual Prospective Franchisee**

\_\_\_\_\_  
Date

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Name of Company: \_\_\_\_\_

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Telephone No: \_\_\_\_\_

Date: \_\_\_\_\_

Signature: \_\_\_\_\_