

FRANCHISE DISCLOSURE DOCUMENT



green and the grain franchising LLC
a Minnesota limited liability company
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GREEN + THE GRAIN is a contemporary salad restaurant for busy appetites. The franchisee will operate a fast casual restaurant offering fresh and flavorful salads and related products under the name “GREEN + THE GRAIN.”

The total investment necessary to begin operation of a GREEN + THE GRAIN business is \$352,000 to \$1,327,000. This includes \$50,000 that must be paid to the franchisor and/or its affiliate.

We also offer a Development Agreement for the development of multiple GREEN + THE GRAIN businesses. If you qualify for the Development Agreement, you will pay a development fee in an amount equal to the franchise fee for your first location plus \$15,000 for each additional location to be developed under the Development Agreement (standard Development Agreement is for three locations with a development fee of \$80,000). The initial investment, including the cost to develop your first business is \$382,000 to \$1,357,000, with a development fee of \$80,000 that must be paid to the franchisor and/or its affiliate.

This disclosure document summarizes certain provisions of your franchise agreement and other information as well. Read this disclosure document and all accompanying agreements carefully. You must receive the disclosure document at least 14 calendar days before you sign a binding agreement with, or make any payment to the franchisor or an affiliate in connection with the proposed franchise sale. **Note, however, that no 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 disclosure documents in different formats, contact franchise@greenandthegrain.com or contact us at 200 South 6th Street, Suite 296, Minneapolis, MN 55402 Attn: Franchise Disclosure.

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 such as a lawyer or an accountant.

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

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

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How to Use This Franchise Disclosure Document

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

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

What You Need To Know About Franchising *Generally*

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

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

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

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

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

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

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

Some States Require Registration

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

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

Special Risks to Consider About *This* Franchise

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

1. **Out-of-State Dispute Resolution.** The franchise agreement requires you to resolve disputes with the franchisor by mediation, arbitration and/or litigation only in Minnesota. 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 Minnesota than in your own state.
2. **Supplier Control.** You must purchase all or nearly all of the inventory or supplies that are necessary to operate your business from the franchisor, its affiliates, or suppliers that the franchisor designates, at prices the franchisor or they set. These prices may be higher than prices you could obtain elsewhere for the same or similar goods. This may reduce the anticipated profit of your franchise business.
3. **Short Operating History.** The franchisor is at an early stage of development and has a limited operating history. This franchise is likely to be a riskier investment than a system with a longer operating history.
4. **Financial Condition.** [The Franchisor's financial condition as reflected in its financial statements \(see Item 21\) calls into question the Franchisor's financial ability to provide services and support to you.](#)
5. **Spousal Liability.** [Your spouse must sign a document that makes your spouse liable for all financial obligations under the Franchise Agreement, even if your spouse has no ownership interest in the franchise. This Guarantee will place both your and your spouse's marital and personal assets \(perhaps including your house\) at risk if your franchise fails.](#)

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

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EXHIBITS:

- A – List of State Administrators/Agents for Service of Process
- B – Franchise Agreement
- C – Area Development Agreement
- D – List of Franchisees
- E – List of Franchisees Who Have Left the System
- F – Table of Contents of Operations Manual
- G – Financial Statements
- H – Form of General Release
- I – Form of Sale of Assets Agreement [and Form of Sublease](#)
- J – State Addenda
- K – State Effective Dates
- L – Receipts

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

To simplify the language in this disclosure document, “we” or “us” means green and the grain franchising, LLC, the franchisor. “You” means the person or entity that buys the franchise. If the franchisee is a corporation, partnership or other entity, “you” includes the franchisee’s owners unless otherwise indicated.

The Franchisor

We are a Minnesota limited liability company formed on October 5, 2023. We do business under our entity name and under the franchise name “GREEN + THE GRAIN.” Our principal business address is 200 South 6th Street, Suite 296, Minneapolis, MN 55402. Our agents for service of process are listed in Exhibit A.

We have offered franchises since ~~the date of this Disclosure Document~~ April 2024. We have never offered franchises in any other line of business or operated a business of the type to be operated by the franchisee.

Our Parents, Predecessors and Affiliates

We have no parent or predecessor. We have ~~one~~two affiliates. Our affiliate ~~is~~ green and the grain LLC, a Minnesota limited liability company formed on November 6, 2013 (“GATG Affiliate”); ~~GATG Affiliate’s principal business address is the same as ours. GATG Affiliate~~, operates six affiliate locations, but it has never offered franchises in this or any other line of business. Our affiliate GATG ROCHESTER LLC is a Minnesota limited liability company formed on May 9, 2024 (“GATG ROCHESTER”) to support our market entry into the Rochester, Minnesota market. GATG ROCHESTER may operate an affiliate location in the future. It has never offered franchises in this or any other line of business. Our affiliates principal business address is the same as ours.

The Franchise Offered

A GREEN + THE GRAIN business (“Franchised Business” or “Restaurant”) is a contemporary salad restaurant for busy appetites. We are offering franchises operating under the “GREEN + THE GRAIN” name and using our System (as described below). We offer qualified candidates the right to establish and operate a Franchised Business within a specific designated area under the terms of a single unit franchise agreement (the “Franchise Agreement”), which is attached to this Disclosure Document as Exhibit B.

Our System includes distinctive interior and exterior design; signage and décor; specific equipment, layout, fixtures, furnishings, materials and supplies; customer service and quality standards; menus, recipes and preparation techniques; software, training and assistance; operational procedures; and advertising and promotional programs, all of which may be changed, improved and further developed (the “System”). The System is identified by certain trade names, service marks, trademarks, logos, emblems and indicia of origin, including the mark “GREEN + THE GRAIN”, as are now designated and may in the future be designated by us in writing for use with the System (the “Marks”).

Franchise Agreement

From time to time, we may make available for purchase an affiliate-operated Restaurant (at times referred to as a “Former Affiliate Restaurant”), in which case the buyer will sign a letter of intent regarding the potential purchase. Any sale of a Former Affiliate Restaurant will require the buyer to sign a Sale of Assets Agreement and Sublease (a general form of Sale of Assets Agreement and general form of Sublease attached as Exhibit I) and Franchise Agreement.

~~We offer qualified candidates the right to establish and operate a GREEN + THE GRAIN business within a specific designated area under the terms of a single unit franchise agreement (the “Franchise Agreement”), which is attached to this Disclosure Document as Exhibit B.~~

Development Agreement

If you meet our net worth, operational, experience and other requirements for multi-unit developers, we may offer you the right to develop multiple Restaurants in a designated geographical area (a “Development Area”) under a development agreement (“Development Agreement”) attached as Exhibit C to this Disclosure Document. Under the Development Agreement, you must develop an agreed upon number of Restaurants in the Development Area within a specified time-period. Our multi-unit developers typically must commit to develop three or more Restaurants. As part of your operation of multiple Restaurants, we may grant you written permission you to operate a commissary kitchen that will allow you to share certain kitchen services for one or more Restaurants.

You must sign the Franchise Agreement for your first Restaurant at the same time as you sign the Development Agreement. For each Restaurant developed after the first one you must sign our then-current form of Franchise Agreement, which may differ from the current Franchise Agreement included with this Franchise Disclosure Document except that for all locations timely opened under the Development Schedule, the Initial Franchise Fee and Royalty will be the same as the first location. Under the Development Agreement, you and we will agree on a schedule for developing Restaurants and the dates by which these Restaurants must be open (“Development Schedule”).

Market and Competition

You will offer the food, drink and related menu items from your Restaurant to the general public. The market for our products and services is year-round and should not be impacted by seasonality. Your competitors may include fast casual restaurant businesses, particularly those offering similar food products, including national or regional franchise systems and other chains. We believe that the market for restaurants offering similar menu items is developed and growing based on increased consumer demand for healthy options. The ability of each franchisee to compete depends on various market conditions, including location, co-tenants, traffic patterns, ingress and egress to the location, parking, service, product quality, advertising, employees, overhead, any applicable state or local regulations or licensing requirements, changes in local market and economic conditions, inflation, changes in food, labor and energy costs, fluctuating insurance and interest rates, as well as other factors both within and outside of a franchisee’s control.

Industry Specific Laws and Regulations

In addition to laws and regulations that apply to businesses generally, your Restaurant is subject to federal, state and local regulations and guidelines governing the food service industry (including

health, sanitation and safety regulations regarding food storage, preparation and safety, including Serv Safe). You must be knowledgeable with federal, state and local health and consumer protection laws and regulations concerning food preparation, handling and storage, “Truth in Menu” concerning menu item names and product labeling, nutritional claims, and access to your Restaurant by persons with disabilities (under the federal Americans with Disabilities Act). You should also be aware of federal, state and local labor regulations, including minimum age and minimum wage laws. You should investigate local zoning rules because they may limit where you can locate your Restaurant and may affect design features, including the building facade and signs. You should be aware of federal, state and local environmental laws that may affect the disposal of waste materials and the packaging you may use. The details of state, county and local laws and regulations vary from place to place. You should investigate these laws and regulations. It is your sole responsibility to obtain and keep in force all necessary licenses and permits required by public authorities.

ITEM 2

BUSINESS EXPERIENCE

Tiffany Hauser – Founder and Chief Executive Officer

Tiffany founded GREEN + THE GRAIN in May 2014 and has served as the founder and owner of GATG Affiliate since its inception in Minneapolis, Minnesota. Tiffany is also our Founder and Chief Executive Officer, a position she has held since our inception in October 2023.

Justine Morris – Director of Operations

Justine Morris has been our Director of Operations since May 2015 and is based in Minneapolis, Minnesota.

Alison (Ali) McElroy – Director and Secretary

Ali has been our Director and Secretary since October 2023. Ali is also the founder and CEO of Kaleidoscope Growth Advisors, LLC, a position she has held since May 2022 in Minneapolis Minnesota. Ali served in multiple executive positions with Lift Brands, Inc. and its subsidiary, Snap Fitness, Inc. from 2009 to 2021 in Chanhassen, Minnesota. Lift Brands is a global multi-brand fitness franchisor. Her roles included: President, International and Chief Legal Officer from August 2020 to July 2021, Chief Global Development Officer & CLO from November 2018 to July 2020, CLO and SVP Strategic Relationships and Human Resources from August 2014 to November 2018 and General Counsel from June 2009 to August 2014. From July 2021 to May 2022, Ali was self-employed in Minneapolis, Minnesota.

ITEM 3

LITIGATION

No litigation is required to be disclosed in this Item.

ITEM 4
BANKRUPTCY

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

ITEM 5
INITIAL FEES

You must pay us an initial franchise fee of \$50,000 when you sign the Franchise Agreement for each Restaurant. The initial franchise fee is nonrefundable and uniformly applied.

If you enter into a Development Agreement, you must pay us a one-time development fee upon execution of your Development Agreement. Your development fee is equal to the Initial Franchise Fee for the first location plus \$15,000 for each additional Restaurant you commit to develop under the Development Agreement. For example, if you sign a development agreement for three locations, you will pay a development fee of \$80,000 (\$50,000 Initial Franchise Fee for the first location and \$30,000 for the additional two locations).

If you are in compliance with your obligations under the Development Agreement, then we will credit you the portion of the Development Fee that you have paid toward the initial franchise fees due under the Franchise Agreement for each Restaurant that you are required to develop under the Development Agreement. For example, if you paid a Development Fee of \$80,000 for three Restaurants, you would be credited \$50,000 towards the initial franchise fee of the first location, \$15,000 for your second location and \$15,000 for your third location. The development fee must be paid in lump sum, is uniformly applied and is non-refundable.

There are no other payments to or purchases from us or our affiliates that a franchisee must make before your Restaurant opens, except in the limited instances where a franchisee may purchase an existing GREEN + THE GRAIN business from an affiliate of ours, in which case the payments will include the negotiated purchase price for the assets of the business, and will be set forth in a Sale of Assets Purchase Agreement (a copy of the form Sale of Assets Purchase Agreement is included in this Disclosure Document as Exhibit I). The amount of the purchase price will vary by Restaurant based on a wide range of factors, including the assets being acquired, their location, their book value, their fair market value and other factors.

ITEM 6
OTHER FEES

Type of Fee (Note 1)	Amount	Date Due	Remarks
Royalty (Note 2)	6% of Gross Revenues	Monthly	Paid to Us via automatic bank withdrawal
Brand Fund Fee (Notes 2 and 3)	3% of Gross Revenues	Monthly	Paid to Us via automatic bank withdrawal
Local or Cooperative Marketing (Note 4)	At least 3% of Gross Revenues	Monthly	Paid to Vendor or Us

Type of Fee (Note 1)	Amount	Date Due	Remarks
Technology Fee (Note 5)	Our then-current Technology Fee (currently \$ 200 <u>275</u> per month)	Monthly, or as incurred	Paid to Us via automatic bank withdrawal
Tech Vendor Fees (Note 5)	Variable	As incurred	Fees by tech vendors that provide products and/or services to you beyond those covered in the Technology Fee must be paid directly to those vendors in the ordinary course of business. We may, however, enter into an agreement with a tech vendor, in which case we reserve the right to collect these amounts directly from you and remit to the vendor.
Additional Training and On-Site Assistance	Our then applicable fee per diem training charges (currently, \$400 per day per trainer), plus the trainer's out-of-pocket expenses (travel, hotel and living expenses)	When incurred	If you require additional assistance or guidance, we will assist you at our then-current training rates, plus each trainer's travel, hotel and living expenses.
Transfer Fee	50% of then-current initial franchise fee (reduced to 30% if buyer is <u>an</u> existing franchisee); \$2,000 if we determine the transfer does not result in a change of control in franchisee entity	At time of transfer	Paid to Us
Renewal Fee	50% of the then-current initial franchise fee	Upon execution of the renewal franchise agreement	Paid to Us

Type of Fee (Note 1)	Amount	Date Due	Remarks
Late Fees or Interest	\$50 per occurrence plus 18% per annum or the highest rate allowable by law	Upon demand	Due on all overdue amounts
Audit Fee	If Gross Revenue is understated by 2% or more, you pay our audit costs, plus interest on the understated amounts.	Upon demand	
Daily Noncompliance Fee (Note 6)	Currently \$100 per day that you are out of compliance, but we reserve the right to change this amount at any time.	Upon demand	Paid to Us
Extension Fee	\$2,000 <u>2,500</u>	At time we authorize an extension	Paid to Us if you miss the opening deadline for your Restaurant and we grant you an extension in writing.
Relocation Fee	Our costs and expenses incurred in connection with reviewing, approving and documenting your relocation to a new location.	At time of relocation	Only due if you propose to relocate your Restaurant.
Supplier Approval Fee	\$2,000 plus costs	As Incurred	Paid to Us
Conference Fees	Our then current conference fee as well as your attendee expenses (travel, per diem, and hotel expenses)	As Incurred	You must attend the conventions and meetings that we require and must pay the conference fee for each person who is required to attend. You are also responsible for all other costs of attendance (including travel, room and board, and your employees' wages, benefits and other

Type of Fee (Note 1)	Amount	Date Due	Remarks
			expenses).
Management Fee	Greater of 10% of Gross Revenue or \$400 per day		We have the right to step in and manage your Restaurant for you in certain circumstances, including your prolonged absence, death or disability.
Insurance	Actual costs	Upon demand	Only due if you fail to purchase the required business insurance, and we exercise our right to buy insurance for you (we are not obligated to do so).
Indemnification	All costs and expenses, including attorneys' fees	Upon demand	Only due if the indemnification clause is involved. You will defend suits at your own cost and hold us harmless against suits involving damages resulting from your operation of the Restaurant, including related securities offerings.
Lost Future Royalties	The average of the monthly Royalty Fees due for the previous 12 months, multiplied by the lesser of 36 or the number of months remaining in the then-current term of the Franchise Agreement	Upon request	You must pay this if we terminate the Franchise Agreement early as a result of your default or if you abandon the Restaurant.
Costs and Attorneys' Fees	Will vary under the circumstances	As incurred	Due only if we prevail in a legal proceeding

Type of Fee (Note 1)	Amount	Date Due	Remarks
<u>Rent for a Former Affiliate Restaurant</u>	<u>Varies (7)</u>	<u>Payable on the 1st day of the month</u>	<u>Where we sublease to you, we will pass thru any rent escalations which occur throughout the sublease term.</u>

1. The fees listed in this Item 6 are payable to us and our affiliates. All fees due to us or our affiliates must be paid through electronic funds transfer, and we may debit your account to collect these amounts. You must keep a sufficient balance in the account from which the ACH deductions are made to pay all of the fees due under the Franchise Agreement. We have the right to change the payment method requirements. All fees are non-refundable and uniformly applied.
2. "Gross Revenues" means the total gross revenue from the provision of all services and products sold or performed in, at, from or away from the Restaurant whether from cash, check, credit and debit card, trade credit or credit transactions, including business interruption insurance proceeds and service charges in lieu of gratuity, but excluding (i) sales taxes collected from customers and paid to the appropriate taxing authority and (ii) the amount of all coupons redeemed at the Restaurant.
3. We have the right to increase the Brand Fund Fee ~~by~~ up to ~~3% (for a total of 6%)~~ in one or more increments by providing you six months' notice, provided that any increase in the Brand Fund Fee may decrease your total local marketing or cooperative/group obligation so that your total marketing obligation does not exceed 8% (we will notify you of any authorized decrease). See Item 11 for more information on the Brand Fund.
4. Any marketing/advertising you wish to use must first be approved by us. Upon 90 days' notice to you and in one or several increments, we may increase the required minimum Local Marketing expenditures to 5% of Gross Revenues per month. Any amounts you contribute to a local or regional advertising group or cooperative will count toward your local advertising requirement. Cooperatives will include all Restaurants in a designated geographic area, whether owned by us, our affiliates or our franchisees. Each Restaurant has one vote in the cooperative, but no one commonly controlled group of Restaurants will have more than 50% of the total votes. This limit on voting power includes franchisor or affiliate outlets. No cooperatives have been established as of the date of this Disclosure Document.
5. We have established a mandatory technology bundle for the benefit of our franchisees, which includes POS, an intranet and learning management system, branded email and other technology to support the operations of the Restaurant. You must pay us the monthly Technology Fee and pay applicable Tech Vendor Fees to our approved technology vendors for these services. See Item 11 for more information on the technology system. We may increase the Technology Fee upon notice to you, but may do so only once annually.

6. The Daily Noncompliance Fee is currently \$100 per day that you remain out of compliance with the Franchise Agreement or any mandatory standard or procedure. The Daily Noncompliance Fee is payable via ACH, and we reserve the right to continue charging it until you cure any applicable default. The Daily Noncompliance Fee is in addition to, and not in lieu of, any rights we have under the Franchise Agreement (including termination for defaults as set forth in the Franchise Agreement) and is subject to change at any time.
7. The following is the rent structure for a Former Affiliate Restaurant: Rent which includes when due, all base rent, minimum rent, fixed rent, additional rent, and any and all other charges and amounts however called or termed required under the prime lease (as will be further set forth in the Sublease the parties will sign as part of the sale).

ITEM 7
ESTIMATED INITIAL INVESTMENT

Type of Expenditure	Amount (Low)	Amount (High)	Method of Payment	When Due	To Whom Payment is to be Made
Initial Franchise Fee ⁽¹⁾	\$50,000	\$50,000	Lump sum	Upon signing Franchise Agreement	Us
Rent and Security Deposit ⁽²⁾	\$20,000	\$60,000	As Incurred	As Incurred	Landlord
Leasehold Improvements ⁽³⁾	\$150,000	\$825,000	As Incurred	As Arranged	Contractors and other Third Parties
Furniture, Fixtures and Equipment ⁽⁴⁾	\$50,000	\$235,000	As Incurred	As Arranged	Approved Suppliers and other Third Parties
Travel and Living Expenses for Training ⁽⁵⁾	\$2,000	\$5,000	As Incurred	As Incurred	Airlines, Hotels, Restaurants, and other Third Parties
Initial Technology Expense ⁽⁶⁾	\$3,000	\$4,000	As Incurred	As Arranged	Approved Suppliers
Signage ⁽⁷⁾	\$5,000	\$20,000	As Arranged	Upon Delivery or as otherwise arranged	Approved Suppliers

Type of Expenditure	Amount (Low)	Amount (High)	Method of Payment	When Due	To Whom Payment is to be Made
Grand Opening Marketing ⁽⁸⁾	\$15,000	\$20,000	As Arranged	As Incurred	Media, Printer, Advisors, Employees
Professional Fees ⁽⁹⁾	\$3,000	\$10,000	As Arranged	As Incurred	Third Parties
Insurance ⁽¹⁰⁾	\$2,000	\$3,000	As Arranged	As Incurred	Insurance Company
Supplies ⁽¹¹⁾	\$2,000	\$10,000	As Incurred	As Incurred	Third Parties
Additional Funds (Initial 3 Months) ⁽¹²⁾	\$50,000	\$85,000	As Arranged	As Incurred	Third Parties
Total ⁽¹³⁾	\$352,000	\$1,327,000			

In general, none of the expenses listed in the above charts are refundable, except any security deposits you must make may be refundable. We do not finance any portion of your initial investment. If you are purchasing an existing company-operated Restaurant, the estimated initial investment (excluding the purchase price) will be lower than the applicable estimated initial investment detailed above since there will be no costs associated with initial building and site improvement and equipment and signage. You will, however, likely incur costs for business licenses, utility deposits, insurance, and, depending on the condition of the Restaurant and the equipment included in the purchase, you may incur additional costs in connection with, among other things, remodeling the Restaurant or repairs to the Restaurant. These costs will vary by city and by restaurant.

1. **Initial Franchise Fee.** The initial franchise fee is discussed in detail in Item 5.
2. **Rent/Security Deposit.** You will need approximately 1,500 to 3,000 square feet of space in an urban setting with high office density and strong foot traffic. Landlords may vary the base rental rate and charge rent based on a percentage of Gross Revenue. In addition to base rent, your lease may require you to pay common area maintenance charges (“CAM Charges”) for your pro rata share of the real estate taxes and insurance, and your pro rata share of other charges. Rent depends on many factors include size, geographic location, visibility, economic conditions and competitive market conditions. The actual amount you pay under the lease will vary depending on the size of the Restaurant, the types of charges that are allocated to tenants under the lease, your ability to negotiate with landlords (including any free rent for a limited number of months) and the prevailing rental rates in the geographic region. We are unable to estimate with any precision the costs of leasing or purchasing real estate because of the wide variation from region to region and between markets. Location is a major factor in the amount of rent required. You may want to contact a commercial real estate broker to discuss the costs associated with acquiring real estate in your area. Our estimate assumes that you will need to provide one to three months of rent as a security deposit to your landlord, and you may need to provide security deposits for your utilities (such as gas, water and/or electric).

3. ***Leasehold Improvements/Construction and Remodeling.*** This range does not include expects any tenant improvement allowance or credit (“TI”) that you and your business advisors may negotiate with the landlord of your Restaurant premises. Construction costs and TI allowances/credits can vary significantly from market to market and among local vendors and also depends on factors such as the condition of the premises, the financial condition of the tenant, and the length of the term of the lease. Our estimate includes licenses and permits you may need to open the Restaurant as well as labor costs and installation of certain features, including flooring and lighting and assumes your landlord provides adequate cooling, water and heating infrastructure.
4. ***Furniture, Fixtures and Equipment.*** The low end of the range assumes you are opening a second-generation restaurant space and that there is some existing equipment, including a cooler. The high end is based on a 3,000 square foot space that requires all new equipment, including the oven. You may choose to lease some or all of the furniture, fixtures and equipment for your Restaurant and that may reduce your up front costs of initial investment.
5. ***Training Travel Expenses.*** Our initial training program is included for up to four individuals attending the same initial training program. You are responsible for travel, accommodations and meals for your personnel attending initial training. The estimate is based on local accommodations and meals during initial training.
6. ***Initial Technology Expense.*** The POS computer system and related technology are described in Item 11.
7. ***Signage.*** These amounts represent your cost for interior and exterior signage, including logo. Your landlord or your local ordinances may have different restrictions it places on interior and exterior signage which may affect your costs.
8. ***Grand Opening Marketing.*** You must conduct a grand opening marketing campaign to promote the opening of your Restaurant and to generate sales. Your pre-sale marketing campaign should be conducted in the 60-day period before Grand Opening and continue after your Restaurant opens for a 30-day period.
9. ***Professional Fees.*** We strongly encourage you to engage the services of an attorney and/or an accountant to advise you regarding this franchise offering.
10. ***Insurance.*** These figures are estimates of the cost of three months of the annual premiums for the insurance you must obtain and maintain for your Restaurant, as described in Item 8. Insurance premiums may be payable monthly, quarterly, semi-annually or annually, based on the insurance company’s practices and your creditworthiness.
11. ***Supplies.*** The supplies you will need include various smallwares, inventory, [uniforms](#), office and miscellaneous supplies.

12. **Additional Funds.** You will need additional funds/working capital to support ongoing expenses, such as payroll and product inventory, for your first three months of operation. We estimate that the amount given will be sufficient to cover ongoing expenses for the initial start-up phase of the business, which we calculate to be approximately three months ~~or more~~. This is only an estimate, and additional working capital may be necessary during this initial start-up phase or after.
- ~~13. **Total.** We relied upon our affiliate's nineeight years of experience operating restaurants when preparing these figures. ~~However, these figures are merely estimates, and there is no assurance that additional working capital will not be necessary during this initial phase or after.~~ Your actual costs may vary greatly and will depend on factors such as the size and condition of the space of your Restaurant, your management skill, experience and business acumen; local economic conditions; the local market for the Restaurant's' ~~products and services~~; the prevailing wage rate; competition; and the sales level reached during the start-up phase. These amounts do not include any estimates for debt service.~~

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YOUR ESTIMATED INITIAL INVESTMENT DEVELOPER – DEVELOPMENT OF THREE RESTAURANTS

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment is to be Made
Development Fee ⁽¹⁾	\$80,000		On signing Area Development Agreement	Us
Expenditures for First Restaurant ⁽²⁾	\$302,000- \$1,277,000		See First Table	See First Table
Total	\$382,000- \$1,357,000			

None of the expenses listed in the above charts are refundable. We do not finance any portion of your initial investment.

Notes:

1. **Development Fee.** The development fee is discussed in Item 5. Our estimate assumes you will develop three Restaurants.

2. **Other Expenditures for First Restaurant.** These are the estimates to build-out your first Restaurant, including the \$50,000 initial franchise fee. You should be aware that your initial investment for your second and subsequent Restaurants likely will be higher than the above estimates for your first Restaurant due to inflation, increased labor costs, increased materials costs and other economic factors that may vary over time.

ITEM 8

RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

In order to ensure a uniform image and uniform quality of products and services throughout the GREEN + THE GRAIN system, you must maintain and comply with our quality standards. Although you are not required to purchase or lease real estate from us or our affiliates, we must accept the location of your Restaurant (see Item 11). You must construct and equip your Restaurant in accordance with our then current approved design, specifications and standards. In addition, it is your responsibility to ensure that your building plans comply with the Americans with Disabilities Act and all other federal, state and local laws. You also must use equipment (which includes hardware and software for a computerized record-keeping system), signage, fixtures, furnishings, products, supplies and marketing and sales promotion materials that meet our specifications and standards.

~~We reserve the right to designate a primary or single source of supply for certain products and supplies, and we or an affiliate may be that single source. For example, as~~As of the date of this Disclosure Document, you must purchase items like food products, POS system and hardware and other product and services from our designated approved third party vendor. Other than any required products where we designate one or more designated suppliers, (and we or an affiliate may be a designated supplier, including a single source), you have no obligation to purchase or lease products, goods, services, supplies, fixtures, equipment, inventory, computer hardware and software, real estate, or comparable items related to establishing or operating the Restaurant from us, our affiliates or designated third parties.

Approved Supplies and Suppliers

We provide you with a list of approved manufacturers, suppliers and distributors (“Approved Suppliers List”) and approved inventory products, food products, uniforms, fixtures, furniture, equipment, signs, stationery, supplies and other items or services necessary to operate the Restaurant (“Approved Supplies List”). The Approved Supplies List may identify the specific manufacturer or supplier of a specific product or piece of equipment.

Our Approved Supplies List also may include other specific products without reference to a particular manufacturer or supplier, or it may set forth the specifications and/or standards for other approved products. We may revise the Approved Suppliers List and Approved Supplies List. We give you the approved lists as we deem advisable. ~~We generally do not give these lists to approved suppliers.~~

Except for any products, supplies or materials for which we designate a single source approved supplier, if you wish to purchase products, supplies, materials or equipment from other suppliers not approved by us, you must submit to us a written request to approve the proposed supplier, together with any background documents or evidence we may require. We will have the right to require you to obtain permissions from the supplier to allow our representatives to inspect the supplier’s facilities and that you deliver samples from the supplier for evaluation and testing either to us or to an independent testing facility that we designate. To have an alternate supplier approved, you must first notify us in writing, submit sufficient specifications, samples and information, along with our then current fee (which is currently ~~\$400 per day~~) ~~for each person we provide for this determination plus reasonable~~

~~expenses~~2,000 plus costs). Our criteria for approving suppliers is confidential and is not available to franchisees. You may contract only with suppliers whom we have approved. We will notify you of our approval or disapproval within 60 days of our receiving all requested information. We may revoke our approval of a supplier at any time for any reason. Upon receipt of our revocation of approval, you must cease to use or sell any disapproved products and cease to purchase from any disapproved supplier.

Other than nominal interests in certain approved suppliers which are publicly traded companies or through investment funds, there is no supplier in which an officer of ours owns an interest.

You must deliver to us upon execution of the lease or purchase agreement for the Authorized Location, but before commencing construction of your Restaurant, and thereafter annually or at our request proper certificates evidencing the existence of required insurance coverage and your compliance with other insurance requirements. The insurance certificate must show our and our affiliates' status as an additional insured and provide that we will be given 30 days' prior written notice of material change in or termination or cancellation of the policy. The insurance policy or policies must be written in accordance with the standards and specifications (including minimum coverage amounts) set forth in writing by us from time to time. As of the date of this Disclosure Document, the insurance coverage standards are:

Required Insurance Coverages:

GENERAL LIABILITY INSURANCE

1. General Liability coverage, including Personal and Advertising Injury, of \$1,000,000 per occurrence
2. \$2,000,000 General Aggregate, per location
3. \$2,000,000 Products – Completed Operations coverage required
4. Damage to Premises Rented to You and/or Fire Damage Legal Liability of not less than \$300,000
5. Medical Payments must be included
6. Additional Insured, endorsement in the name of franchisor
7. A Waiver of Subrogation in favor of franchisor

AUTO LIABILITY INSURANCE

1. Hired and Non Owned Auto Liability coverage of \$1,000,000 CSL
2. Owned Auto Coverage included (as applicable) with a limit no less than \$1,000,000 CSL
3. Additional Insured endorsement in the name of franchisor
4. A Waiver of Subrogation in favor of franchisor

UMBRELLA LIABILITY INSURANCE

1. Minimum Umbrella Liability limit of \$1,000,000 per occurrence / \$1,000,000 aggregate for 1-4 locations
 - a. 5-9 owned locations requires \$2,000,000 umbrella liability
 - b. 10 – 19 owned locations requires \$3,000,000 umbrella liability

- c. 20+ owned locations requires \$5,000,000 umbrella liability
- 2. Additional Insured, in the name of franchisor
- 3. Waiver of Subrogation in favor of franchisor
- 4. Umbrella Liability must go over the General Liability and Auto Liability

PROPERTY INSURANCE

- 1. Business Income and Extra Expense coverage of at least twelve (12) months' income replacement
- 2. Business Personal Property and Tenant Improvements and Betterments at full replacement cost
- 3. Special Causes of Loss form required

WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE

- 1. Workers Compensation per state statutes
- 2. Employers Liability of at least \$1,000,000 each accident, \$1,000,000 each employee, \$1,000,000 policy limit
- 3. A Waiver of Subrogation in favor of franchisor

Recommended, but not required, Insurance Coverages:

EMPLOYMENT PRACTICES LIABILITY COVERAGE

- 1. 1-4 Locations: Minimum limit of \$1,000,000 per claim
 - o 5-9 locations requires \$2,000,000 limit
 - o 10-19 locations requires \$3,000,000 limit
 - o 20+ locations requires minimum of \$4,000,000 limit
 - Must include 1st & 3rd party coverage
 - Must include Wage and Hour Defense Sublimit of at least \$50,000
 - Must include joint employer co-defense language for franchisor

CYBER LIABILITY/DATA PRIVACY COVERAGE:

- 1. Minimum Limit of \$1,000,000 policy aggregate
- 2. Must include First and Third Party coverage
- 3. Must include Cyber Business Interruption

ADDITIONAL PROPERTY COVERAGE:

- 1. Spoilage coverage of no less than \$5,000 per location
- 2. Food Contamination coverage of no less than \$5,000 per location

If you do not procure and maintain the required insurance coverage (including any modifications referenced in the preceding sentence), we have the right, but not the obligation, to procure insurance coverage and to charge you with the actual costs ~~to you, together with a reasonable fee for the expenses~~ we incur in doing so. You must pay these amounts to us immediately upon written notice. ~~Although we require certain insurance coverage and have recommended other~~

~~coverages, we do not guarantee that the required or recommended insurance will be adequate to fully protect your assets. You should therefore consult with an insurance professional to determine what coverage, in addition to the minimum required coverage, may be needed for you and your Restaurant. We may from time to time~~ We may modify the required minimum limits and require additional insurance coverages by providing written notice to you, as conditions require, to reflect changes in relevant circumstances, industry standards, experiences in the GREEN + THE GRAIN system, standards of liability and higher damage awards. ~~Although we do not do so as of the date of this Disclosure Document, we~~ We reserve the right to designate a single source from which you must purchase or renew insurance.

We and our affiliates (including GATG Affiliate) reserve the right to receive rebates or other consideration from suppliers in connection with your purchase of goods, products and services as described in this Item 8, as well as in connection with any future purchase of any goods, products or services. Most of these payments are calculated on an amount based on products sold. We ~~will retain and use such payments as we deem appropriate or as required by the vendor. We~~ also may derive revenue from any items we or any affiliate sells directly to you by charging you more than our or the affiliate's cost. You will pay the then-current price in effect at the time for items you purchase from us or our affiliates.

As we just started franchising in April 2024, neither we nor any affiliate derived any revenue from franchisee purchases prior to ~~April~~ December 31, 2024.

We estimate that your required purchases and leases in compliance with the above specifications of goods, services, supplies, fixtures, equipment, inventory, computer hardware and software, real estate and comparable items will represent 90 to 95% of your overall purchases and leases in establishing the Restaurant and 50 to 60% operating the Restaurant.

We may negotiate prices for numerous products for the benefit of the System but not on behalf of individual franchisees. Currently, there is no purchasing or distribution cooperative but we reserve the right to create a cooperative and require you to participate. We may receive volume discounts for the System from some third party approved suppliers, which we may pass through to our franchisees. Beyond these discounts, we do not provide material benefits to you because of your use of approved suppliers.

ITEM 9 FRANCHISEE'S OBLIGATIONS

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

	Obligation	Section in Agreement*	Item in Disclosure Document
a.	Site selection and acquisition/lease	Sections 2A, 2B and 5A; Section 4 of the Development Agreement	Items 7 and 11
b.	Pre-opening	Sections 5A, 6A-6E	Items 6, 7 and 8

	Obligation	Section in Agreement*	Item in Disclosure Document
	purchases/leases		
c.	Site development and other pre-opening requirements	Sections 5A and 5B; Sections 2 and 4 of the Development Agreement	Items 7, 8 and 11
d.	Initial and ongoing training	Sections 7A-7C and 7E; Section 6 of the Development Agreement	Items 6 and 11
e.	Opening	Sections 2C and 5A; Section 4 of the Development Agreement	Item 11
f.	Fees	Sections 9A-9D; Section 3 of the Development Agreement	Items 5, 6 and 7
g.	Compliance with standards and policies/Operations Manual	Sections 6A-6P; Sections 4 and 6A of the Development Agreement	Items 6, 7, 8, 11, 14 and 16
h.	Trademarks and proprietary information	Sections 3A-3E, 6J, and 6Q; Section 6B of the Development Agreement	Items 13 and 14
i.	Restrictions on products/services offered	Sections 2D, 2E, 6A-6C, 6E, 6K and 6L	Items 6, 7, 8, 11, and 16
j.	Warranty and customer services requirements	Section 6G, 6M	Items 6 and 8
k.	Territorial development and sales quotas	Sections 2A, 2B, and 2D; Section 4 of the Development Agreement; Appendix B of the Development Agreement	Item 12
l.	Ongoing product/service purchases	Sections 6A-6E	Items 6, 7 and 8
m.	Maintenance, appearance and remodeling requirements	Sections 5C-5F	Items 8 and 11
n.	Insurance	Section 10C	Items 6, 7 and 8
o.	Advertising	Sections 8A-8H and 9D	Items 6, 7 and 11
p.	Indemnification	Section 10B	Not Applicable
q.	Owner's participation/management/staffing	Sections 7A-7E;	Items 11 and 15
r.	Records/reports	Sections 9E, 9H and 9I	Item 11
s.	Inspections/audits	Sections 5A-5C, 6G and 9I	Items 6 and 11
t.	Transfer	Sections 11A-11H; Section 9 of the Development Agreement	Items 6 and 17
u.	Renewal	Section 4B	Items 6 and 17
v.	Post-termination obligations	Sections 14A-C; Sections 8A-G of the Development Agreement	Item 17
w.	Non-competition covenants	Section 10D	Item 17

	Obligation	Section in Agreement*	Item in Disclosure Document
x.	Dispute resolution	Section 12; Section 10N of the Development Agreement	Item 17
y.	Other	Not Applicable	Not Applicable

* Unless otherwise noted, Section references are to the Franchise Agreement.

ITEM 10 FINANCING

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

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

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

Pre-Opening Obligations

Development Agreement: Under the Development Agreement, we will grant you rights to a Development Area within which you will establish and operate multiple Restaurants under separate Franchise Agreements. (Development Agreement – Section 2.A.)

Franchise Agreement: Before you open your Restaurant, we will:

1. Consult with you on the location for your Restaurant, which must be accepted by us. Your site must meet our criteria for population and/or median income in the surrounding area, size and cost of the location that you select and other similar factors, including our business judgment. We may reject your proposed location. ~~Our acceptance only means that the site meets our minimum requirements for a Restaurant~~ (Franchise Agreement – Section 5.A).

2. Consult with you regarding the build-out for the interior of your Restaurant or interior leasehold improvements and floor plan design. We will provide you with our specifications and requirements based on typical configurations for the layout of the business, including lists and specifications of approved fixtures, equipment and signs needed to outfit and furnish your Restaurant in accordance with our uniform image and standards (Franchise Agreement – Section 5.B).

3. Lend you one copy of the Manual (Franchise Agreement – Section 6.H). We will provide the Manual electronically.

4. Train up to four people, the cost of which is included in your initial franchise fee (Franchise Agreement – Section 7.B). This training is described in detail later in this Item.

5. Provide one of our representatives to conduct on-site grand opening assistance and training at your Restaurant for up to five days. We will provide this opening assistance and training at

our expense, but if you request additional days of on-site assistance, you must reimburse our costs for the additional days, including our per diem fee for our representative and the additional out-of-pocket expenses our representative incurs. If you are opening your second or later Restaurant, we reserve the right to reduce the duration of or eliminate our representative's visit (Franchise Agreement – Section 7.B and 8.B).

Post-Opening Obligations

Development Agreement: Under the Development Agreement:

1. We will review the information regarding potential sites that you provide to us to determine whether the sites meet our standards and criteria for a Restaurant and, if the site meets our criteria, ~~accept~~approve the site for a Restaurant. (Area Development Agreement – Section 4.B.)
2. We will provide you with standard specifications and layouts for building and furnishing the Restaurant. (Area Development Agreement – Section 4.B.)
3. We will review your site plan and final build-out plans and specifications for conformity to our standards and specifications. (Area Development Agreement – Section 4.B.)

Franchise Agreement: During the operation of your Restaurant, we will:

1. Provide guidance and assistance in the operation of your Restaurant. This guidance may be provided in the form of periodic in-person meetings and telephone or written communications and will cover topics such as products or services to be offered to customers; improvements and developments in your Restaurant; (Franchise Agreement – Section 7.C).
2. Maintain a Brand Fund (Franchise Agreement – Section 8.A).
3. Provide periodic refresher training. We may designate that attendance at a refresher training program is mandatory for your Operating Principal, General Manager and/or other personnel (Franchise Agreement – Section 7.C).
4. Conduct a meeting of our franchisees, which will not be held more frequently than annually. We may specify that attendance at a franchisee meeting is mandatory for your Operating Principal and your General Manager (Franchise Agreement – Section 7.E).

Site Selection

Within ~~90 days~~six months after you sign the Franchise Agreement, you must locate a site for your Restaurant, obtain our ~~acceptance~~approval of the proposed site, and enter into a lease, sublease or purchase agreement for the approved site. We may require you to use our approved real estate vendor to assist you in the search of your site. We will designate a general area in which you select a site for our approval. You must submit to us the information and materials we may ~~reasonably~~ require to allow us to review the proposed site. We generally do not own the premises and lease it to you. The factors which we consider in ~~accepting~~approving your ~~location~~site include the size and location of the

premises, population in the immediate area and/or median household income, the lease terms for the premises, availability of parking and ease of access, types of businesses in close proximity to the premises, competition from similar businesses and other similar factors.

We will have 30 days after receiving all information we require concerning the proposed site to notify you whether the site is ~~accepted~~approved or not.

~~If we do not provide our specific acceptance of a location within 30 days, the location is deemed not accepted. Our acceptance only indicates that the site meets our minimum criteria for a Restaurant. If you are unable to obtain possession of a suitable~~If you and we cannot agree on a site for your Restaurant ~~by lease, sublease or purchase agreement~~ within six months after you sign the Franchise Agreement, we may provide you with an extension of this timeframe or we may terminate your Franchise Agreement.

Opening

~~We estimate that approximately six to twelve months will elapse~~The typical length of time from the date you sign the Franchise Agreement to the opening of your Restaurant will be approximately six to twelve months. Factors which may affect the time required to open the Restaurant include your ability to obtain building permits, zoning and local ordinances, weather conditions, shortages, or delayed installation of equipment, fixtures and signs. We may require you to use our approved vendor for pre-construction/construction management while designing and building your Restaurant. We do not provide assistance with equipment, signs, fixtures, opening inventory or supplies except by providing a list of approved suppliers and through our written brand design specifications. We do not deliver or install these items. Your Restaurant must be open not later than twelve months after you sign the Franchise Agreement. If you are unable to open your Restaurant within the required time period, we may terminate the Franchise Agreement upon 30 days' prior written notice to you, unless Restaurant is scheduled to be open within this 30 day period or we grant you an extension in writing upon payment of an extension fee. You may not open your Restaurant until we have approved it as being ready to open.

You may not open your Restaurant until: (1) you have complied with all requirements regarding site selection and construction of the Restaurant (2) we determine that your Restaurant has been constructed, decorated, furnished, equipped and stocked with equipment, materials and supplies in accordance with plans and specifications we have approved; (3) the initial training program we provided has been completed to our satisfaction by all required persons; (4) the initial franchise fee and all other amounts due to us have been paid; (5) you have furnished us with all certificates of insurance required by the Franchise Agreement; (6) you have obtained all required governmental permits, licenses and authorizations necessary for the operation of your Restaurant; and (7) you are in full compliance with all the terms of the Franchise Agreement.

If you are a multi-unit developer, you must sign your first Franchise Agreement at the same time you sign the Development Agreement. The typical length of time between the signing of the Franchise Agreement and the opening of your first Restaurant is the same as for an individual franchisee. Each additional Restaurant you develop must be opened according to the terms of your Development Schedule.

Brand Fund

You must pay us a monthly Brand Fund Fee equal to 3% of Gross Revenues to be contributed to the Brand Fund ("Brand Fund") for marketing, promotion and brand development programs to promote the System. ~~We may, on 6 months' prior written notice to you and in one or more increments, increase the Brand Fund Fee to up to 6%. However, your total payments of the Brand Fund Fee and the local marketing requirements will not exceed a total of 8% of Gross Revenues.~~ GREEN + THE GRAIN Restaurants owned by us and our affiliates will contribute to the Brand Fund. Initially, our affiliate-owned Restaurants will match the amount of contributions by franchisees up to the same percentage of Gross Revenues and then will contribute on the same basis as franchisees. As of the date of this Disclosure Document, we have not collected or spent any Brand Fund amounts.

We may use the Brand Fund for activities to support the marketing and promotion of GREEN + THE GRAIN locations, including: providing creative development services ~~(including graphic design for marketing collateral)~~; updating and hosting a website; development and maintenance of software used by franchisees ~~(including class registration and billing software)~~, social media support; ~~subscription fees and set-up expenses for design and learning platforms~~; the cost of music licensing; the expenses of franchise system-wide meetings; providing market intelligence through analytics to the franchise system; ~~conducting member interviews, focus groups and surveys~~; conducting promotions; engaging advertising and marketing agencies and public relations firms; and any other expenses for developing and promoting the brand or System. We may be reimbursed for reasonable administrative costs, salaries and overhead incurred in administering or providing services to the Brand Fund.

The Brand Fund Fees paid will be accounted for separately from our other funds. Any sums paid to the Fund that are not spent in the year they are collected will be carried over to the following year. We need not spend all amounts we collect for this advertising in the same year collected. If the amount collected exceeds what is needed to pay for currently planned advertising, marketing and technology, we may accrue the excess amounts for use in future years. We will provide you with an unaudited accounting of how we used payments in the last fiscal year upon your request.

The Brand Fund is intended to maximize general public recognition, in all media, of the Marks and patronage of GREEN + THE GRAIN Restaurants and we have no obligation to make sure that expenditures of the Fund in or affecting any geographic area are proportionate or equivalent to payments of the Brand Fund Fee by franchisees operating in that geographic area, or that any Store Restaurant will benefit directly or in proportion to the Brand Fund Fees paid for the development of advertising and marketing materials or the placement of advertising. ~~Your failure to derive this benefit will not serve as a basis for a reduction or elimination of your obligation to contribute to the Fund. We have no fiduciary obligation to you or any other Restaurant in connection with the establishment of the Fund or the collection, control or administration of Brand Fund Fees.~~ No amount of the Fund will be spent for advertising that is principally a solicitation for the sale of franchises, provided although our general marketing materials may reference franchise sales available.

~~We reserve the right to terminate the Fund at any time upon notice to you. If we terminate the Fund, any remaining money in the Fund will be used for advertising and promotion or returned to contributors on a pro rata basis. If we terminate the Fund we may reinstate it at any time, and any reinstated Fund will be maintained as described above.~~

Local Marketing

You must spend a minimum of 3% of Gross Revenues per month on approved local marketing activities in accordance with the Manual (currently, 3%). Upon 90 days' notice to you and in one or several increments, we may increase the required minimum Local Marketing expenditures to 5% of Gross Revenues per month. Within 30 days of our request, you shall provide us with verification of the local marketing you conduct, including reports and receipts evidencing the placement of ads or verification copies of advertising.

We will provide you with pre-approved marketing templates that you can have personalized for your Restaurant. You must use only such marketing materials (including any print, radio, television, electronic, or other media forms that may become available in the future) as we furnish, approve or make available, and the materials must be used only in a manner that we prescribe. Furthermore, any promotional activities you conduct in or related to the Restaurant or on its premises are subject to our approval. You must submit all advertising and promotional materials to us prior to your use. If we do not respond within 14 days after you submit the proposed advertising materials to us, the advertising materials will be deemed not approved. We will not ~~unreasonably~~ withhold approval of any sales promotion materials or media and activities; provided that they are current, in good condition, in good taste, accurately depict the Marks and otherwise comply with brand standards. Any materials you submit to us for our review will become our property, and there will be no restriction on our use or distribution of these materials. At our request, you must include certain language in your local marketing materials, including "Franchises Available" and our website address and other contact information we may specify.

Grand Opening Marketing

You must spend no less than \$15,000 to conduct a grand opening celebration during the 60-day period prior to opening and during the first 30 days after your Restaurant opens. You must follow our prescribed activities to conduct your grand opening activities.

Cooperative Marketing/Local Marketing Groups

We may designate any geographic area in which two or more restaurants are located as a region for purposes of establishing a marketing cooperative or group ("Cooperative" or "Group"). The members of the Cooperative or Group for any area will consist of all GREEN + THE GRAIN ~~Stores~~ Restaurants whether operated by us, our affiliates or our franchisees. We have the right to dissolve, merge or change the structure of the Cooperatives or Groups. Each Cooperative or Group will be organized for the exclusive purposes of administering marketing programs and developing promotional materials for use by the members in local marketing, subject to our approval as described above. If a Cooperative or Group has been established for a geographic area where your Restaurant is located when the Franchise Agreement is signed, or if any Cooperative or Group is established during the term of the Franchise Agreement, you must become a member. If the Cooperative or Group will operate according to written documents, we must approve of these documents, and a copy of the documents applicable to the geographic area in which your Restaurant will be located will be provided to you if you request it. You will not have to participate in more than one Cooperative or Group.

The payments you make to a Cooperative or Group may be applied by you toward satisfaction of your local advertising requirement. If the amount you contribute is less than your local advertising requirement, you must still spend the difference locally. All contributions will be maintained and administered in accordance with the documents governing the Cooperative or Group, if any. Currently, there are no Cooperatives or Groups in the System. The Cooperative or Group is not required to prepare an annual financial statement.

Advisory Council

There are presently no advisory councils composed of franchisees and/or our representatives, but there may be these councils in the future. If we decide to form an advisory council, it will include our representatives and franchisee representatives. We will select the franchisee members of the council based, in part, on their length of time in the System and the performance of their Restaurants. If formed, we reserve the right to merge, change or dissolve the council. The council will be advisory only and will not have decision-making authority. We do not anticipate establishing an advisory council until there are at least 10 franchisees in our System.

Website, Intranet and Social Media

We alone may establish, maintain, modify or discontinue all internet, world wide web and electronic commerce activities pertaining to the System. ~~We may establish one or more websites accessible through one or more uniform resource locators (“URLs”) and, if we do, we may design and provide for the benefit of your Restaurant a “click-through” subpage at our website for the promotion of your Restaurant. If we establish one or more websites or other modes of electronic commerce and if we provide a “click-through” subpage at the website(s) for the promotion of your Restaurant, you must routinely provide us with updated copy, photographs and news stories about your Restaurant suitable for posting on your “click-through” subpage. We reserve the right to specify the content, frequency and procedure you must follow for updating your “click-through” subpage.~~

~~In addition to these activities, we~~ We may also establish an intranet through which downloads of operations and marketing materials, exchanges of franchisee email, System discussion forums and System-wide communications (among other activities) can be done. You may not maintain your own website; otherwise maintain a presence or advertise on the internet or any other mode of electronic commerce in connection with your Restaurant; ~~establish a link to any website we establish at or from any other website or page; or at any time establish any other website, electronic commerce presence or URL which in whole or in part incorporates the “GREEN + THE GRAIN” name or any name confusingly similar to the Marks.~~

~~You are not permitted to promote your Restaurant or use any of the Marks in any manner on any social or networking websites, such as Facebook, Instagram, LinkedIn or Twitter, without our prior written consent. We will control all social media initiatives. You must comply with our System standards regarding the use of social media in the operation of your Restaurant, including prohibitions on you and your employees posting or blogging comments about the Restaurant or the System, other than on a website established and authorized by us (“social media” includes personal blogs, common social networks like Facebook, Instagram and Snapchat, professional networks like LinkedIn, live-blogging tools like Twitter, virtual worlds, file, audio and video-sharing sites, and other similar social~~

~~networking or media sites or tools). We will provide access to branded social media pages/handles/assets, and you must update these regularly. We reserve the right to conduct collective/national campaigns via local social media on your behalf.~~

~~We alone will be, and at all times will remain, the sole owner of the copyrights to all material which appears on any website we establish and maintain, including any and all material you may furnish to us for your “click-through” subpage.~~

Initial Training Program

~~Our training is created to provide guidance to you, as well as your managers and key personnel responsible for delivering the brand promise to customers, on Green + The Grain System Standards and processes to ensure consistent, quality delivery of the Green + The Grain brand and approved products and services to customers.~~ You must attend and complete our ~~then-current~~ training requirements as described below and in our Operations Manual. As of the date of this Disclosure Document, our current initial training program consists of virtual and in person components, including various virtual and online modules, five days of in person training at our Minneapolis, Minnesota affiliate locations (“GREEN + THE GRAIN University”) and five to ten days of in person training at your Restaurant in connection with your opening. You will generally attend GREEN + THE GRAIN University ~~60~~30 to 90 days before your opening and you must complete all initial training before opening.

All franchisees and their Operating Principals (including any successor or replacement Operating Principal or general manager) must attend and satisfactorily complete our training programs. The cost of providing our initial training program, including up to four trainees (including you) attending the same in person training session is included in the initial franchise fee, but you must pay all expenses you and your trainees incur while attending our initial training program, including travel, lodging, meals and applicable wages. We may provide our training program to multiple franchisees and their trainees at the same session. If you wish to send additional trainees to our initial training program, you must pay our then-current training fee.

If any trainee fails to complete the training program to our satisfaction, we will give that trainee the opportunity to re-take the training program, or you may designate a new Operating Principal or General Manager to re-take the training program. We reserve the right to require you to pay our then-current training fee for any trainee re-taking our training program. If any trainee fails to complete the training program a second time, we may choose to terminate the Franchise Agreement without providing you a refund of any portion of the initial franchise fee or training fee.

The instructional materials we use in our training program include our Manual, handouts, and any other materials that we believe will be beneficial in the training process. There currently are no fixed training schedules. We will offer our training program on an “as needed” basis. We may adjust our training schedule based on the individual needs or experience of any trainee.

The initial training program consists of the following:

TRAINING PROGRAM

Subject	Hours of Classroom Training	Hours of On-the-Job Training	Location
Onboarding + Orientation (prework)	3 <u>5-10</u>	--	Virtual
Introductions and Green + The Grain Culture	2	2	Minneapolis, MN area / Virtual
Marketing and Brand Guidelines	2	2	Minneapolis, MN area / Virtual
Staffing Best Practices	2	2 <u>1</u>	Minneapolis, MN area / Virtual
Systems, Technology and Reporting	2	2 <u>5-10</u>	Minneapolis, MN area / Virtual
Supply Chain	2	2 <u>2-5</u>	Minneapolis, MN area / Virtual
Operations	2	80 <u>80-100</u>	Minneapolis, MN area / Your Restaurant / Virtual
PROGRAM TOTAL: <u>110 – 144</u>	15 <u>17-22</u>	90 <u>93-120</u>	

Our training is overseen by Tiffany Hauser and Justine Morris who both have over ~~9~~10 years of experience operating the GREEN + THE GRAIN business. We reserve the right to use our Affiliate's other employees to assist in providing certain portions of our training program. Each of our trainers will have at least one year of experience relevant to the subject taught, and at least one year of experience with us or our affiliate.

In addition to the on-site opening training and assistance included in the initial training program, we may provide additional opening assistance and training. If you request additional days of on-site assistance you must reimburse our costs for the additional days, including our per diem fee for our representative and the additional out-of-pocket expenses our representative incurs. If you are opening your second or later Restaurant, we reserve the right to reduce or eliminate our representative's visit.

At your request or if we determine it is necessary, and subject to the availability of our representatives, we will provide you with additional assistance and/or training on-site at your Restaurant. You must pay our then-current per diem fee for each representative we send to you, and you must reimburse each representative's expenses, including travel, lodging and meals.

We may periodically conduct a conference, convention, program, or training session, including, an annual franchise convention for all System franchise owners at a location that we choose and approve. We will determine the duration, curriculum, and location of these events. You and your Operating Partner must attend each conference, convention, program, or training session. We may also require all of your managers, including replacement managers, to complete initial and on-going training programs to our satisfaction. These meetings may be held in virtually, in Minneapolis, Minnesota, or any other place that we may designate. We do not anticipate any training or conference will exceed three days. Lastly, as a condition of renewing your Franchise Agreement, we may require you to undergo further training. We may charge a ~~reasonable~~ fee for these sessions and you must pay all expenses incurred in attending, including the travel, living and other expenses and wages of your employees while attending all training programs. You must also maintain a computer and any other necessary digital device on which you and your employees can perform those training programs that are available digitally.

Table of Contents of Confidential Operations Manual

The Table of Contents for our Manual is attached to this Disclosure Document as Exhibit F. The Manual includes approximately 130 pages. We will provide the Manual electronically through an online platform.

Technology System

You must install and use in your Restaurant the computer network system (the “Technology System,” which also includes the required point of sale (“POS”) hardware and technology that is included as part of the Technology System) that we have developed or selected for your Restaurant, including all future updates, supplements and modifications. Our specific requirements for the technology system will be included in the Manual. We expect the cost of purchasing the system will be \$3,000 to \$4000, which includes the POS hardware, a computer and related accessories, cameras and music system and speakers. You may be required to license proprietary software from us, an affiliate or a third party and you also may be required to pay a software licensing or user fee in connection with your use of the proprietary software. ~~All right, title and interest in the software will remain with the licensor of the software. You must not use or download any software on your computer unless it has been authorized by us in writing. In the event that you use or download any unauthorized software, you will be liable for all damages and problems caused by the unauthorized software.~~ We will have full and complete access to the information and data entered and produced by the Technology System.

We may, during the term of your Franchise Agreement, require you to update and/or upgrade your computer system. There are no contractual limitations on our access to your data or on our right to request that you obtain these updates and/or upgrades, nor are there any limitations on the cost of these updates and/or upgrades. Neither we nor our affiliates will provide you with any maintenance, updates or upgrades for your Technology System. The estimated annual cost of maintenance, updating, upgrading or support contracts for the computer system is \$500 to \$2500. It is your responsibility to make sure that you are in compliance with all laws that are applicable to the Technology System or other technology used in the operation of your Restaurant, including all data protection or security laws as well as PCI compliance.

ITEM 12 **TERRITORY**

Franchise Agreement

The Franchise Agreement grants you the right to operate your Restaurant only at the location we approve (“Authorized Location”). You will not receive an exclusive territory. You may face competition from other franchisees, from outlets we own, or from other channels of distribution or competitive brands that we control. However, we will grant you a protected area, which will be described in an exhibit to your Franchise Agreement (“Designated Area”). The Designated Area initially identified in the Franchise Agreement may be preliminary and subject to change once you and we have agreed on a specific Authorized Location. Your Designated Area may be as large as a several mile radius or as small as a single city block. Your Designated Area may be described in terms of street boundaries or may be drawn on a map to be attached to your Franchise Agreement. We (and any affiliates that we periodically might have) will not establish, nor allow another franchise owner to establish, another Restaurant located in your Designated Area. There are no circumstances under which we can modify the boundaries of your Designated Area during the term of your Franchise Agreement.

We retain all rights that are not expressly granted to you under the Franchise Agreement. Further, we and our affiliates may, among other things, on any terms and conditions we deem advisable, without compensation to any franchisee, and without granting you any rights therein:

(i) establish and/or license others to establish franchised or company-owned or affiliate-owned GREEN + THE GRAIN businesses at any location outside of your Designated Area, regardless of the proximity of such businesses to your Designated Area;

(ii) merge with, acquire or become associated with (“Merger/Acquisition Activity”) any businesses of any kind (including those in competition with GREEN + THE GRAIN businesses under other systems and/or marks, which businesses may convert to or operate under the Marks and may offer or sell products or services that are the same as or similar to the services or products offered at or from the Restaurant, and which may be located anywhere;

(iii) sell and distribute for ourselves and/or license others to sell and distribute through restaurants or any other method of distribution services and products the same as or different from the services or products offered under the System, and which are offered and distributed under marks different than the GREEN + THE GRAIN Marks,

(iv) offer, sell or distribute any services or products associated with the System (now or in the future) or identified by the GREEN + THE GRAIN Marks, or any other trademarks, service marks or trade names through any distribution channels or methods (“Alternative Channels of Distribution”) separate from Restaurants like the one you are authorized to operate at your Authorized Location. The Alternative Channels of Distribution may include, without limitation, the Internet (or any other existing or future form of electronic commerce) or grocery stores or other stores where food items are sold; and

(v) develop or franchise nontraditional sites (“Nontraditional Locations”) which include, but are not limited to, the following locations regardless of their proximity to your Restaurant: (1) military bases; (2) public transportation facilities (including airports); (3) business or industry locations (e.g. manufacturing site, corporate cafeteria, healthcare facility), (4) sports facilities; (5) student unions or other similar buildings on college or university campuses; and (6) community and special events.

You may relocate your Restaurant within your Designated Area only with our prior written approval and payment of our relocation fee. Our approval will be based upon many factors, including the viability of the then-current location and demographics. ~~Our approval will not be unreasonably withheld.~~

You may sell products and services to customers who live anywhere but who choose to use your Restaurant. You may not use Alternative Channels of Distribution to make sales outside or inside your Designated Area ~~and you will not receive any compensation for our sales through alternative distribution channels. You may not engage in any promotional activities or sell our proprietary products or similar products or services, whether directly or indirectly,~~ through or on the internet, the world wide web, or any other similar proprietary or common carrier electronic delivery system; through catalogs or other mail order devices sent or directed to customers or prospective customers located anywhere; or by telecopy or other telephonic or electronic communications, including toll-free numbers, directed to or received from customers or prospective customers located anywhere. While you may place advertisements in printed media or online and on television and radio that are targeted to customers and prospective customers located within your Designated Area, and you will not be deemed to be in violation of the Franchise Agreement if those advertisements, because of the natural circulation of the printed media or reach of television and radio, are viewed by prospective customers outside of your Designated Area, you may not directly solicit customers outside of your Designated Area. You have no options, rights of first refusal, or similar rights to acquire additional franchises. You may not sell products to any business or other customer at wholesale.

~~We have not established other franchises or company-owned outlets or another distribution channel selling or leasing similar products or services under a different trademark. We describe earlier in this Item 12 what we may do within and outside of your Designated Area.~~

~~Except for any other franchise program that we may develop in the future, n~~Neither we nor any parent or affiliate has established, or presently intends to establish, other franchised or company-owned businesses which provide similar products or services under a different trade name or trademark, but we reserve the right to do so in the future, without first obtaining your consent.

Development Agreement

If you enter into a Development Agreement, you will receive a Development Area within which you will have certain rights to develop multiple Restaurants. The size of the Development Area will depend on the number of Restaurants you commit to develop and may be described in terms of contiguous zip codes, street or county boundaries, or other similar methods, and may be depicted on a map. If you meet the Minimum Performance Schedule, comply with all other provisions described in the Development Agreement and otherwise comply with the provisions of each related Franchise Agreement, we will not establish or license others to establish a Restaurant physically located within the Development Area assigned to you. You maintain your rights to your Development Area even if the population increases.

Except as expressly limited by the Development Agreement, we retain all rights that are not expressly granted to you under the Development Agreement or any Franchise Agreement that is in effect for a Restaurant in the Development Area. Further, we or our affiliates may, among other things, on any terms and conditions we deem advisable, without compensation to any franchisee, and without granting you any rights therein:

(i) establish and/or license others to establish franchised or company-owned or affiliate-owned GREEN + THE GRAIN businesses at any location outside of your Development Area, regardless of the proximity of such businesses to your Development Area;

(ii) merge with, acquire or become associated with (“Merger/Acquisition Activity”) any businesses of any kind (including those in competition with GREEN + THE GRAIN businesses) under other systems and/or marks, which businesses may convert to or operate under the Marks and may offer or sell products or services that are the same as or similar to the products or services offered at or from the Restaurants, and which may be located anywhere;

(iii) sell or distribute for ourselves and/or license others to sell or distribute through restaurants or any other method of distribution products and services the same as or different from the services or products offered under the System, and which are offered and distributed under marks different than the Marks;

(iv) offer, sell or distribute any services or products associated with the System (now or in the future) or identified by the GREEN + THE GRAIN Trademarks, or any other trademarks, service marks or trade names through any distribution channels or methods (“Alternative Channels of Distribution”) separate from Restaurants like the one you are authorized to operate under this Agreement. The Alternative Channels of Distribution may include, without limitation, the Internet (or any other existing or future form of electronic commerce), or grocery stores or other stores where food items are sold; and

(v) develop or franchise Nontraditional Locations.

To maintain your rights under the Development Agreement you must have open and in operation the cumulative number of ~~Stores~~Restaurants stated on the Development Schedule by the dates agreed upon in the Development Schedule. Failure to do so will be grounds for either a loss of territorial exclusivity or a termination of the Development Agreement.

In addition, upon the expiration or termination of the Development Agreement, your rights under the Development Agreement with respect to the Development Area will have expired, and we and our affiliates will have the right to operate and to grant to others development rights and franchises to develop and operate Restaurants within the Development Area. This right will be subject only to any territorial rights under your franchise agreements for Restaurants in the Development Area. The Development Area may not be altered unless we and you mutually agree to do so. ~~It will not be affected by your sales volume.~~ You are not granted any other option, right of first refusal or similar right to acquire additional Restaurants in your Development Area under the Development Agreement; ~~except as described above.~~

ITEM 13
TRADEMARKS

~~The Franchise Agreement grants you the right to use certain trademarks, trade names, service marks, symbols, emblems, logos and indicia of origin designated by us. These Marks may be used only in the manner we authorize and only for the operation of your Restaurant. The Development Agreement does not grant you the right to use the Marks.~~

~~You may not use the Marks as a part of your corporate or other legal name, and you must comply with our instructions in filing and maintaining trade name or fictitious name registrations. You must sign any documents we require to protect the Marks or to maintain their continued validity and enforceability. In addition, you may not directly or indirectly contest the validity of our ownership of or our rights in and to the Marks.~~

GATG Affiliate has registered for the following Marks on the Principal Register with the United States Patent and Trademark Office (“USPTO”):

Mark	Registration Date	Registration Number
GREEN + THE GRAIN	August 11, 2020	6121648
	August 11, 2020	6121649
	August 11, 2020	6121650

There are no currently effective determinations of the USPTO, Trademark Trial and Appeal Board, the Trademark Administrator of this state or any court, nor is there any pending infringement, opposition, or cancellation proceeding, nor any pending material litigation involving the Marks which may be relevant to their use in any state, except as described below in this Item 13. GATG Affiliate intends to file all affidavits and to renew the registrations for the Marks when they become due.

There are no agreements currently in effect which limit our right to use or to franchise others to use the Marks, except for:

- Trademark License Agreement between us and GATG Affiliate dated April 20, 2024. The Trademark License Agreement between us and GATG Affiliate grants us a sublicensable and transferrable license to use the Marks in connection with the franchise for an initial term of 20 years with automatic 10-year renewals at our option. The agreement may only be terminated for material breach or by mutual consent. In the event of termination or expiration of the Trademark License Agreement for any reason, franchisees will retain the right to continue to

use the Marks pursuant to the terms of their respective agreements for not less than the then-remaining term of such agreement.

- The Concurrent Use Agreement between GATG Affiliate and Greens & Grains, LLC (“GG”), a California company based in Alameda, CA (“Concurrent Use Agreement”), dated August 19, 2019. The Concurrent Use Agreement includes the following terms: (i) GG’s use of its GREENS & GRAINS mark will be limited to California; (ii) GATG Affiliate will not use the Marks noted in this Item 13 in California, and (iii) the parties will work together to eliminate or minimize any confusion that arises.

We are not aware of any superior prior rights that could materially affect your use of the Marks in any state other than California as noted above. Also, in New Jersey we are aware of a “Greens and Grains” restaurant business that has several locations in New Jersey and one location in Philadelphia, with use and/or rights that may or may not be superior to our rights in those areas.

You must promptly notify us of any suspected unauthorized use of the Marks, any challenge to the validity of the Marks, or any challenge to our ownership of, our right to use and to franchise others to use, or your right to use, the Marks. We have the sole right to direct and control any administrative proceeding or litigation involving the Marks, including any settlement. We have the right, but not the obligation, to take action against uses by others that may constitute infringement of the Marks. We may defend you against any third-party claim, suit or demand arising out of your use of the Marks. If we determine that you have used the Marks in accordance with your Franchise Agreement, the cost of the defense, including the cost of any judgment or settlement, will be borne by us. If we determine that you have not used the Marks in accordance with your Franchise Agreement, the cost of the defense, including the cost of any judgment or settlement, will be yours. ~~In the event of any litigation relating to your use of the Marks, you must sign any and all documents and do the acts as may, in our opinion, be necessary to carry out the defense or prosecution, including becoming a nominal party to any legal action.~~ Except if this litigation is the result of your use of the Marks in a manner inconsistent with the terms of your Franchise Agreement, we will reimburse you for your out-of-pocket costs in doing these acts.

We reserve the right to substitute different Marks for use in identifying the System and the businesses operating under the Marks. You must implement any changed or substituted Mark at your own expense.

ITEM 14

PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

We and our affiliates own common law copyrights in the Manuals, our recipe books, certain drawings and advertising materials, and we will make these available to you. These materials are our proprietary property and must be returned to us upon expiration or termination of the Franchise Agreement.

There are no currently effective determinations of the USPTO, US Copyright Office, or any court concerning any copyright. You must promptly tell us when you learn about unauthorized use of this proprietary and confidential information. We are not obligated to take any action, but will respond to this information as we think appropriate.

No patents are material to the franchise. ~~It if becomes advisable to us at any time to acquire a patent, you will be obligated to use the acquired patent as we may require.~~

Confidential Manuals

You must operate your Restaurant according to the standards, methods, policies and procedures specified in the Manual. ~~One copy of the Manual is loaned to you by us for the term of your Agreement after you and your staff complete our initial training program to our satisfaction. We reserve the right to~~ We may provide the Manual electronically. ~~We will provide access to the Manual to your employees we have approved.~~ Some of your employees will have access to limited sections of the Manual on a need-to-know basis.

You must treat the Manual, any other of our ~~manuals~~ proprietary materials which are used in the operation of your Restaurant, and the information in them as confidential, ~~and must use all reasonable efforts to maintain this information as secret and confidential.~~ You must not copy, duplicate, record, or otherwise reproduce these materials, in whole or in part, or otherwise give them to any unauthorized person. The Manual will remain our sole property and must be kept in a secure place at the Restaurant.

We may revise the contents of the Manual, and you must comply with each new or changed standard. In the event of any dispute as to the contents of the Manual, the terms of the master copy maintained by us at our home office will be controlling.

Confidential Information

You must not, during the term of your Agreement or after the term of your Agreement, communicate, divulge or use for the benefit of any ~~other person, partnership, association, or corporation~~ party any confidential information, knowledge or know-how concerning the methods of operation of the Restaurant which may be communicated to you or which you may learn because of your operation under the terms of your Agreement. Confidential information includes System standards, market research, advertising and promotional campaigns, approved suppliers, operating results of ~~Stores~~ Restaurants, the terms of your Agreement with us, the Manual, graphic designs and other intellectual property, and your client/member database. You may divulge this confidential information only to those of your employees who must have access to it to operate your Restaurant. ~~Any and all information, knowledge, know-how, techniques and other data which we designate as confidential will be deemed confidential for purposes of your Agreement.~~

At our request, you must have your Operating Principal, General Manager, and any personnel having access to any of our confidential information sign agreements that say that they will maintain the confidentiality of information they receive in connection with their employment by you at your Restaurant. The agreements must be in a form satisfactory to us, ~~including specific identification of us as a third-party beneficiary of the covenants with the independent right to enforce them and that they prohibit any direct or indirect ownership in a competing business.~~

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

You or your majority owner, or if there is no majority interest owned by one person, the owner appointed by you and approved by us (the “Operating Principal”), will be our primary contact for your Restaurant, and we may communicate with and rely on the decisions made by your Operating Principal. If the franchisee is an entity, all owners of that entity must sign a personal guarantee in a form we approve (current form is attached to the Franchise Agreement. We may require a spouse to sign the personal guaranty (generally, if you or the Restaurant are located in a community property state).

Your Operating Principal may also act as your General Manager. Your General Manager (if the General Manager is a separate individual from the Operating Principal) must participate full-time in the Restaurant if the Operating Principal does not. We do not require that your General Manager have an ownership interest in you or the Restaurant. If you operate more than one Restaurant, you must have a properly trained General Manager at each location, unless we approve otherwise.

In addition to requiring your Operating Principal and General Manager to complete our initial training program to our satisfaction, your Operating Principal and General Manager, along with any other personnel we designate (such as your trainers), must maintain the confidentiality of the Manual and all other confidential information that we provide you or allow you to access.

If your Operating Principal or General Manager is terminated or leaves his/her employment with you, you must designate a replacement for that person within 30 days after the employment of the previous employee ends. The replacement must be trained to our satisfaction as soon as practicable after hiring, which may require sending the replacement to our training program at your expense.

You must operate the Restaurant in strict conformity with all applicable Federal, state and local laws, ordinances and regulations. These laws, ordinances and regulations vary from jurisdiction to jurisdiction and may be implemented or interpreted in a different manner. You must learn of the existence and requirements of all laws, ordinances and regulations applicable to the Restaurant and you must adhere to them and to the then-current implementation or interpretation of them.

ITEM 16
RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must use the Restaurant solely for the operation of your Restaurant. You must keep your Restaurant open and in normal operation for the minimum hours and days as we specify, subject to applicable law and/or the terms of your lease. You must not use or permit the use of the Restaurant for any other purpose or activity at any time without first obtaining our written consent. You must operate the Restaurant in conformity with the methods, standards and specifications we may require in the Manual or in writing. You must not change the standards, specifications and procedures without our prior written consent.

You must sell or offer for sale only those services and products that we have approved for sale in writing; you must sell or offer for sale all types of services and products and specified by us; and you

must stop selling and offering for sale any services and products which we may disapprove in writing at any time. We have the right to change the types of authorized services and products, and there are no limits on our right to make changes.

You must participate in any gift card or loyalty card program we establish.

You are restricted by the Franchise Agreement, the Manual and any other practice or custom with respect to the services or products which you may offer, which must be approved by us. You are not restricted as to the customers whom you may solicit or service, except that you may not directly solicit customers outside of your Designated Area.

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 Agreement*	Summary
a.	Length of the term of the franchise	Section 4A Sections 2 and 4 and Appendix B to the Development Agreement	Term is 10 years. Term depends on the number of Restaurants to be developed under the Development Agreement as specifically set forth in Appendix B.
b.	Renewal or extension of the term	Section 4B	Option for two 10 year renewals. No renewal or successor agreement rights under the Development Agreement.
c.	Requirements for you to renew or extend	Section 4B	You give us written notice of your decision to renew at least 6 months but not more than 12 months before the end of the expiring term; you sign our then current form of franchise agreement; you have complied with the remodeling and modernization requirements for your Restaurant; you are not in default and have satisfied your obligations on a timely basis; if leasing and are not subject to relocation, you have written proof of your ability to remain in possession of the Restaurant premises throughout the renewal term; you comply with our training requirements; you pay us, at least 30 days prior to the end of the expiring term, a renewal fee (50% of the then current initial franchise fee); and you and your owners sign a release.

	Provision	Section Agreement* in	Summary
			If you are approved for a successor agreement at the expiration of the initial term, you may be asked to sign a new franchise agreement that contains terms and conditions materially different from those in your previous franchise agreement, such as different fee requirements and territorial rights.
d.	Termination by you	Section 13C	You may terminate the Franchise Agreement only for a material breach by us, provided you give us written notice of the breach and allow 30 days to cure such breach. However, if the breach cannot reasonably be cured within 30 days, you have the right to terminate this Agreement if, after our receipt of a written notice from you, we do not within 30 days undertake and continue efforts to cure the breach until completion. You do not have the right to terminate the Development Agreement.
e.	Termination by us without cause	Not Applicable	Not Applicable.
f.	Termination by us with cause	Sections 13A and 13B Section 7B of the Development Agreement	We can terminate the Franchise Agreement and Development Agreement only if you default or fail to comply with your obligations. The Franchise Agreement and Development Agreement contain cross-default provisions.
g.	“Cause” defined - defaults which can be cured	Sections 13A and 13B Section 7B of the Area Development Agreement	You have 10 days to cure the non-submission of reports and non-payment of amounts due and owing; and 30 days to cure defaults for the failure to abide by our standards and requirements in connection with the operation of your business, or failure to meet any requirements or specifications established by us, and any other default not listed in (h) below. Development Agreement: You have 30 days to cure defaults not listed in (h) below.
h.	“Cause” defined – defaults which cannot be cured	Sections 2A, 5A, 5D, 13A, 13B and 15P	Non-curable defaults include: any material misrepresentation or omission in your application for a franchise, abandonment; loss of lease, the failure to timely cure a default under the lease, the loss of your right of possession or failure to relocate; the closing of the Restaurant by the authorities for health or public safety reasons, unauthorized use of confidential information, voluntary or involuntary

	Provision	Section Agreement* in	Summary
			bankruptcy by or against you or any Principal Owner or guarantor, insolvency, making an assignment for the benefit of creditors or any similar voluntary or involuntary arrangement for the disposition of assets for the benefit of creditors, defaults that materially impair the goodwill associated with any of the Marks, felony or criminal convictions (or plea of no contest), infringement of Marks, intentionally understating or underreporting Gross Revenues, royalties or other fees or 2% variance on two audits within a 3-year period; failure to open the Restaurant within 12 months of the date of Franchise Agreement, failure to execute lease or purchase agreement for the Restaurant within six months of the date of Franchise Agreement, failure to secure financing, failure to successfully complete our initial training program, unapproved assignments or transfers, multiple defaults, or failure to cure within 24 hours of notice a default which violates any health, safety or sanitation law or regulation or any system standard as to food handling, cleanliness, health or sanitation. Development Agreement: You become insolvent; a receiver of your property is appointed; you make an assignment for the benefit of creditors; a final judgment remains unsatisfied for 30 days or longer (unless supersedeas is filed); execution is levied against your property; foreclosure suit is filed and not dismissed within 30 days; you fail to meet the development schedule; you violate an employee non-solicitation covenant; or we provide notice of termination under a Franchise Agreement.
i.	Your obligations on termination/non-renewal	Section 4C, 7B and 10 of the Development Agreement Section 14A-14C Sections 8A-8G of	Obligations include complete de-identification of the Outlet and payment of amounts due, assignment of lease and telephone numbers upon our demand, return of Operations Manual and Confidential Information, proprietary materials and related writings, right to purchase assets of the Restaurant (also see (o) and (r) below). Development Agreement: You lose all remaining rights to develop locations. Other obligations include

	Provision	Section Agreement* in	Summary
o.	Our option to purchase your business	Section 14B	Upon termination, we have the right (but not the obligation) to purchase or designate a third party that will purchase all or any portion of the assets of your Restaurant, including the land (provided that, in the event of expiration of Franchise Agreement, you may choose to lease the land to us), building, equipment, fixtures, signs, furnishings, supplies, leasehold improvements, and inventory. Qualified appraiser(s) will determine price as set forth in the Franchise Agreement.
p.	Your death or disability	Section 11E	You can transfer your franchise rights to your heir or successor in interest like any other transfer, provided the person satisfies our training requirements and other transfer conditions, but if assignee is your spouse or child, no transfer fee is required but you will be required to reimburse our costs (not to exceed \$3000).
q.	Non-competition covenants during the term of the franchise	Section 10D	No direct or indirect involvement in the operation of any restaurant business which has menu items that feature salads and wraps.
r.	Non-competition covenants after the franchise is terminated or expires	Section 10D	No direct or indirect involvement for 2 years in any restaurant business which has menu items that feature salads and wraps, (i) at the premises of the former Restaurant, (ii) within a 10-mile radius of the former Restaurant, or (iii) within 10 miles of any other business or store using the System.
s.	Modification of the Agreement	Section 15B Section 10C of the Development Agreement	No modifications generally, but we have the right to change the Operations Manual.
t.	Integration/merger clause	Section 15B Section 10D of the Development Agreement	Only the terms of the Franchise Agreement and Development Agreement are binding (subject to state law). Any representations or promises made outside the Franchise Agreement, Development Agreement or this Disclosure Document may not be enforceable, although nothing in the Franchise Agreement or any related agreement is intended to disclaim the representations made in the Franchise Disclosure Document.
u.	Dispute resolution by	Section 12	Except for certain claims, all disputes must be mediated in the county in which our headquarters are

	Provision	Section in Agreement*	Summary
	arbitration or mediation	Section 10N of the Development Agreement	then located (currently, Hennepin County, Minnesota) or at such other place as mutually acceptable and, if not resolved in mediation, arbitrated in the county in which our headquarters are then located (currently, Hennepin County, Minnesota) or at such other place as mutually acceptable (subject to state law).
v.	Choice of forum	Section 15I Section 10H of the Development Agreement	Litigation must be in the applicable federal or state court in the county in which our headquarters are then located (currently, Hennepin County, Minnesota) (subject to state law).
w.	Choice of law	Section 15H Section 10G.1 of the Development Agreement	Except for claims under federal trademark law, and the parties' rights under the Federal Arbitration Act, the law of the state where the Restaurant is located will govern any dispute (subject to state law). Except for claims under federal trademark law, and the parties' rights under the Federal Arbitration Act, the law of the state within which the Designated Territory is located will govern any dispute (subject to state law).

ITEM 18

PUBLIC FIGURES

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

ITEM 19

FINANCIAL PERFORMANCE REPRESENTATIONS

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

This Item 19 information is an historic representation based on the past performance of existing outlets. The table below presents an unaudited statement of gross sales and certain expenses and profit numbers, as qualified below, for each of our six affiliated operated restaurants that were open and operating in ~~2023~~2024 (A-F in the table). Our affiliate has a lease for a seventh location, which did not open as originally planned because of COVID19 and did not operate in ~~2023~~2024 or for any material amount of time before that year. Accordingly, the expenses associated with that location are not included below. The affiliate operated restaurants are operationally similar to the restaurants that

franchisees will operate.

	A	B	C	D	E	F	Average	% of Gross Sales
Open Date	1/20/18 <u>1/20/2018</u>	5/9/16 <u>5/9/2016</u>	12/13/18 <u>12/13/2018</u>	7/13/15 <u>7/13/2015</u>	2/11/20 <u>2/11/2020</u>	3/31/23 <u>3/31/2023</u>		
SqFt	4005	1497	1992	1474	2265	2812	2341	
Hours	M-F 10am- 2pm	M-F 10am- 2pm	M-F 11am- 2pm	M-F 11am- 2pm	M-F 11am- 2pm	M-Th 9am-8pm F 9am-3pm Sat 10am- 3pm F 9am- 3pm Sat 10am- 3pm		
							-	-
Gross Sales	\$1,853,66 <u>\$62,116,287</u>	\$1,031,09 <u>\$1,053,503</u>	\$955,929 <u>\$837,366</u>	\$837,673 <u>\$784,708</u>	\$678,978 <u>\$821,713</u>	\$877,926 <u>\$1,521,757</u>	\$1,039,211 <u>\$1,189,222</u>	
Expenses								
Cost of Goods Sold	\$601,532 <u>\$599,790</u>	\$293,810 <u>\$227,295</u>	\$211,042 <u>\$194,375</u>	\$255,240 <u>\$179,482</u>	\$225,845 <u>\$226,858</u>	\$230,604 <u>\$391,979</u>	\$303,012 <u>\$3,296</u>	29 %
Labor and Benefits Costs	\$478,300 <u>\$629,824</u>	\$304,591 <u>\$345,520</u>	\$222,993 <u>\$235,665</u>	\$214,940 <u>\$270,589</u>	\$216,777 <u>\$236,638</u>	\$242,696 <u>\$350,344</u>	\$280,049 <u>\$4,764</u>	27 %
Occupancy Costs	\$116,145 <u>\$146,295</u>	\$50,686 <u>\$59,793</u>	\$33,525 <u>\$37,229</u>	\$78,887 <u>\$73,444</u>	\$40,757 <u>\$54,907</u>	\$5,017 <u>\$7,480</u>	\$54,170 <u>\$63,191</u>	5%
Other Operating Costs Imputed Estimated Franchise Fees*	\$252,104 <u>\$249,996</u>	\$140,232 <u>\$81,542</u>	\$130,009 <u>\$178,208</u>	\$113,926 <u>\$81,639</u>	\$92,343 <u>\$87,407</u>	\$119,401 <u>\$249,996</u>	\$141,336 <u>\$15,479</u>	14 %
Royalty	\$111,220 <u>\$126,977</u>	\$61,866 <u>\$63,210</u>	\$57,356 <u>\$50,242</u>	\$50,260 <u>\$47,083</u>	\$40,739 <u>\$49,303</u>	\$52,676 <u>\$91,305</u>	\$62,353 <u>\$71,353</u>	
Marketing Fund	\$55,610 <u>\$63,489</u>	\$30,933 <u>\$31,605</u>	\$28,679 <u>\$25,121</u>	\$25,130 <u>\$23,541</u>	\$20,369 <u>\$24,651</u>	\$26,338 <u>\$45,653</u>	\$31,176 <u>\$35,677</u>	
Technology Fee	\$2,400 <u>\$3,300</u>	\$2,400 <u>\$3,300</u>	\$2,400 <u>\$3,300</u>	\$2,400 <u>\$3,300</u>	\$2,400 <u>\$3,300</u>	\$2,400 <u>\$3,300</u>	\$2,400 <u>\$3,300</u>	
Total Expenses	\$1,617,31 <u>\$1,819,671</u>	\$884,517 <u>\$812,265</u>	\$686,003 <u>\$724,140</u>	\$740,784 <u>\$679,078</u>	\$639,230 <u>\$683,065</u>	\$679,130 <u>\$1,140,058</u>	\$184,496 <u>\$97,638</u>	
Total Operating Profit/Net Income (before depreciation, taxes, loan repayment)	\$236,356 <u>\$296,616</u>	\$146,576 <u>\$241,238</u>	\$269,926 <u>\$113,226</u>	\$96,889 <u>\$5,630</u>	\$39,748 <u>\$13,864</u>	\$198,797 <u>\$381,699</u>	\$164,715 <u>\$21,843</u>	
	13 14%	14 23%	28 14%	12 13%	6 17%	23 25%	16 18%	

Notes:

Gross Sales – The Gross Sales represents total revenue derived from the sale of goods less sales tax. Gross sales related to our mobile eatery, outposts and corporate cafeteria contract are reported with Location A because the majority of the support for those programs is provided through that location.

Cost of Goods Sold – The costs of goods includes food and beverage costs as well as packaging and paper products. Our affiliate operates these six locations as a group and certain food preparation is consolidated at commissary kitchen locations (A and E). The majority of costs of goods sold are tracked at the location level, however there may be certain costs reported above at A and E that are associated with the locations supported by those kitchens.

Labor and Benefits Costs – Staff includes team members assigned to work at individual locations as well as team members who work across multiple locations. The labor and benefits costs reflected for each location includes the pay and benefits for the dedicated staff at each location as well as an allocation for those restaurant-level team members who work across multiple locations.

Occupancy Costs –Occupancy costs in the table reflect the actual rent, common area maintenance, real estate tax, and other lease expenses paid during the year, which in some cases was reduced due to a free rent period or similar concession provided by the landlord in connection with the lease.

Other Operating Expenses - All other expenses associated with the operations of a restaurant including but not limited to liability insurance, merchant processing fees, marketing, delivery expenses, restaurant supplies, cleaning services, and uniforms. Because our six affiliate locations are operated as a group, ~~most~~some of the operating expenses ~~are shared expenses. The amounts may~~ reflected ~~in the chart for each location represent an allocation of the total~~efficiencies of operating ~~expenses proportionate to that location's gross revenue~~as a group. Our affiliate has operated in the general Minneapolis-St. Paul metro where it has an established brand recognition over its 10 years of operations and the operating expenses reflect minimal marketing expense in ~~2023~~2024. We anticipate that you will have greater marketing expenses, especially during the initial phases of operation.

Imputed Franchise Fees – None of our affiliate locations paid any franchise fees in ~~2023~~2024. The imputed franchise fees in the table above represent a calculation of the royalty, marketing fund contribution and technology fees that franchisees will pay under their franchise agreement.

Total Operating Profit –Total operating profit generated by the restaurant excluding interest, taxes, and depreciation.

Some stores have sold this amount. Your individual results may differ. There is no assurance that you'll sell as much.

Our management prepared this Item 19 financial performance representation based on information provided by our affiliates. This financial performance representation was prepared without an audit. Written substantiation for the financial performance representation will be made available to the prospective franchisee upon reasonable request.

Other than the preceding financial performance representations, we do not make any financial performance representations. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Tiffany Hauser at tiffany@greenandthegrain.com, (612) 217-1650, 200 South 6th Street, Suite 296, Minneapolis, MN 55402, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20
OUTLETS AND FRANCHISEE INFORMATION

Table No. 1
Systemwide Outlet Summary
For Years ~~2021~~2022 - ~~2023~~2024

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2021 2022	0	0	0
	2022 2023	0	0	0
	2023 2024	0	0	0
Company-Owned	2021	5	5	0
<u>Company-Owned</u>	2022	5	5	0
	2023	5	6	+1
Total Outlets	2021 2024	5 <u>6</u>	5 <u>6</u>	0
<u>Total Outlets</u>	2022	5	5	0
	2023	5	6	+1
	<u>2024</u>	<u>6</u>	<u>6</u>	<u>0</u>

Table No. 2
Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)
For Years ~~2021~~2022 - ~~2023~~2024

State	Year	Number of Transfers
All States	2021	0
<u>All States</u>	2022	0
	2023	0
Total	2021 2024	0
<u>Total</u>	2022	0
	2023	0
	<u>2024</u>	<u>0</u>

Table No. 3
Status of Franchised Outlets
For Years ~~2021~~2022 - ~~2023~~2024

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations – Other Reasons	Outlets at End of the Year
All States	2021 2022	0	0	0	0	0	0	0
	<u>2</u>							
	2022 2023	0	0	0	0	0	0	0
	<u>3</u>							
Total	2023 2024	0	0	0	0	0	0	0
	<u>4</u>							
	2021 2022	0	0	0	0	0	0	0
	<u>2</u>							
	2022 2023	0	0	0	0	0	0	0
	<u>3</u>							
	2023 2024	0	0	0	0	0	0	0
	<u>4</u>							

Table No. 4
Status of Company-Owned Outlets
For Years 2021 - 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
Minnesota	2021	5	0	0	0	0	5
<u>Minnesota</u>	2022	5	0	0	0	0	5
	2023	5	1	0	0	0	6
Total	2021 <u>2024</u>	5 <u>6</u>	0	0	0	0	5 <u>6</u>
<u>Total</u>	2022	5	0	0	0	0	5
	2023	5	1	0	0	0	6
	<u>2024</u>	<u>6</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>6</u>

Table No. 5
Projected Openings as of December 31, ~~2023~~2024

Column 1 State	Column 2 Franchise Agreements Signed but Outlet Not Opened	Column 3 Projected New Franchised Outlets in the Next Fiscal Year	Column 4 Projected New Company-Owned Outlets in the Next Fiscal Year
Illinois <u>Colorado</u>	0	1	0
Minnesota <u>Illinois</u>	0	1 <u>0</u>	0 <u>1</u>
<u>Minnesota</u>	<u>0</u>	<u>0</u>	<u>1</u>
Total	0	2<u>1</u>	0<u>2</u>

A list of the names of all franchisees and multi-unit developers and the addresses and telephone numbers of their businesses will be provided in Exhibit D to this Disclosure Document when applicable.

The name, city, state and current business telephone number (or if unknown, the last known home telephone number) of every franchisee or multi-unit developer who had a business terminated, cancelled, not renewed or otherwise voluntarily or involuntarily ceased to do business under the Franchise Agreement or Development Agreement during the most recently completed fiscal year or who has not communicated with us within 10 weeks of the issuance date of this disclosure document will be listed on Exhibit E to this Disclosure Document when applicable. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

During the last three fiscal years, we have not had any franchisees sign confidentiality provisions that would restrict their ability to speak openly about their experience with the GREEN + THE GRAIN System.

There are no trademark-specific organizations formed by our franchisees that are associated with the GREEN + THE GRAIN System.

ITEM 21

FINANCIAL STATEMENTS

Attached to this Disclosure Document as Exhibit G is our audited balance sheet as of [December 31, 2024 and 2023, and the related statements of operations, members' equity and cash flows for the year then ended December 31, 2024 and the period from inception](#) (October 5, 2023~~-(our date of incorporation)-and~~ [to](#) December 31, 2023). We have not been in business for three years or more and cannot include all financial statements required for Item 21. Our fiscal year end is December 31.

ITEM 22

CONTRACTS

Attached as Exhibits to this Disclosure Document are the following contracts and their attachments:

- | | | |
|----|---|-----------|
| 1. | Franchise Agreement | Exhibit B |
| 2. | Development Agreement | Exhibit C |
| 3. | Form of General Release | Exhibit H |
| 4. | Form of Sale of Assets Agreement and Form of Sublease | Exhibit I |

ITEM 23

RECEIPTS

Two copies of an acknowledgment of your receipt of this Disclosure Document appear at the end of the Disclosure Document. Please return one signed copy to us and retain the other for your records.

Exhibit A to the Disclosure Document

LIST OF STATE ADMINISTRATORS/AGENTS FOR SERVICE OF PROCESS

Listed here are the names, addresses and telephone numbers of the state agencies having responsibility for franchising disclosure/registration laws and for service of process. We may not yet be registered to sell franchises in any or all of these states.

If a state is not listed, we have not appointed an agent for service of process in that state in connection with the requirements of franchise laws. There may be states in addition to those listed above in which we have appointed an agent for service of process.

There may also be additional agents appointed in some of the states listed.

<u>CALIFORNIA</u> Department of Financial Protection & Innovation: 320 West 4th Street, Suite 750 Los Angeles, CA 90013 (213) 576-7500 Toll Free (866) 275-2677 Agent: California Commissioner of Financial Protection & Innovation 2101 Arena Blvd. Sacramento, CA 95834 (916) 445-7205 1350 Front Street San Diego, CA 92101 (619) 525-4233 1 Sansome Street, Suite 600 San Francisco, CA 94104 (415) 972-8559	<u>CONNECTICUT</u> State of Connecticut Department of Banking Securities & Business Investments Division 260 Constitution Plaza Hartford, CT 06103-1800 (860) 240-8230 Agent: Banking Commissioner
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<u>HAWAII</u> (state administrator) Business Registration Division Department of Commerce and Consumer Affairs 335 Merchant Street, Room 203 Honolulu, Hawaii 96813 (808) 586-2722 (agent for service of process) Commissioner of Securities State of Hawaii 335 Merchant Street Honolulu, Hawaii 96813 (808) 586-2722	<u>ILLINOIS</u> The Attorney General Office of the Attorney General 500 South Second Street Springfield, Illinois 62706 (217) 782-4465
<u>INDIANA</u> (state administrator) Indiana Secretary of State Securities Division, E-111 302 Washington Street Indianapolis, Indiana 46204 (317) 232-6681 (agent for service of process) Indiana Secretary of State 201 State House 200 West Washington Street Indianapolis, Indiana 46204 (317) 232-6531	<u>MARYLAND</u> (state administrator) Office of the Attorney General Securities Division 200 St. Paul Place Baltimore, Maryland 21202-2021 (410) 576-6360 (for service of process) Maryland Securities Commissioner 200 St. Paul Place Baltimore, Maryland 21202-2021 (410) 576-6360

<u>MICHIGAN</u> (state administrator) Consumer Protection Division Franchise Section Michigan Department of Attorney General 525 W. Ottawa Street, 1st Floor Lansing, Michigan 48933 (517) 335-7567 (for service of process) Corporations Division Bureau of Commercial Services Department of Labor and Economic Growth P.O. Box 30054 Lansing, Michigan 48909	<u>MINNESOTA</u> (state administrator) Minnesota Department of Commerce 85 7th Place East, Suite 280 St. Paul, Minnesota 55101-2198 (651) 539-1600 (for service of process) Minnesota Commissioner of Commerce
<u>NEW YORK</u> (Administrator) Office of the New York State Attorney General Investor Protection Bureau, Franchise Section 28 Liberty Street, 21st Floor New York, New York 10005 (212) 416-8236 Phone (212) 416-6042 Fax (Agent for service of process) Attention: NY Secretary of State New York Department of State One Commerce Plaza 99 Washington Avenue, 6th Floor Albany, New York 12231-0001 (518) 473-2492	<u>NORTH DAKOTA</u> North Dakota Securities Department State Capitol, Fifth Floor, Dept. 414 600 East Boulevard Avenue Bismarck, North Dakota 58505 (701) 328-4712
<u>OREGON</u> Department of Consumer and Business Services Division of Finance and Corporate Securities Labor and Industries Building Salem, Oregon 97310 (503) 378-4387 Agent: Director of the Department of Consumer and Business Services	<u>RHODE ISLAND</u> Division of Securities Rhode Island Dept. of Business Regulation John O. Pastore Complex – Bldg. 69-1 1511 Pontiac Avenue Cranston, RI 02920 (401) 462-9500

<u>SOUTH DAKOTA</u> Division of Insurance Securities Regulation 124 S. Euclid Avenue, Suite 104 Pierre, South Dakota 57501-3168 (605) 773-4823	<u>VIRGINIA</u> State Corporation Commission Division of Securities and Retail Franchising 1300 East Main Street, 9th Floor Richmond, Virginia 23219 (804) 371-9051 (for service of process) Clerk of the State Corporation Commission 1300 East Main Street, 1st Floor Richmond, Virginia 23219 (804) 371-9733
<u>WASHINGTON</u> (state administrator) Department of Financial Institutions Securities Division 150 Israel Road S.W. Tumwater, Washington 98501 (360) 902-8760 (for service of process) Director, Department of Financial Institutions Securities Division 150 Israel Road S.W. Tumwater, Washington 98501	<u>WISCONSIN</u> (state administrator) Division of Securities Department of Financial Institutions 4822 Madison Yards Way, North Tower Madison, Wisconsin 53705 (608) 266-0448 (for service of process) Administrator, Division of Securities Department of Financial Institutions 4822 Madison Yards Way, North Tower Madison, Wisconsin 53705

Exhibit B to the Disclosure Document

FRANCHISE AGREEMENT

GREEN + THE GRAIN
FRANCHISE AGREEMENT SUMMARY PAGE

Franchisee Information:

Complete Business Name: _____

Owner(s): _____ %
Full Name Percentage Interest

_____ %
Full Name Percentage Interest

Operating Principal (must be an owner): _____

Address for Notices (not a P.O. Box): _____

Telephone No: _____

Mobile Phone: _____

Email Address: _____

Authorized Location: _____

Designated Area: _____

Initial Franchise Fee: \$50,000

Royalty Fee: 6% Gross Revenue

Brand Fund Fee: 3% Gross Revenue*

Technology Fee: \$200 per month*

*See Section 9 for additional fee information.

Effective Date: _____

Initial: _____ Date: _____ Initial: _____ Date: _____
Franchisee green and the grain franchising LLC

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FRANCHISE AGREEMENT

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SCHEDULES

- A. Addendum to Lease
- B. ETF Authorization Form
- C. Personal Guarantee
- D. Acknowledgment Addendum to Franchise Agreement

green and the graining franchising LLC
FRANCHISE AGREEMENT

This Franchise Agreement is made as of the Effective Date by and between green and the grain franchising LLC, a Minnesota limited liability company, with its principal business located at 200 South 6th Street, Suite 296, Minneapolis, MN 55402 (“**we**” or “**us**”), and “**Franchisee**” or “**you**” as identified on the Summary Page. If Franchisee is a corporation, partnership, limited liability company or other legal entity, certain provisions to this Agreement also apply to its Owners.

RECITALS

A. We and our affiliate green + the grain LLC (our “**Affiliate**”) have developed a contemporary fast casual restaurant business offering fresh and flavorful salads and related products and services available for dine in, carry out and catering under the name “GREEN + THE GRAIN;”

B. Our Affiliate owns the “GREEN + THE GRAIN” Trademark and other trademarks (“**Trademarks**” as defined below) and has granted us a license to sublicense the Trademarks;

C. You desire to develop and operate a GREEN + THE GRAIN franchise using the Trademarks and System (as defined below); and

D. We have agreed to grant you a GREEN + THE GRAIN franchise using the Trademarks and System, subject to the terms and conditions of this Agreement.

In consideration of the foregoing and the mutual covenants and consideration below, you and we agree as follows:

DEFINITIONS

1. For purposes of this Agreement, the terms below have the following definitions:

A. “**Gross Revenues**” means the total gross revenue from the provision of all services and products sold or performed in, at, from or away from the Restaurant whether from cash, check, credit and debit card, barter or exchange, trade credit or credit transactions, including business interruption insurance proceeds and service charges in lieu of gratuity, but excluding (i) sales taxes collected from customers and paid to the appropriate taxing authority and (ii) the amount of all coupons redeemed at the Restaurant.

B. “**Manual**” or “**Operations Manual**” means any collection of written, video, audio and/or software media (including materials distributed electronically), regardless of title and consisting of various subparts and separate components, all of which we or our agents produce and which contain specifications, standards, policies, procedures and recommendations for your Restaurant, all of which we may change from time to time.

C. “**Menu Items**” means the salads, wraps and other products prepared according to our specified recipes and procedures, as we may modify and change from time to time.

D. “**Owner**” means any person or entity who, now or hereafter, directly or indirectly owns an interest in the franchisee when the franchisee is a corporation, limited liability company, or a similar entity other than a partnership entity. If the franchisee is a partnership entity, then each general partner is an Owner, regardless of the percentage of ownership interest. If the franchisee is one or

more individuals, each individual is an Owner of the franchisee. Your Owner(s) are identified on the Summary Page. Any change in the persons who are Owners is subject to our approval and any applicable transfer conditions, with the Summary Page adjusted accordingly. As used in this Agreement, any reference to Owner includes all Owners. You must designate on the Summary Page one of your Owners as your Operating Partner, who must have at least a 25% ownership interest in the franchisee entity. Your Operating Partner will be our primary contact for your Business, and we may communicate with and rely on the decisions made by your Operating Partner.

E. **“Restaurant” or “Business”** means the GREEN + THE GRAIN business you develop and operate pursuant to this Agreement.

F. **“System”** means the GREEN + THE GRAIN System, which consists of specific equipment, fixtures, furnishings, materials and supplies; methods, uniform standards, specifications and procedures for operations; procedures for management; training and assistance; and merchandising, advertising and promotional programs and other proprietary information, all of which we may change, improve and further develop. The System is identified by the Trademarks.

G. **“Trademarks”** means the “GREEN + THE GRAIN” Trademark and the trademarks, service marks and trade names set forth in the Manual, as we may modify and change from time to time, and the trade dress and other commercial symbols used in the Restaurant. Trade dress includes the designs, color schemes and image we authorize you to use in the operation of the Restaurant from time to time.

GRANT OF LICENSE

2. The following provisions control with respect to the license granted hereunder:

A. Restaurant Business. We grant to you the right and license to establish and operate a Restaurant identified by the “GREEN + THE GRAIN” Trademarks or such other marks as we may direct, at the location identified on the Summary Page, which location must be designated within 6 months from the date of this Agreement (the **“Authorized Location”**). The Authorized Location must be located within the area defined in the Summary Page as the **“Designated Area.”** When a location has been designated by you and approved by us, it will become part of this Section 2.A as if originally stated. If an Authorized Location is not “under control” within 6 months from the date of this Agreement (as defined in Section 5.A), we may grant you an extension of time to find a site that meets our approval, provided you pay to us the then-current extension fee. You accept the license and undertake the obligation to operate the Business using the Trademarks and the System in compliance with the terms and conditions of this Agreement.

B. Opening. You agree that the Restaurant will be open and operating in accordance with the requirements of Section 5.A within twelve months from the date of this Agreement, unless we authorize in writing an extension of time.

C. Nonexclusivity; Our Reservation of Rights. The license is limited to the right to develop and operate one Restaurant at the Authorized Location only. During the term of this Agreement and provided that you are in compliance with the terms and conditions of this Agreement, we will not (i) modify the Designated Area without your written permission, or (ii) establish either a company-owned or franchised GREEN + THE GRAIN business with its actual, physical premises within the Designated Area.

The license granted to you does not include (i) any right to sell products and services identified by the Trademarks at any location (including “Nontraditional Locations” as defined below) or through any other channels or methods of distribution, including grocery stores or the Internet (or any other existing or future form of electronic commerce), other than at the Restaurant pursuant to the terms of this Agreement, (ii) any right to sell products and services identified by the Trademarks to any person or entity for resale or further distribution, or (iii) any right to exclude, control or impose conditions on our development or operation of franchised, company or affiliate owned restaurants or businesses any time or at any location outside of the Designated Area.

We retain all rights that are not expressly granted to you under this Agreement. Further, we or our affiliates may, among other things, on any terms and conditions we deem advisable, without compensation to any franchisee, and without granting you any rights therein:

- (i) establish and/or license others to establish franchised or company-owned or affiliate-owned GREEN + THE GRAIN businesses at any location outside of your Designated Area, regardless of the proximity of such businesses to your Designated Area;
- (ii) merge with, acquire or become associated with (“**Merger/Acquisition Activity**”) any businesses of any kind (including those in competition with GREEN + THE GRAIN businesses under other systems and/or marks, which businesses may convert to or operate under the Trademarks and may offer or sell products or services that are the same as or similar to the services or products offered at or from the Restaurant, and which may be located anywhere;
- (iii) sell and distribute for ourselves and/or license others to sell and distribute through restaurants or any other method of distribution services and products the same as or different from the services or products offered under the System, and which are offered and distributed under marks different than the GREEN + THE GRAIN Trademarks,
- (iv) offer, sell or distribute any services or products associated with the System (now or in the future) or identified by the GREEN + THE GRAIN Marks, or any other trademarks, service marks or trade names through any distribution channels or methods (“**Alternative Channels of Distribution**”) separate from Restaurants like the one you are authorized to operate at your Authorized Location. The Alternative Channels of Distribution may include, without limitation, the Internet (or any other existing or future form of electronic commerce) or grocery stores or other stores where food items are sold; and
- (v) develop or franchise nontraditional sites (“**Nontraditional Locations**”) which include, but are not limited to, the following locations regardless of their proximity to your Restaurant: (1) military bases; (2) public transportation facilities (including airports); (3) business or industry locations (e.g. manufacturing site, corporate cafeteria, healthcare facility), (4) sports facilities; (5) student unions or other similar buildings on college or university campuses; and (6) community and special events.

D. Catering and Delivery. You may engage in catering and delivery services and activities within the Designated Area; provided you comply with the catering and delivery terms and conditions described in our Manual. Except for Nontraditional Locations, we and our affiliates will not engage in catering and delivery services and activities in the Designated Area; however, we have no obligation to enforce similar covenants against any other franchisee.

TRADEMARK STANDARDS AND REQUIREMENTS

3. You acknowledge and agree that the Trademarks are our Affiliate's property and we have licensed the use of the Trademarks to you and others. You further acknowledge that your right to use the Trademarks is specifically conditioned upon the following:

A. Trademark Ownership. The Trademarks are our Affiliate's valuable property, and our Affiliate is the owner of all right, title and interest in and to the Trademarks and all past, present or future goodwill of the Restaurant and of the business conducted at the Restaurant that is associated with or attributable to the Trademarks. Your use of the Trademarks will inure to our Affiliate's benefit. You may not, during or after the term of this Agreement, engage in any conduct directly or indirectly that would infringe upon, harm or contest our Affiliate's or our rights in any of the Trademarks or the goodwill associated with the Trademarks, including any use of the Trademarks in a derogatory, negative, or other inappropriate manner in any media, including but not limited to print or electronic media.

B. Trademark Use. You may not use, or permit the use of, any trademarks, trade names or service marks in connection with the Business, except those set forth in the Manual or except as we otherwise direct in writing. You may use the Trademarks only in connection with such products and services as we specify and only in the form and manner we prescribe in writing. You must comply with all trademark, trade name and service mark notice marking requirements. You may use the Trademarks only in association with services and products approved by us and that meet our standards or requirements.

C. Restaurant Identification. You must use the name "GREEN + THE GRAIN" as the trade name of the Business, and you may not use any other mark or words to identify the Restaurant without our prior written consent. You may not use any of the words "GREEN + THE GRAIN" or any of the other Trademarks or any names or words that are substantially similar as part of the name of your corporation, partnership, limited liability company or other similar entity. You may use the Trademarks on various materials, such as business cards, stationery and checks, provided you (i) accurately depict the Trademarks on the materials as we prescribe, (ii) include a statement on the materials indicating that the business is independently owned and operated by you, (iii) do not use the Trademarks in connection with any other trademarks, trade names or service marks unless we specifically approve in writing prior to such use, and (iv) make available to us, upon our request, a copy of any materials depicting the Trademarks. You must post a prominent sign in the Restaurant identifying you as a "GREEN + THE GRAIN" franchisee in a format we deem reasonably acceptable, including an acknowledgment that you independently own and operate the Restaurant and that the "GREEN + THE GRAIN" Trademark is owned by our Affiliate and your use is under a license we have issued to you. All your internal and external signs must comply at all times with our outdoor/indoor guidelines and practices, as they are modified from time to time.

D. Litigation. In the event any person or entity improperly uses or infringes the Trademarks or challenges your use or our use or ownership of the Trademarks, you must promptly notify us and our Affiliate of any such use or infringement of which you are aware or any challenge or claim arising out of your use of any Trademark. Our Affiliate and we have the sole right to direct and control any administrative proceeding or litigation involving the Trademarks, including any settlement. Our Affiliate and we have the right, but not the obligation, to take action against uses by others that may constitute infringement of the Trademarks. We may defend you against any third-party claim, suit or demand arising out of your use of the Trademarks. If we determine that you have used the Trademarks in accordance with this Agreement, the cost of the defense, including the cost of any judgment or settlement, will be borne by us. If we determine that you have not used

the Trademarks in accordance with this Agreement, the cost of the defense, including the cost of any judgment or settlement, will be yours. In the event of any litigation relating to your use of the Trademarks, you must sign any and all documents and do the acts as may, in our opinion, be necessary to carry out the defense or prosecution, including becoming a nominal party to any legal action, and we will reimburse you for your out-of-pocket costs in doing these acts, except if this litigation is the result of your use of the Trademarks in a manner inconsistent with the terms of this Agreement.

E. Changes. You may not make any changes or substitutions to the Trademarks unless we direct in writing. We reserve the right to change or modify the Trademarks, including the “GREEN + THE GRAIN” Trademark, at any time. For example, we may require you to cease all use of the “GREEN + THE GRAIN” Trademark at any time and require you to use a different Trademark as we may designate in connection with the operation and identification of your Restaurant. There are no limitations on our right to change or modify the Trademarks and we may change or modify the Trademarks for any reason including, but not limited to, any challenge to our ownership of the Trademarks, a change in market conditions, or any claimed or actual infringement of our Trademarks. We will provide you with written notice of any changes or modifications to the Trademarks. Upon receipt of our written notice, you will have a reasonable amount of time, not to exceed three (3) months, to change or modify your use of the Trademarks consistent with the terms contained in the written notice. By way of example only, if we require you to change or modify the Trademarks, you may be required to do any of the following: (i) change all signage (interior and exterior) used in connection with the operation or identification of your Restaurant, (ii) cease all use of any products, serving and/or convenience items containing the Trademarks, (iii) cease all use of any advertising or marketing materials containing the former Trademarks, and (iv) change your letterhead, business cards and any other items containing the former Trademarks. All changes or modifications to the Trademarks will be at your sole expense.

F. Creative Works. All ideas, concepts, techniques, or materials concerning the “GREEN + THE GRAIN” Business, whether or not protectable intellectual property and whether created by or for you or one of your owners or employees, must be promptly disclosed to us and will be deemed to be our sole and exclusive property, part of the System, and works made-for-hire for us. To the extent any item does not qualify as a “work made-for-hire” for us, you must assign ownership of that item, and all related rights to that item, to us and must take whatever action (including signing an assignment agreement or other documents) we request to show our ownership or to help us obtain intellectual property rights in the item.

TERM AND RENEWAL

4. The following provisions control with respect to the term of this Agreement and any successor rights:

A. Term. The initial term of this Agreement begins on the Effective Date as defined in Section 15.P below and the Summary Page and ends 10 years from the date of this Agreement, subject to any extension in writing for up to six months in order to correspond to the lease term for the Authorized Location (any such extension will be reflected in an updated Summary Page).

B. Renewal. You will have the option to renew your rights under this Agreement for two renewal terms of 10 years each; provided that with respect to each renewal: (i) you have given us written notice of your intent to enter into a renewal agreement at least 6 months but not more than 12 months prior to the end of the expiring term; (ii) you sign our then-current form of franchise agreement (modified to reflect that the agreement relates to a renewal agreement), the terms of which

may materially differ from this Agreement, including higher fees and a modified Designated Area (or, at our sole option, you sign an instrument extending for the duration of the renewal term, all covenants, conditions and provisions contained in this Agreement); (iii) you have complied with the provisions of Section 5.E regarding modernization and you perform any further items of modernization and/or replacement of the building, premises, trade dress, equipment and grounds as may be necessary for your Restaurant to conform to the standards then applicable to new “GREEN + THE GRAIN” businesses, regardless of the cost of such modernizations and/or replacements; (iv) you are not in default of this Agreement or any other agreement between you and us or our affiliates, you have not been in default of this Agreement on three or more occasions during the term of this Agreement, regardless of whether any cure has been effectuated, have satisfied all monetary and material obligations on a timely basis during the term, and you are in good standing; (v) if leasing the Restaurant premises, you have renewed the lease and have provided written proof of your ability to remain in possession of the premises throughout the renewal period; (vi) you comply with our then-current training requirements; (vii) you pay us a renewal fee of 50% of the then current initial franchise fee; and (viii) you and your owner(s) and guarantors execute a general release of claims in a form we prescribe.

C. Interim Period. If you do not exercise your option to enter into a renewal agreement prior to the expiration of this Agreement and continue to accept the benefits of this Agreement after the expiration of this Agreement, then at our option, this Agreement may be treated either as (i) expired as of the date of expiration with you then operating a franchise without the right to do so and in violation of our rights; or (ii) continued on a month-to-month basis (“**Interim Period**”) until one party provides the other with written notice of such party’s intent to terminate the Interim Period, in which case the Interim Period will terminate thirty (30) days after receipt of the notice to terminate the Interim Period. In the latter case, all of your obligations shall remain in full force and effect during the Interim Period as if this Agreement had not expired, and all obligations and restrictions imposed on you upon expiration of this Agreement will be deemed to take effect upon termination of the Interim Period.

FACILITY STANDARDS AND MAINTENANCE

5. You acknowledge and agree that we have the right to establish, from time to time, quality standards regarding the business operations of “GREEN + THE GRAIN” businesses to protect the distinction, goodwill and uniformity symbolized by the Trademarks and the System. Accordingly, you agree to maintain and comply with our quality standards and agree to the following terms and conditions:

A. Site Selection. You are responsible for identifying a site that meets our site selection guidelines and that we have approved. Once we approve, the Authorized Location must be designated on the Summary Page. The parties acknowledge and agree that our site approval is not an assurance that the Business will achieve a certain sales volume or level of profitability; it means only that the proposed site meets our minimum site selection criteria.

You may not open your Restaurant for business until we have notified you in writing that you have satisfied your pre-opening obligations as set forth in Sections 5.A and 5.B and we have consented to your opening date. We are not responsible or liable for any of your pre-opening obligations, losses or expenses you might incur for your failure to comply with these obligations or your failure to open by a particular date. We also are entitled to injunctive relief or specific performance under Section 12.C for your failure to comply with your obligations.

You and your landlord must sign the Lease Addendum attached as Schedule A. We recommend you submit the Lease Addendum to the landlord at the beginning of your lease review

and negotiation, although the terms of the Lease Addendum may not be negotiated without our prior approval. If the landlord requires us to negotiate the Lease Addendum, we reserve the right to charge you a fee, which will not exceed our actual costs associated with the negotiation. You must provide us a copy of the executed lease and Lease Addendum within 5 days of its execution. We have no responsibility for the lease; it is your sole responsibility to evaluate, negotiate and enter into the lease for the Restaurant premises.

You must execute and provide us an executed copy of your lease (including an executed copy of the Lease Addendum) or the purchase agreement for the selected and approved site for your Restaurant within six months from the date of execution of this Agreement. If you fail to have your “site under control” (you and we agree on a site and you execute a lease or purchase agreement for the site) within six months after the date of execution of this Agreement, we will have the right to terminate this Agreement without opportunity to cure pursuant to Section 13.B.2.

B. Construction; Future Alteration. You must construct and equip the Restaurant in strict accordance with our current approved specifications and standards pertaining to equipment, signage, fixtures, furnishings, and design and layout of the building. You may not commence construction of the Restaurant until you have received our written consent to your layout plans.

Without limiting the generality of the prior paragraph, you must promptly after obtaining possession of the site for the Restaurant: (i) contact and retain a construction manager and an architect that meet our approval and have prepared and submitted for our approval a site survey and basic architectural plans and specifications consistent with our general buildout, image, color scheme and décor requirements as set forth in the Manuals for a “GREEN + THE GRAIN” Restaurant (including requirements for dimensions, exterior design, materials, interior design and layout, equipment, fixtures, furniture and signage); (ii) purchase or lease and then, in the construction of the Restaurant, use only the approved building materials, equipment, fixtures, audio visual equipment, furniture and signage; (iii) complete the construction and/or remodeling, equipment, fixtures, furniture and sign installation and decorating of the Restaurant in full and strict compliance with plans and specifications we approve and all applicable ordinances, building codes and permit requirements without any unauthorized alterations; (iv) obtain all customary contractors’ sworn statements and partial and final waivers, obtain all necessary permits, licenses and architectural seals and comply with applicable legal requirements relating to the building, signs, equipment and premises, including, but not limited to, the Americans With Disabilities Act; and (v) obtain and maintain all required zoning changes, building, utility, health, sanitation, and sign permits and licenses and any other required permits and licenses. It is your responsibility to comply with the foregoing conditions.

Any change to the plans or any replacement, reconstruction, addition or modification in the space, interior or exterior decor or image, equipment or signage of the Restaurant to be made after our consent is granted for initial plans, whether at the request of you or of us, must be made in accordance with specifications that have received our prior written consent. You may not commence such replacement, reconstruction, addition or modification until you have received our written consent to your revised plans.

C. Maintenance. The building interior, equipment, fixtures, furnishings, signage and trade dress (including the interior and exterior appearance) employed in the operation of your Restaurant must be maintained and refreshed in accordance with our requirements established periodically and any of our reasonable schedules prepared based upon periodic evaluations of the premises by our representatives. Within a period of 30-60 days (as we determine depending on the work needed) after the receipt of any particular report prepared following such an evaluation, you must

effect the items of maintenance we designate, including the repair of defective items and/or the replacement of irreparable or obsolete items of equipment and interior signage. If, however, any condition presents a threat to customers or public health or safety, you must effect the items of maintenance immediately, as further described in Section 6.G.

D. Relocation. If you need to relocate because of condemnation, destruction, or expiration or cancellation of your lease for reasons other than your breach, we will grant you authority to do so at a site acceptable to us; provided that (i) the new Restaurant is under construction within 90 days after you discontinue operation of the Restaurant at the Authorized Location, and (ii) the new Restaurant is open and operating within 120 days after construction commences, all in accordance with our then-current standards. If you voluntarily decide to relocate the Restaurant, your right to relocate the Restaurant will be void and your interest in this Agreement will be voluntarily abandoned, unless you have given us notice of your intent to relocate not less than 60 days prior to closing the Restaurant, have procured a site that we accept within 60 days after closing the prior Restaurant, have opened the new Restaurant for business within 120 days of such closure and complied with any other conditions that we reasonably require.

In the event your Restaurant is destroyed or damaged and you repair the Restaurant at the Authorized Location (rather than relocate the Restaurant), you must repair and reopen the Restaurant in accordance with our then-current standards for the destroyed or damaged area within 120 days of the date of occurrence of the destruction or damage.

You do not have the right to relocate in the event you lose the right to occupy the Restaurant premises because of the cancellation of your lease due to your breach. The termination or cancellation of your lease due to your breach is grounds for immediate termination under Section 13.B.2.

E. Modernization or Replacement. From time to time as we require, you must modernize and/or replace the building interior, trade dress, equipment, fixtures and improvements as may be necessary for your Restaurant to conform to the standards for similarly situated “GREEN + THE GRAIN” businesses. Furthermore, in addition to performing general continued maintenance and refreshing of the Restaurant premises whenever necessary as set forth in Section 5.C, you must make any required expenditures for equipment or leasehold improvements necessary to offer new services.

Each and every transfer of any interest in this Agreement or your Business governed by Paragraph 11 or any renewal agreement covered by Paragraph 4 is expressly conditioned upon your compliance with these modernization or replacement requirements at the time of transfer or renewal.

You acknowledge and agree that the requirements of this Section 5.E are both reasonable and necessary to ensure continued public acceptance and patronage of the “GREEN + THE GRAIN” Business licensed hereunder and to avoid deterioration or obsolescence in connection with the operation of the Restaurant. If you fail to make any improvement as required by this Section or perform the maintenance described in Section 5.C, we may, in addition to our other rights in this Agreement, effect such improvement or maintenance and you must reimburse us for the costs we incur.

F. Signage. All signage at your Restaurant must comply with our then current specifications, which we may modify and change from time to time due to modifications to the System, including changes to the Trademarks. You must make such changes to the outdoor signage as we require and at your cost.

PRODUCTS AND OPERATIONS STANDARDS AND REQUIREMENTS

6. You must implement and abide by our requirements and recommendations directed to enhancing substantial System uniformity and protecting the goodwill of the Trademarks. The following provisions control with respect to products and operations:

A. Authorized Menu; Authorized Products and Services. Your Business must be confined to the preparation and sale of only such Menu Items and other food and beverage products as we designate and approve in writing from time to time for sale by your Restaurant. You must offer for sale from the Restaurant all items and only those items listed as Menu Items and other approved food and beverage products. We have the right to make modifications to these items from time to time, and you agree to comply with any modifications. You may not offer or sell any other product or service at the Authorized Location without our prior written consent.

You must use in the operation of the Business only the proprietary and non-proprietary techniques and processes and supplies we designate, all as we specify in our Manual or otherwise in writing. We will supply to you a copy of the current Manual prior to opening the Business. You acknowledge and agree that we may change these periodically and that you are obligated to conform to the requirements.

B. Approved Supplies and Suppliers. We will furnish to you from time to time lists of approved supplies or approved suppliers. You must only use approved products, services, equipment, fixtures, furnishings, signs, advertising materials, trademarked items and novelties, and other items or services (collectively, “**approved supplies**”) in connection with the design, construction and operation of the Business as set forth in the approved supplies and approved suppliers lists, as we may amend from time to time. Although we do not do so for every item, we have the right to approve the manufacturer, distributor and/or supplier (“**approved suppliers**”) of approved supplies. You acknowledge and agree that certain approved supplies may only be available from one approved supplier, and we or our affiliates may be that supplier. You will pay the then-current price in effect for any approved products and supplies purchased from us or our affiliates. All inventory, products, materials and other items and supplies used in the operation of the Business that are not included in the approved supplies or approved suppliers lists must conform to the specifications and standards we establish from time to time. **ALTHOUGH APPROVED OR DESIGNATED BY US, WE AND OUR AFFILIATES MAKE NO WARRANTY AND EXPRESSLY DISCLAIM ALL WARRANTIES, INCLUDING WARRANTIES OF MERCHANTABILITY AND FITNESS FOR ANY PARTICULAR PURPOSE, WITH RESPECT TO SERVICES, PRODUCTS, EQUIPMENT (INCLUDING, WITHOUT LIMITATION, ANY REQUIRED COMPUTER SYSTEMS), SUPPLIES, FIXTURES, FURNISHINGS OR OTHER APPROVED ITEMS. IN ADDITION, WE DISCLAIM ANY LIABILITY ARISING OUT OF OR IN CONNECTION WITH THE SERVICES RENDERED OR PRODUCTS FURNISHED BY ANY SUPPLIER APPROVED OR DESIGNATED BY US. OUR APPROVAL OR CONSENT TO ANY SERVICES, GOODS, SUPPLIES, OR ANY OTHER INDIVIDUAL, ENTITY OR ANY ITEM SHALL NOT CREATE ANY LIABILITY TO US.**

Except for any products, supplies or materials for which we designate a single approved supplier, if you wish to purchase products, supplies, materials or equipment from suppliers not approved by us, you must submit to us a written request to approve the proposed supplier, together with any background documents or evidence we may require. We will have the right to require you to obtain permission from the supplier to allow our representatives to inspect the supplier’s facilities and that you deliver samples from the supplier for evaluation and testing to us or to an independent testing Restaurant that we designate. We may charge you an evaluation fee to conduct our evaluation and

testing. We will, within 30 days after our receipt of your evaluation request, notify you in writing of our approval or disapproval of your proposed supplier. We may revoke our approval of particular products, equipment or suppliers when we determine that such products, equipment or suppliers no longer meet our standards. Upon receipt of our revocation of approval, you must cease to use or sell any disapproved products and cease to purchase from any disapproved supplier.

C. Technology System. You must install and use in your Business the computer network system (the “**Technology System**,” which also includes the required point of sale (“POS”) hardware and technology that is included as part of the Technology System) that we have developed or selected for your Business, including all future updates, supplements and modifications. The required software and hardware may include a credit card processing system and/or gift card processing system we designate. You will be responsible for all fees and expenses associated with the Technology System, including any technical or administrative support, which may be due to third party vendors or suppliers (these amounts are separate from the Technology Fee described in Section 9.D). It is your responsibility to make sure that you are in compliance with all laws that are applicable to the Technology System or other technology used in the operation of your Restaurant, including all data protection or security laws as well as PCI compliance. You may be required to license software from us, an affiliate or a third party and you also may be required to pay a software licensing or user fee in connection with your use of the software. All right, title and interest in the software will remain with the licensor of the software. You must not use or download any software on your computer unless it has been authorized by us in writing. In the event that you use or download any unauthorized software, you will be liable for all damages and problems caused by the unauthorized software in addition to the other remedies provided under this Agreement. You acknowledge and agree that we will have full and complete access to the information and data entered and produced by the Technology System. You must, at all times, have at the Business internet access with a form of high speed connection as we require and you must maintain an email account for the Business.

D. Health and Sanitation. Your Business must be operated and maintained at all times in compliance with any and all applicable health and sanitary standards prescribed by governmental authority. You also must comply with any standards that we prescribe. In addition to complying with such standards, if the Business is subject to any sanitary or health inspection by any governmental authorities under which it may be rated in one or more than one classification, it must be maintained and operated so as to be rated in the highest available health and sanitary classification with respect to each governmental agency inspecting the same. In the event you fail to be rated in the highest classification or receive any notice that you are not in compliance with all applicable health and sanitary standards, you must immediately notify us of such failure or noncompliance.

E. Evaluations. We or our authorized representative have the right to enter your Business at all reasonable times during the business day for the purpose of making periodic evaluations and to ascertain if the provisions of this Agreement are being observed by you, to inspect and evaluate your Business and equipment, and to test, inspect and evaluate your services, equipment, supplies, products and overall operation of the Business. We and our representative also have the right to interview you, your employees and subcontractors, marketing contacts and clients pertaining to matters of compliance with this Agreement and the System and to photograph, videotape or audiotape any such interviews and/or observation/inspection of the operation of the Business without prior notice to you. You hereby consent to our use of any such audio or video recording for training, marketing or any other purpose. Any evaluation or inspection we conduct is not intended to exercise control over your day-to-day operation of the Business or to assume any responsibility for your obligations under this Agreement.

Any failure of an inspection is a default under Section 13.A of this Agreement. Further, if we determine that any condition in the Restaurant presents a threat to customers or public health or safety, we may take whatever measures we deem necessary, including requiring you to immediately close the Restaurant until the situation is remedied to our satisfaction. Our inspections and evaluations may include a “mystery shopper” program from time to time throughout the term of this Agreement. You must participate in any “mystery shopper” program we designate and be responsible for any costs of a “mystery shopper” visit or evaluation of your Restaurant.

F. Period of Operation. Subject to any contrary requirements of local law, your Business must be opened to the public and operated during the days and times set forth in the Manual. You acknowledge and agree that if your Business is closed for a period of five consecutive days without our prior written consent, such closure constitutes your voluntary abandonment of the franchise and business and we have the right, in addition to other remedies provided for herein, to terminate this Agreement. Acts of force majeure, as defined in Section 16.M, preventing you temporarily from complying with the foregoing will suspend compliance for the duration of such interference.

G. Operating Procedures. You must adopt and use as your continuing operational routine the required standards, procedures, techniques and management systems described in our Manuals or other written materials relating to various aspects of the operation of the Business. We will revise the Manual and these standards, procedures, techniques and management systems periodically to meet changing conditions of retail operation in the best interest of facilities operating under the Trademarks. Any required standards exist to protect our interests in the System and the Trademarks and not for the purpose of establishing any control or duty to take control over those matters that are reserved to you. The required standards generally will be set forth in the Manual as defined in Section 1.C or other written materials. The Manual also will include guidelines or recommendations in addition to required standards. In some instances, the required standards will include recommendations or guidelines to meet the required standards. You may follow the recommendations or guidelines or some other suitable alternative, provided you meet and comply with the required standards. In other instances, no suitable alternative may exist. In order to protect our interests in the System and Trademarks, we reserve the right to determine if you are meeting a required standard and whether an alternative is suitable to any recommendations or guidelines.

You will receive one copy of the Manual on loan from us for the term of this Agreement. The Manual is at all times our sole property. You must at all times treat the Manual, and the information it contains, as secret and confidential, and must use all reasonable efforts to maintain such information as secret and confidential. We may from time to time revise the contents of the Manual and you expressly agree to comply with each new or changed requirement. You must at all times ensure that your 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 that we maintain are controlling. You acknowledge and agree that in the future the Manual and other system communications may only be available on the Internet or other online or computer communications.

H. Compliance with Law; Licenses and Permits. You must at all times maintain your premises and conduct your Business operations in compliance with all applicable laws, regulations, codes and ordinances. You must secure and maintain in force all required licenses, permits and certificates relating to your Restaurant and be prepared to furnish copies upon request.

You acknowledge that you are an independent business and solely responsible for control and management of your Business, including, but not limited to, the hiring and discharging of your employees and setting and paying wages and benefits of your employees. You acknowledge that we

have no power, responsibility or liability in respect to the hiring, discharging, setting and paying of wages or related matters.

You must immediately notify us in writing of any claim, litigation or proceeding that arises from or affects the operation or financial condition of your “GREEN + THE GRAIN” Business, including any notices of health code violations or other license violations.

I. Confidential Information. You, your owners, and your manager may not, during the term of this Agreement or thereafter, disclose, copy, reproduce, sell or use for the benefit of any other person or entity Confidential Information, except to such employees that must have access to it to operate the Restaurant. For purposes of this Agreement, “Confidential Information” means the whole or any portion of know-how, knowledge, methods, specifications, processes, procedures and/or improvements regarding the business that is valuable and secret in the sense that it is not generally known to our competitors and any proprietary information contained in the Operations Manual or otherwise communicated to you in writing, verbally or through the Internet or other online or computer communications, and any other knowledge or know-how concerning the methods of operation of the Restaurant, as well as the content of this Agreement and any other document executed in connection with this Agreement. Any and all Confidential Information, including, without limitation, methods, procedures, suggested pricing, specifications, processes, materials, techniques and other data, may not be used for any purpose other than operating the Restaurant. We may require that you obtain nondisclosure and confidentiality agreements in a form satisfactory to us from any persons owning an interest in you, the Owners, your manager and other key employees. You must provide executed copies of these agreements to us upon our request. Notwithstanding the foregoing, you are authorized to disclose the terms of this Agreement to any lender providing you financing for the Restaurant as well as to your landlord.

J. Customer Information. You may only use Customer Information (as defined below) to the extent necessary to perform your obligations under this Agreement during the term hereof and subject to such restrictions as we may from time to time impose and in compliance with all data privacy, security and other applicable laws. “**Customer Information**” means any contact information (including name, address, phone and fax numbers, and e-mail addresses), sales and payment history, and all other information about any client, including any information deemed “personal information” under applicable law. As used in this Agreement, the term “customer” refers to any person or entity (i) included on any marketing or customer lists you develop or use; (ii) who has purchased or purchases services or products at the Restaurant; or (iii) whom you have solicited to purchase any services or products at or from the Restaurant. We own all Customer Information and may use the Customer Information as we deem appropriate, including sharing it with our affiliates.

Without limiting the foregoing, you agree to comply with applicable law in connection with your collection, storage and your use and our use of such Customer Information, including, if required under applicable law, obtaining consents from client to our and our affiliates’ use of the Customer Information. You must comply with all laws and regulations relating to data protection, privacy and security, including data breach response requirements (“**Privacy Laws**”), as well as data privacy and security policies, procedures and other requirements we may periodically establish. You must notify us immediately of any suspected data breach at or in connection with the Restaurant or the business operated at the Restaurant. You must fully cooperate with us and our counsel in determining the most effective way to meet our standards and policies pertaining to Privacy Laws within the bounds of applicable law. You are responsible for any financial losses you incur or remedial actions that you must take as a result of breach of security or unauthorized access to Customer Information in your control or possession.

K. Participation in Internet Websites or Other Online Communications. We may require you, at your expense, to participate in our “GREEN + THE GRAIN” website on the Internet, our intranet system or extranet system or other online communications as we may require. We have the right to determine the content and use of our website and intranet or extranet system and will establish the rules under which franchisees may or must participate. You may not separately register any domain name containing any of the Trademarks, participate in any website (including any social media platform) that markets goods and services similar to a “GREEN + THE GRAIN” business, or operate a website or social media site for your Restaurant that does not link to our website and/or that we do not approve. We retain all rights relating to our website and intranet system and may alter or terminate our website, extranet system or intranet system. Your general conduct on our website and intranet and extranet systems or other online communications and specifically your use of the Trademarks or any advertising is subject to the provisions of this Agreement. In particular, you shall not either directly or indirectly create, develop, maintain, and/or use your own website, blog, vlog, social network, or other on-line venue or communication on the Internet using any of the Trademarks, or otherwise use any of the Trademarks on the Internet in any other manner including for search engine advertising purposes without our prior written consent. You acknowledge that certain information related to your participation in our website or intranet system may be considered Confidential Information, including access codes and identification codes. Your right to participate in our website and intranet or extranet system, or otherwise use the Trademarks or System on the Internet or other online communications, will terminate when this Agreement expires or terminates.

L. System Modifications. You acknowledge and agree that we have the right to modify, add to or rescind any requirement, standard or specification that we prescribe under this Agreement to adapt the System to changing conditions competitive circumstances, business strategies, business practices and technological innovations and other changes as we deem appropriate. You must comply with these modifications, additions or rescissions at your expense, subject to any express limitations set forth in this Agreement.

M. Suggested Pricing Policies. You generally have the right to establish prices for the services and products you offer and sell at your Restaurant. We may, from time to time, suggest prices for the training services and related services and products you offer and sell. We do, however, have the right to modify the System to give us the right to establish prices for such menu items and related services and products, both minimum and maximum. Any such modification will be in writing. Unless we so modify the System, any list or schedule of prices we furnish to you is a recommendation only and any decision you make to accept or reject the suggestion will not in any way affect the relationship between you and us.

N. Key Accounts. We reserve the right to establish and administer a Key Accounts program. You must comply with all Key Accounts standards and procedures set forth in the Manual and/or as we may otherwise communicate to you, as well as the specific terms of our arrangement with each applicable Key Account, which terms may include, without limitation, special pricing and payment terms. For purposes of this Agreement, “**Key Accounts**” means national, regional or other customers of “GREEN + THE GRAIN” Businesses located within and/or outside the Designated Area with whom we have entered or plan to enter into contracts, programs or other arrangements (i) for servicing of multiple locations of such customers and/or (ii) that we determine are designed to benefit the System as a whole by gaining otherwise unavailable business or addressing the concerns of such customers that may require specific terms or provisions of our arrangement with them.

O. Gift Card/Loyalty Programs. We may require you to participate in our gift card or loyalty program. The gift card program may give you the right to issue to customers of the Restaurant prepaid gift cards bearing the Trademarks (the “**Gift Cards**”). Your participation in the Gift Card program will be subject to compliance with the terms and conditions we from time to time specify. You also agree to comply with terms and conditions of any customer loyalty program we adopt from time to time.

Without limiting the foregoing, you must comply with the Gift Card program’s terms and conditions and procedures where a customer purchases a Gift Card from one franchisee’s Restaurant and redeems the Gift Card at another franchisee’s Restaurant. In order to implement the Gift Card program at the Restaurant, you may be required to purchase, at your own cost, from us or our approved or designated suppliers, certain equipment, supplies, software and materials and provide access and assistance to us and our approved vendor(s) in connection with such implementation. You may not issue any gift cards outside of our authorized Gift Card program.

P. Ethical Business Conduct. You agree to adhere to good business practices, observing high standards of honesty, integrity, fair dealing and ethical business conduct and good faith in all business dealings with customers, vendors, your employees, our corporate employees, and all other “GREEN + THE GRAIN” franchisees. You must not engage in deceptive, misleading or unethical practices or conduct that may have a negative impact on the reputation and goodwill associated with the Trademarks.

Q. Crisis Situations. In the interest of protecting the “GREEN + THE GRAIN” brand, Trademarks and the System, we have the sole and absolute right to determine a response, including what steps will be taken and what communications will be made, in instances of a Crisis, and you agree to comply with and implement our directions in response to a Crisis. “Crisis” means an event or development that negatively impacts the “GREEN + THE GRAIN” brand in such a way that we determine may cause substantial harm or injury to the Trademarks, System, reputation or image.

PERSONNEL AND SUPERVISION STANDARDS

7. The following provisions and conditions control with respect to personnel, training and supervision:

A. Supervision. During the term of this Agreement, you (if Franchisee is an individual), or your Operating Partner (if Franchisee is a legal entity), or your Restaurant’s general manager must devote full time and best efforts to the management and operation of your Restaurant and provide direct, on-site supervision of the Business. Any general manager or replacement manager(s) you hire must complete our training as described in Sections 7.B – 7.E. Any general manager(s) or replacement manager(s) you hire must meet the applicable training requirements. The use of a general manager in no way relieves you of your obligations to comply with this Agreement and to ensure that the Restaurant is properly operated.

B. Training. You must comply with all of the training requirements we prescribe for the Restaurant to be developed under this Agreement. You (or if Franchisee is a legal entity, one of your Operating Partner) must complete our initial training program to our satisfaction prior to opening your Restaurant. It then is solely your responsibility to ensure that your employees are properly trained.

Initial training for up to four people attending the same in person training session is included as part of the Initial Franchise Fee. You also are responsible for paying all costs and expenses, including salaries, hotel and transportation costs, for all persons to attend our training program. You

will be responsible for paying all costs and other daily expenses for any additional person who attends our initial training program.

In the event you are given notice of default as set forth in Sections 13.A and B, and the default relates, in whole or in part, to your failure to meet any operational standards, we have the right to require as a condition of curing the default that you and your manager, at your expense, comply with the additional training requirements we prescribe. Any new manager you hire must comply with our training requirements within a reasonable time as we specify. Under no circumstances may you permit the management of the Restaurant's operation on a regular basis by a person who has not successfully completed to our reasonable satisfaction all applicable training we require.

Additionally, prior to and after the opening of your Restaurant, we will provide you with on-site opening assistance for up to five days. If you request additional days of on-site training or if we determine that it is necessary to provide you with more on-site training, we may require you to pay to us for each additional on-site training day at our then-current daily on-site training fee. You are responsible for paying all hotel and travel costs and expenses we incur in providing you with this onsite training.

C. Ongoing Training. We may require you, your manager and other key employees of the Restaurant to attend, at your expense, ongoing training at our training facility, the Restaurant or other location we designate. If you request training in addition to the initial training program identified above, you must pay to us our then-current daily training fee plus expenses.

D. Staffing. You will employ a sufficient number of competent and trained employees to ensure efficient service to your customers. No employee of yours will be deemed to be an employee of ours for any purpose whatsoever, and nothing in any aspect of the System or the Trademarks in any way shifts any employee or employment related responsibility from you to us. You alone are responsible for hiring, firing, training, maintaining working conditions, setting hours and for supervising all employees.

E. Attendance at Meetings. You must attend, at your expense, all franchise conventions we may hold or sponsor and all meetings relating to new training services, new operational procedures or programs, training, Restaurant management, sales or sales promotion, or similar topics. We may charge you a fee in connection with your attendance at any convention or meetings we hold or sponsor. If you are not able to attend a meeting or convention, you must notify us prior to the meeting and must have a substitute person acceptable to us attend the meeting. Any fee we may charge shall be payable by you whether or not you or a substitute person attends the conference or meeting. If you fail to attend two (2) or more conventions during the term of this Agreement, we have the right to require you to attend additional training, in addition to any other rights and remedies available to us for your breach of this provision.

MARKETING AND ADVERTISING

8. You agree to actively promote your Business, to abide by all of our marketing and advertising requirements and to comply with the following provisions:

A. Brand Fund. You must pay to us a Brand Fund Fee as set forth in Section 9.D. All Brand Fund Fees will be placed in a Brand Fund ("Fund") that we manage. The Fund is not a trust or escrow account, and we have no fiduciary obligation to franchisees with respect to the Fund; provided, however, we will make a good faith effort to expend such fees in a manner that we determine is in the general best interests of the System. We have the right to determine the

expenditures of the amounts collected and the methods of marketing, advertising, media employed and contents, terms and conditions of marketing campaigns and promotional programs, including without limitation any national, regional and local advertising, marketing, promotional and public campaigns, which expenditures may include providing creative development services (including graphic design for marketing collateral); updating and hosting a website; development and maintenance of software used by franchisees, social media and local marketing support; subscription fees and set-up expenses for design and learning platforms; the expenses of franchise system-wide meetings; providing market intelligence through analytics to the franchise system; conducting member interviews, focus groups and surveys; conducting promotions; engaging advertising and marketing agencies and public relations firms; and any other expenses for developing and promoting the brand or System. Because of the methods used, we are not required to spend a prorated amount on each Restaurant or in each advertising market. We have the right to make disbursements from the Fund for expenses incurred in connection with the cost of formulating, developing and implementing marketing, advertising and promotional campaigns. The disbursements may include payments to us for the expense of administering the Fund, including accounting expenses and salaries and benefits paid to our employees engaged in the marketing and advertising functions. If requested, we will provide you an annual unaudited statement of the financial condition of the Fund.

B. Required Local Expenditures and Grand Opening Advertising. You must use your best efforts to promote and advertise the Business and participate in any local marketing and promotional programs we establish from time to time. In addition to the Brand Fund Fee, you are required to spend (i) a minimum of 3% of Gross Revenues per month on approved local marketing activities as further described below (“Local Marketing”), and (ii) a minimum of \$15,000 on approved grand opening advertising. Upon our request, you must provide us of the monies you spend on Local Marketing and grand opening advertising, with an itemization and proof of the marketing/advertising activities. Upon 90 days’ notice to you and in one or several increments, we may increase the required minimum Local Marketing expenditures to 5% of Gross Revenues per month.

C. Approved Activities and Materials. You agree to comply with any guidelines we develop regarding the territorial scope of your marketing activities, including limitations from where customer business may be generated, although in the future we may establish written guidelines regarding the territorial scope of your marketing activities. You must use only such marketing materials (including any print, radio, television, electronic, or other media forms that may become available in the future) as we furnish, approve or make available, and the materials must be used only in a manner that we prescribe. Furthermore, any promotional activities you conduct in the Restaurant or on its premises are subject to our approval. You must submit all advertising and promotional materials to us prior to your use. If we do not respond within 14 days after you submit the proposed advertising materials to us, the advertising materials will be deemed not approved. We will not unreasonably withhold approval of any sales promotion materials or media and activities; provided that they are current, in good condition, in good taste and accurately depict the Trademarks.

D. Local/Regional Marketing Groups. We have the right to designate local or regional marketing groups and if designated, you must participate in and contribute to the advertising and marketing programs in your designated local/regional marketing group. If established, you must contribute to the group the amount we designate. Each “GREEN + THE GRAIN” business, including those operated by us or our affiliates within a designated marketing area (except Nontraditional Locations) is a member of the local or regional marketing group. We have the right to form, change, dissolve or merge local/regional marketing groups. Any amount you spend on approved local/regional marketing group activities will count towards your Local Marketing requirements.

FEES, REPORTING AND AUDIT RIGHTS

9. You must pay the fees described below and comply with the following provisions:

A. Initial Franchise Fee. You must pay us an Initial Franchise Fee in the amount of set forth on the Summary Page. The Initial Franchise Fee is a lump sum payment and due when you sign this Agreement. The Initial Franchise Fee is earned upon receipt and are nonrefundable.

B. Royalty Fee. In addition to the Initial Franchise Fee, during the full term of this Agreement, or any Interim Period, and in consideration of the rights granted to you, you must pay to us a monthly Royalty Fee equal to 6% of Gross Revenues.

C. Brand Fund Fee. You must pay to us a monthly Brand Fund Fee in an amount equal to 3% of Gross Revenues. The Brand Fund Fee is separate from any local/regional marketing requirements. We may, on 6 months' prior written notice to you and in one or more increments, increase the Brand Fund Fee to up to a total of 6%. However, your total payments of the Brand Fund Fee and the local marketing requirements will not exceed a total of 8% of Gross Revenues. The Brand Fund Fees are not held by us in trust and will be spent in accordance with Section 8.A of this Agreement.

D. Technology Fee. You must pay to us each month the then-current technology fee (the "**Technology Fee**"), the current amount of which is set forth in the Summary Page. We will use these fees paid to us for services related to technology used in your Restaurant, which includes a branded email, website hosting (if applicable) and other technology initiatives. You acknowledge and agree that we can increase the Technology Fee at any time with notice to you to cover costs associated with any changes, improvements or updates to the Technology System used in or for the Restaurant.

E. Daily Noncompliance Fee. We have the right to charge you a Daily Noncompliance Fee for each day that you remain out of compliance with the Franchise Agreement or any mandatory standard or procedure. The Daily Noncompliance Fee is payable via ACH immediately upon 24 hours' notice and may be charged until you cure any applicable default. The Daily Noncompliance Fee is in addition to, and not in lieu of, any rights we have under this Agreement (including termination for defaults as set forth in this Agreement). As of the Effective Date, the Daily Noncompliance Fee is \$100, but that amount is subject to change at any time.

F. Computations and Remittances. Except as otherwise stated in this Agreement, all amounts due and owing to us monthly, and will be paid through electronic funds transfer. You must also submit the reports required by Section 9.J of this Agreement. We reserve the right to change the due date and method of payment for any or all amounts. You must certify the computation of the amounts in the manner and form we specify, and you must supply to us any supporting or supplementary materials as we reasonably require to verify the accuracy of remittances. You waive any and all existing and future claims and offsets against any amounts due under this Agreement, which amounts you must pay when due. We have the right to apply or cause to be applied against amounts due to us or any of our affiliates any amounts that we or our affiliates may hold from time to time on your behalf or that we or our affiliates owe to you.

G. Electronic Transfer of Funds. You must sign our electronic transfer of funds authorization forms, attached as Schedule B, to authorize and direct your bank or financial institution to transfer electronically directly to our account or our affiliates' account and to charge to your account all amounts due to us or our affiliates. You must maintain a balance in your account

sufficient to allow us and our affiliates to collect the amounts owed when due. You are responsible for any penalties, fines or other similar expenses associated with the transfer of funds described in this Section.

H. Interest Charges; Late Fees. Any and all amounts that you owe to us or to our affiliates will bear interest at the rate of 18% per annum or the maximum contract rate of interest permitted by governing law, whichever is less, from and after the date of accrual. In addition to interest charges on late Royalty Fee and Brand Fund Fee payments, you must pay to us a service charge of \$50 for each delinquent periodic report or payment that you owe to us under this Agreement. A payment is delinquent for any of the following reasons: (i) we do not receive the payment on or before the date due; or (ii) there are insufficient funds in your bank account to collect the total payment by a transfer of funds on or after the date due. The service charge is not interest or a penalty, it is only to compensate us for increased administrative and management costs due to late payment.

I. Financial Planning and Management. You must keep books and records (including using our standard chart of accounts) and submit reports as we periodically require, including but not limited to a monthly profit plan, monthly balance sheet and monthly statement of profit and loss, records of prices and special sales, check registers, purchase records, invoices, sales summaries and inventories, sales tax records and returns, payroll records, cash disbursement journals and general ledgers, all of which accurately reflect the operations and condition of your Business operations. You must compile, keep and submit to us the books, records and reports on the forms and using the methods of bookkeeping and accounting as we periodically may prescribe. The records that you are required to keep for your Business must include detailed daily sales, cost of sales, and other relevant records or information maintained in an electronic media format and methodology we approve. You must provide this information to us according to reporting formats, methodologies and time schedules that we establish from time to time. You also must preserve and retain the books, records and reports for not less than 36 months. You must allow us electronic and manual access to any and all records relating to your Business. We reserve the right to designate a required accounting software for the System.

J. Reports and Audit. Each month you must submit to us a report of your Gross Revenues with respect to the preceding month on the day and in the form and content as we periodically prescribe. The monthly report or other reports that we may require will include, but not be limited to, the following information for the preceding the applicable reporting period: (i) amount of Gross Revenues of the Business, amount of sales tax and the computation of the Royalty Fee and the Brand Fund Fee; (ii) copies of your most recent sales tax return, sales summary and monthly balance sheet and statement of profit and loss, including a summary of your costs for utilities, labor, rent and other material cost items; and (iii) if requested by us to verify your Gross Revenues, all such books and records as we may require under our audit policies published from time to time. You also must, at your expense, submit to us within 90 days after the end of each fiscal year a detailed balance sheet, profit and loss statement and statement of cash flows for such fiscal year. We may require that the annual financial statements be reviewed by a certified public accountant. You must certify all reports to be true and correct.

We or our authorized representative have the right at all times during the business day to enter the premises where your books and records relative to the Business are kept and to evaluate, copy and audit such books and records. We also have the right to request information from your suppliers and vendors. In the event that any such evaluation or audit reveals any understatement of 2% or more of your Gross Revenues, you must pay for the audit, and in addition to any other rights we may have, we have the right to conduct further periodic audits and evaluations of your books and records as we reasonably deem necessary for up to 3 years thereafter and any further audits and evaluations will be at your sole expense, including, without limitation, professional fees, travel, and room and board

expenses directly related thereto. Furthermore, if you intentionally understate or underreport Gross Revenues at any time, or if a subsequent audit or evaluation conducted within the 3-year period reveals any understatement of your Gross Revenues of 2% or more, in addition to any other remedies provided for in this Agreement, at law or in equity, we have the right to terminate this Agreement immediately. In order to verify the information that you supply, we have the right to reconstruct your sales through the inventory extension method or any other reasonable method of analyzing and reconstructing sales. You agree to accept any such reconstruction of sales unless you provide evidence in a form satisfactory to us of your sales within a period of 14 days from the date of notice of understatement or variance. You must fully cooperate with us or our representative in performing these activities and any expenses incurred by us from your lack of cooperation shall be reimbursed by you.

YOUR OTHER OBLIGATIONS; NONCOMPETE COVENANTS

10. You agree to comply with the following terms and conditions:

A. Payment of Debts. You agree to pay promptly when due: (i) all payments, obligations, assessments and taxes due and payable to us and our affiliates, vendors, suppliers, lessors, federal, state or local governments, or creditors in connection with your business; (ii) all liens and encumbrances of every kind and character created or placed upon or against any of the property used in connection with the Business; and (iii) all accounts and other indebtedness of every kind incurred by you in operating the Business. In the event you default in making any such payment, we are authorized, but not required, to pay the same on your behalf and you agree promptly to reimburse us on demand for any such payment.

You also will pay all federal, state and local taxes, other than taxes as assessed on our income, that may be imposed on us as the result of our receipt or accrual of the Initial Franchise Fee, Initial Training Fee, Royalty Fees, Brand Fund Fees, Technology Fees or other fees referenced in this Agreement, whether assessed against you through withholding or other means or whether paid by us directly. In either case, you shall pay us (and to the appropriate governmental authority) such additional amounts as are necessary to provide us, after taking such taxes into account (including any additional taxes imposed on such additional amounts), with the same amounts that we would have received or accrued had such withholding or other payment, whether by you or by us, not been required.

B. Indemnification. You waive all claims against us for damages to property or injuries to persons arising out of the operation of your Business. You must fully protect, indemnify and hold us and our owners, directors, officers, insurers, successors and assigns and our affiliates harmless from and against any and all claims, demands, damages and liabilities of any nature whatsoever arising in any manner, directly or indirectly, out of or in connection with or incidental to the operation of your Business (regardless of cause or any concurrent or contributing fault or negligence of us or our affiliates) or any breach by you or your failure to comply with the terms and conditions of this Agreement, although your indemnification obligations under this Section 10.B do not cover claims solely related to our willful misconduct. We also reserve the right to select our own legal counsel to represent our interests, and you must reimburse us for all our costs and all attorneys' fees immediately upon our request as they are incurred.

It is the intention of the parties to this Agreement that we should not be deemed a joint employer with you for any reason; however, if we incur any cost, loss or damage as a result of any actions or omissions of you or your employees, including any that relate to any party making a finding of any joint employer status, you will fully indemnify us for any such loss.

C. **Insurance.** You must purchase and maintain in full force and effect, at your expense and from a company we accept, insurance that insures both you and us, our affiliates and any other persons we designate by name. You must deliver to us upon execution of the lease or purchase agreement for the Authorized Location, but before commencing construction of your Restaurant, and thereafter annually or at our request proper certificates evidencing the existence of required insurance coverage and your compliance with other insurance requirements. The insurance certificate must show our and our affiliates' status as an additional insured and provide that we will be given 30 days' prior written notice of material change in or termination or cancellation of the policy. The insurance policy or policies must be written in accordance with the standards and specifications (including minimum coverage amounts) set forth in writing by us from time to time. As of the Effective Date, the insurance coverage standards are:

Required Insurance Coverages:

GENERAL LIABILITY INSURANCE

1. General Liability coverage, including Personal and Advertising Injury, of \$1,000,000 per occurrence
2. \$2,000,000 General Aggregate, per location
3. \$2,000,000 Products – Completed Operations coverage required
4. Damage to Premises Rented to You and/or Fire Damage Legal Liability of not less than \$300,000
5. Medical Payments must be included
6. Additional Insured, endorsement in the name of green and the grain franchising LLC
7. A Waiver of Subrogation in favor of green and the grain franchising LLC

AUTO LIABILITY INSURANCE

1. Hired and Non Owned Auto Liability coverage of \$1,000,000 CSL
2. Owned Auto Coverage included (as applicable) with a limit no less than \$1,000,000 CSL
3. Additional Insured endorsement in the name of green and the grain franchising LLC
4. A Waiver of Subrogation in favor of green and the grain franchising LLC

UMBRELLA LIABILITY INSURANCE

1. Minimum Umbrella Liability limit of \$1,000,000 per occurrence / \$1,000,000 aggregate (although these minimum amounts may be increased if franchisee has multiple restaurants)
2. Additional Insured, in the name of green and the grain franchising LLC
3. Waiver of Subrogation in favor of green and the grain franchising LLC
4. Umbrella Liability must go over the General Liability and Auto Liability

PROPERTY INSURANCE

1. Business Income and Extra Expense coverage of at least twelve (12) months' income replacement
2. Business Personal Property and Tenant Improvements and Betterments at full replacement cost
3. Special Causes of Loss form required

WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE

1. Workers Compensation per state statutes

2. Employers Liability of at least \$1,000,000 each accident, \$1,000,000 each employee, \$1,000,000 policy limit
3. A Waiver of Subrogation in favor of green and the grain franchising LLC

Recommended, but not required, Insurance Coverages:

EMPLOYMENT PRACTICES LIABILITY COVERAGE

1. Minimum limit of \$1,000,000 per claim (minimum amount may be increased if franchisee has multiple restaurants)
 - Must include 1st & 3rd party coverage
 - Must include Wage and Hour Defense Sublimit of at least \$50,000
 - Must include joint employer co-defense language for franchisor

CYBER LIABILITY/DATA PRIVACY COVERAGE:

1. Minimum Limit of \$1,000,000 policy aggregate
2. Must include First and Third Party coverage
3. Must include Cyber Business Interruption

ADDITIONAL PROPERTY COVERAGE:

1. Spoilage coverage of no less than \$5,000 per location
2. Food Contamination coverage of no less than \$5,000 per location

We may from time to time modify the required minimum limits and require additional insurance coverages, by providing written notice to you, as conditions require, to reflect changes in relevant circumstances, industry standards, experiences in the system, standards of liability and higher damage awards. We reserve the right to designate a single source from which you must purchase or renew insurance. If you do not procure and maintain the required insurance coverage (including any modifications we impose), we have the right, but not the obligation, to procure insurance coverage and to charge the costs to you, together with a reasonable fee for the expenses we incur in doing so. You must pay these amounts to us immediately upon written notice. Although we require certain insurance coverage and have recommended other coverages, we do not guarantee that the required or recommended insurance will be adequate to fully protect your assets. You should therefore consult with an insurance professional to determine what coverage, in addition to the minimum required coverage, may be needed for you and your Restaurant.

D. Noncompete Covenants. You agree that you will receive valuable training, Confidential Information and goodwill that you otherwise would not receive or have access to but for the rights licensed to you under this Agreement. You therefore agree to the following noncompetition covenants:

1. Unless otherwise specified, the term “you” as used in this Section 10.D includes, collectively and individually, all Owners, guarantors, officers, directors, members, managers, partners, as the case may be, and holders of any ownership interest in you and any immediate family members of same including spouses and children. We may require you to obtain from your manager and other individuals identified in the preceding sentence a signed non-compete agreement in a form satisfactory to us that contains the non-compete provisions of this Section 10.D.

2. You covenant that during the term of this Agreement or during any Interim Period you will not, except as we otherwise consent to in writing, and which consent shall be unreasonably withheld, either directly or indirectly, for yourself, or through, on behalf of, or in conjunction with any person or entity, own, manage, operate, maintain, engage in, consult with or have any interest in any other Restaurant or café business other than the one authorized by this Agreement or any other agreement between us and you.

3. You covenant that you will not, for a period of two years after the expiration or termination of this Agreement, or after the expiration of any Interim Period, regardless of the cause of termination, or within two years of the sale of the Business or any interest in you, either directly or indirectly, for yourself, or through, on behalf of, or in conjunction with any person or entity, own, manage, operate, maintain, engage in, consult with or have any interest in a Competing Business:

- a. At the premises of the former Restaurant;
- b. Within 10 miles of the Restaurant; or
- c. Within 10 miles of any other business using the “GREEN + THE GRAIN” System, whether franchised or owned by us or our affiliates.

For purposes of this Section 10.D, a Competing Business includes any business which has menu items that feature salads or wraps where those items comprise more than 25% of the annual revenue of the business.

4. You agree that the length of time in subpart (3) will be tolled for any period during which you are in breach of the covenants or any other period during which we seek to enforce this Agreement. The parties agree that each of the foregoing covenants will be construed as independent of any other covenant or provision of this Agreement.

TRANSFER OF FRANCHISE

11. You agree that the following provisions govern any transfer or proposed transfer:

A. Transfers. We have entered into this Agreement with specific reliance upon your financial qualifications, experience, skills and managerial qualifications as being essential to the satisfactory operation of the Business. Consequently, neither your interest in this Agreement nor in the Business may be transferred or assigned to or assumed by any other person or entity (the “assignee”), in whole or in part, unless you have first tendered to us the right of first refusal to acquire this Agreement in accordance with Section 11.F, and, if we do not exercise such right, unless our prior written consent is obtained, the transfer fee provided for in Section 11.C is paid, and the transfer conditions described in Section 11.D are satisfied. Any sale (including installment sale), lease, pledge, management agreement, contract for deed, option agreement, assignment, bequest, gift or otherwise, or any arrangement pursuant to which you turn over all or part of the daily operation of the business to a person or entity who shares in the losses or profits of the business in a manner other than as an employee will be considered a transfer for purposes of this Agreement. Specifically, but without limiting the generality of the foregoing, the following events constitute a transfer and you must comply with the right of first refusal, consent, transfer fee, and other transfer conditions in this Paragraph 11:

1. Any change in the percentage of the franchisee entity owned, directly or indirectly, by any Owner (including any addition or deletion of any person or entity who qualifies as an Owner);

2. Any change in the general partner of a franchisee that is a general, limited or other partnership entity;

3. For purposes of this Section 11.A, a pledge or seizure of any ownership interests in you or in any Owner that affects the ownership of 20% or more of you or any Owner, which we have not approved in advance in writing; or

4. Any grant of a security interest in, or otherwise encumbrance of, any of the assets or securities of you, including the Business unless you satisfy our requirements. Such requirements may include execution of an agreement by the secured party in which it acknowledges the creditor's obligations and agrees that in the event of any default by you under any documents related to the security interest, we shall have the right and option (but not the obligation) to be substituted as obligor to the secured party and to cure your default; and, in the event we exercise such option, any acceleration of indebtedness due to your default shall be void.

In the event of your insolvency or the filing of any petition by or against you under any provisions of any bankruptcy or insolvency law, if your legal representative, successor, receiver or trustee desires to succeed to your interest in this Agreement or the business conducted hereunder, such person first must notify us, tender the right of first refusal provided for in Section 11.F, and if we do not exercise such right, must apply for and obtain our consent to the transfer, pay the transfer fee provided for in Section 11.C, and satisfy the transfer conditions described in Section 11.D. In addition, you or the assignee must pay the attorneys' fees and costs that we incur in any bankruptcy or insolvency proceeding pertaining to you.

You may not place in, on or upon the location of the Business, or in any communication media or any form of advertising, any information relating to the sale of the Business or the rights under this Agreement, without our prior written consent.

B. Consent to Transfer. We will not unreasonably withhold our consent to transfer, provided we determine that all of the conditions described in this Paragraph 11 have been satisfied. Application for our consent to a transfer and tender of the right of first refusal provided for in Section 11.F must be made by submission of our form of application for consent to transfer, which must be accompanied by the documents we request and other required information. The application must indicate whether you or an Owner proposes to retain a security interest in the property to be transferred. No security interest may be retained or created, however, without our prior written consent and except upon conditions acceptable to us. Any agreement used in connection with a transfer will be subject to our prior written approval, which approval will not be withheld unreasonably. You immediately must notify us of any proposed transfer and must submit promptly to us the application for consent to transfer and any other required documents and information. Any attempted transfer by you without our prior written consent or otherwise not in compliance with the terms of this Agreement will be void, your interest in this Agreement will be voluntarily abandoned, and it will provide us with the right to elect either to deem you in default and terminate this Agreement or to collect from you and the guarantors a transfer fee equal to two times the transfer fee provided for in Section 11.C.

C. Transfer Fee. You must pay to us a transfer fee in an amount equal to 50% of our then-current initial franchise fee (the transfer fee is reduced to (i) 30% of our then-current initial

franchise fee if the buyer is an existing “GREEN + THE GRAIN” franchisee in good standing or (ii) \$2,000 if we determine that the transfer does not result in a change of control in the Franchisee entity). The transfer fee is nonrefundable even if, for any reason, the proposed transfer does not occur.

D. Conditions of Transfer. We condition our consent to any proposed transfer, whether to an individual, a corporation, a partnership or any other entity upon the following:

1. Assignee Requirements. The assignee must meet all of our then-current requirements for our “GREEN + THE GRAIN” franchise program we are offering at the time of the proposed transfer and sign our then-current form of franchise agreement.

2. Payment of Amounts Owed. All amounts owed by you to us, or any of our affiliates, your suppliers or any landlord for the Business premises and Restaurant, or upon which we or any of our affiliates have any contingent liability must be paid in full.

3. Reports. You must have provided all required reports to us in accordance with Sections 9.H and I.

4. Modernization. You must have complied with the provisions of Section 5.E.

5. Guarantee. In the case of an installment sale for which we have consented to you or any Owner retaining a security interest or other financial interest in this Agreement or the Business operated thereunder, you or such Owner, and the guarantors, are obligated to guarantee the performance under this Agreement until the final close of the installment sale or the termination of such interest, as the case may be.

6. General Release. You, each Owner and each guarantor must sign a general release of all claims arising out of or relating to this Agreement, your Business or the parties’ business relationship, in the form we designate, releasing us and our affiliates.

7. Training. The assignee must, at your or assignee’s expense, comply with the training requirements of Section 7.B., including the payment of any then applicable training fee.

8. Transaction Terms. You or the proposed transferee have provided us with all information we reasonably request re the terms of the proposed transfer, and we are satisfied that the financial terms and conditions of the proposed transfer will not have a materially adverse effect on the businesses’ post-transfer ability to continue in operation and to meet its liabilities as they fall due. All marketing, promotional or offering materials you use in connection with any transfer must be submitted to us for review prior to use. Our review will be limited solely to the subject of the relationship between you and us and any reference to the Trademarks. You must pay us for our reasonable costs and expenses associated with any such review.

9. Financial Reports and Data. We have the right to require you to prepare and furnish to assignee and/or us such financial reports and other data relating to the Restaurant and its operations reasonably necessary or appropriate for assignee and/or us to evaluate the Restaurant and the proposed transfer. You agree that we have the right to confer with proposed assignees and furnish them with information concerning the Restaurant and proposed transfer without being held liable to you, except for intentional misstatements made to an assignee. Any information furnished by us to proposed assignees is for the sole purpose of permitting

the assignees to evaluate the Restaurant and proposed transfer and must not be construed in any manner or form whatsoever as a financial performance representation or claims of success or failure.

10. Other Conditions. You must have complied with any other conditions that we reasonably require from time to time as part of our transfer policies.

E. Death, Disability or Incapacity. If any individual who is an Owner dies or becomes disabled or incapacitated and the decedent's or disabled or incapacitated person's heir or successor-in-interest wishes to continue as an Owner, such person or entity must apply for our consent under Section 11.B, pay the applicable transfer fee under Section 11.C, and satisfy the transfer conditions under Section 11.D, as in any other case of a proposed transfer, all within 90 days of the death or event of disability or incapacity. If the assignee of the decedent or disabled or incapacitated person is the spouse, child or person with a similar familial relationship of such person, no transfer fee will be payable to us and we will not have a right of first refusal as set forth in Section 11.F. During any transition period to an heir or successor-in-interest, the Restaurant still must be operated in accordance with the terms and conditions of this Agreement. If we determine the Restaurant is not being operated accordingly, we may, but are not obligated to, temporarily manage the Restaurant until such time as any consent is completed or the Agreement is terminated. Under these circumstances where we temporarily manage the Restaurant, you agree to pay us the then-current temporary management fee for the time we manage the Restaurant.

F. Right of First Refusal. If you propose to transfer or assign this Agreement or your interest herein or in you or the business, in whole or in part, to any third party, including, without limitation, any transfer contemplated by Section 11.E or any transfer described in Section 11.A, you first must offer to sell to us your interest under the same general terms. In the event of a bona fide offer from such third party, you must obtain from the third-party offeror and deliver to us a statement in writing in a form that is acceptable to us, signed by the offeror and by you, of the terms of the offer. In the event the proposed transfer results from a transfer under Sections 11.A.1 through 11.A.3, or your insolvency or the filing of any petition by or against you under any provisions of any bankruptcy or insolvency law, you first must offer to sell to us your interest in this Agreement and the land, building, equipment, furniture and fixtures, and any leasehold interest used in the operation of your Restaurant. Unless otherwise agreed to in writing by us and you, the purchase price for our purchase of assets in the event of a transfer that occurs by a transfer under Sections 11.A.1 through 11.A.3 or insolvency or bankruptcy filing will be established by a qualified appraiser selected by the parties and in accordance with the price determination formula established in Section 14.B (the formula that includes the value of any goodwill of the business) in connection with an asset purchase upon expiration. In addition, unless otherwise agreed to in writing by us and you, the transaction documents, which we will prepare, will be those customary for this type of transaction and will include representations and warranties then customary for this type of transaction. If the parties cannot agree upon the selection of such an appraiser, a Judge of the United States District Court for the District in which the Restaurant is located will appoint one upon petition of either party.

You or your legal representative must deliver to us a statement in writing incorporating the appraiser's report and all other information we have requested. We then have 30 days from our receipt of the statement setting forth the third-party offer or the appraiser's report and other requested information to accept the offer by delivering written notice of acceptance to you. Our acceptance of any right of first refusal will be on the same price and terms set forth in the statement delivered to us; provided, however, we have the right to substitute equivalent cash for any noncash consideration included in the offer. If we fail to accept the offer within the 30-day period, you will be free for 60 days after such period to effect the disposition described in the statement delivered to us provided such

transfer is in accordance with this Paragraph 11. You may effect no other sale or assignment of you, this Agreement or the business without first offering the same to us in accordance with this Section 11.F.

G. Transfer by Us. We have the right to sell or assign, in whole or in part, our interest in this Agreement.

H. Individual Franchisee. If you are in full compliance with this Agreement, you may transfer this Agreement to a corporate or other business entity **(i)** which conducts no business other than operating your Restaurant (and if applicable other Green + The Grain Restaurant), **(ii)** in which you maintain management control **(iii)** of which you own and control 100% of the equity and voting power of all issued and outstanding equity interests and **(iv)** further provided that all assets of the Club are owned, and the entire Club is conducted by a single business entity. Any transfer meeting the conditions in this Section 11.G will not be subject to the conditions in Section 11.C, however, the corporation or other similar entity must execute a document in a form approved by us in which it agrees to become a party to and be bound by all the provisions of this Agreement and the Principal Owners must agree to remain personally liable under this Agreement.

DISPUTE RESOLUTION

12. The following provisions apply with respect to dispute resolution:

A. Mediation; Arbitration.

(i) Except for disputes that involve injunctive relief or specific performance actions covered under subsection 12.B and prior to either party filing arbitration, the parties agree to mediate any dispute between you and us or any of our or your affiliates, including, without limitation, your owners and guarantors, arising under, out of, in connection with or in relation to this Agreement, the Restaurant or Authorized Location, or the parties' relationship; provided that the party seeking mediation must notify the other party of its intent to mediate prior to the termination of this Agreement. Mediation will be conducted in the county in which our headquarters are then located (currently, Hennepin County, Minnesota), or at such other place as may be mutually agreeable to the parties, by a mediator or mediation program agreed to by the parties. Persons authorized to settle the dispute must attend any mediation session. The parties agree to participate in the mediation proceedings in good faith with the intention of resolving the dispute if at all possible within 30 days of the notice from the party seeking to initiate the mediation procedures. If not resolved within 30 days, or if one party refuses to participate in mediation as outlined herein, the parties are free to pursue arbitration. Mediation is a compromise negotiation for purposes of the federal and state rules of evidence, and the entire process is confidential. The parties agree that each party will pay fifty percent (50%) of the total of mediation fees and all costs associated with mediation.

(ii) Except as qualified below in Section 12.B and subject to the mediation obligation set forth above, any dispute between you and us or any of our or your affiliates arising under, out of, in connection with or in relation to this Agreement, the Restaurant or Authorized Location, or the parties' relationship must be submitted to binding arbitration under the authority of the Federal Arbitration Act and must be determined by arbitration administered by the American Arbitration Association pursuant to its then-current commercial arbitration rules and procedures. The arbitrator must have at least 5 years of significant experience in franchise law. The arbitrator must follow the law and not disregard the terms of this Agreement or disregard the law based on principles of justice or equity which are not a specific part of the applicable law. The arbitrator shall decide the

gateway issue of arbitrability Any arbitration must be on an individual basis and the parties, and the arbitrator will have no authority or power to proceed with any claim as a class action or otherwise to join or consolidate any claim with any other claim or any other proceeding involving third parties. In the event a court determines that this limitation on joinder of or class action certification of claims is unenforceable, then this entire commitment to arbitrate will become null and void and the parties must submit all claims to the jurisdiction of the courts. The arbitration must take place in the city of our then-current headquarters (currently, Minneapolis, Minnesota). A judgment may be entered upon the arbitration award by any state or federal court in the state where we maintain our headquarters or the state where your Restaurant is located. The decision of the arbitrator will be final and binding on all parties to the dispute; however, the arbitrator may not under any circumstances: (1) stay the effectiveness of any pending termination of this Agreement; (2) assess punitive or exemplary damages; or (3) make any award which extends, modifies or suspends any lawful term of this Agreement or any reasonable standard of business performance that we set.

This arbitration provision is self-executing. Specifically, the arbitration may proceed, and the arbitrator has jurisdiction, regardless of whether any party fails to actively participate or appear. In the event that any party fails without good cause (i) to appear at any properly noticed arbitration proceeding; or (ii) to make payment in full of its share of the required arbitration fees and costs within ten (10) days after notice and demand, absent a previously issued court order to the contrary, then the arbitrator or the organization/entity administering the arbitration shall be authorized to enter a final award against such party in the nature of a default judgment or otherwise, notwithstanding the failure to appear or to make the required payment.

B. Exceptions to Arbitration. Notwithstanding Sections 12.A, the parties agree that the following claims will not be subject to arbitration:

1. any action for declaratory or equitable relief, including, without limitation, seeking preliminary or permanent injunctive relief, specific performance, other relief in the nature of equity to enjoin any harm or threat of harm to such party's tangible or intangible property, brought at any time, including, without limitation, prior to or during the pendency of any arbitration proceedings initiated hereunder.
2. any action in ejectment or for possession of any interest in real or personal property.

D. Costs of Enforcement, Defense and Attorneys' Fees. The prevailing party in any action or proceeding arising under, out of, in connection with, or in relation to this Agreement, any lease or sublease for the Business or the business will be entitled to reimbursement of its costs and expenses, including, but not limited to, reasonable accounting and attorneys' fees (whether such fees be incurred by outside counsel or a staff attorney), expert witness fees, arbitration administrative charges, arbitrator's compensation, and any other costs and expenses, whether incurred prior to, in preparation for or in contemplation of the filing of any written demand, claim, action, hearing or proceeding to enforce the obligations of this Agreement. Further, if we incur expenses in connection with your failure to pay when due amounts owing to us; to submit when due any reports, information or supporting records; failure to comply with post-termination obligations, including the covenant not to compete; or any other failure to comply with this Agreement, you shall reimburse us for any such costs and expenses which we incur including but not limited to attorneys' and accounting fees and collection agency fees.

DEFAULT AND TERMINATION

13. The following provisions apply with respect to default and termination:

A. Defaults. You are in default if we determine that you or any Owner or guarantor has breached any of the terms of this Agreement or any other agreement between you and us or our affiliates, which without limiting the generality of the foregoing includes making any false report to us, intentionally understating or underreporting or failure to pay when due any amounts required to be paid to us or any of our affiliates, conviction of you, an Owner, or a guarantor of (or pleading no contest to) any misdemeanor that brings or tends to bring any of the Trademarks into disrepute or impairs or tends to impair your reputation or the goodwill of any of the Trademarks or the Business, any felony, filing of tax or other liens that may affect this Agreement, voluntary or involuntary bankruptcy by or against you or any Owner or guarantor, insolvency, making an assignment for the benefit of creditors or any similar voluntary or involuntary arrangement for the disposition of assets for the benefit of creditors.

B. Termination by Us. We have the right to terminate this Agreement in accordance with the following provisions:

1. Termination After Opportunity to Cure. Except as otherwise provided in this Section 13.B or elsewhere in the Agreement: (i) you will have 30 days from the date of our issuance of a written notice of default to cure any default under this Agreement, other than a failure to pay amounts due or submit required reports, in which case you will have 10 days to cure those defaults; (ii) your failure to cure a default within the 30-day or 10-day period will provide us with good cause to terminate this Agreement; (iii) the termination will be accomplished by mailing or delivering to you written notice of termination that will identify the grounds for the termination; and (iv) the termination will be effective immediately upon our issuance of the written notice of termination.

2. Immediate Termination With No Opportunity to Cure. In the event any of the following defaults occurs, you will have no right or opportunity to cure the default and this Agreement will terminate effective immediately on our issuance of written notice of termination:

- i. any material misrepresentation or omission in your franchise application;
- ii. your voluntary abandonment of this Agreement or the Business which will include, but not be limited to, your Business being closed for a period of five consecutive days without our prior written consent;
- iii. the loss of your lease, the failure to timely cure a default under the lease, the loss of your right of possession or failure to reopen or relocate under Section 5.D;
- iv. the closing of the Business by any state or local authorities for health or public safety reasons;
- v. failure to locate a site for your Business within six months after signing this Agreement or your failure to open the Business within twelve months after signing this Agreement;
- vi. any unauthorized use of the Confidential Information;

- vii. failure to maintain required insurance as required in Section 10.C;
- viii. insolvency of you, an Owner, or guarantor, you, an Owner, or guarantor making an assignment or entering into any similar arrangement for the benefit of creditors;
- ix. any default under this Agreement that materially impairs the goodwill associated with any of the Trademarks;
- x. conviction of you, any Owners, or guarantors of (or pleading no contest to) any felony regardless of the nature of the charges, or any misdemeanor that brings or tends to bring any of the Trademarks into disrepute or impairs or tends to impair your reputation or the goodwill of the Trademarks or the Business;
- xi. intentionally understating or underreporting Gross Revenues, Royalty Fees or Brand Fund Fees or any understatement or 2% variance on a subsequent audit within a 3 year period under Section 9.H;
- xii. violation by you of the provisions of Section 15.Q;
- xiii. any unauthorized transfer or assignment in violation of Paragraph 11; or
- xiv. any default by you that is the second same or similar default within any 12-month consecutive period or the fourth default of any type within any 24-month consecutive period.

3. Immediate Termination After No More than 24 Hours to Cure. In the event that a default under this Agreement occurs that violates any health safety or sanitation law or regulation, violates any system standard as to cleanliness, health, safety and sanitation, or if the operation of the Business presents a health or safety hazard to your customers or to the public: (i) you will have no more than 24 hours after we provide written notice of the default to cure the default; and (ii) if you fail to cure the default within the 24 hour period, this Agreement will terminate effective immediately on our issuance of written notice of termination.

4. Effect of Other Laws. The provisions of any valid, applicable law or regulation prescribing permissible grounds, cure rights or minimum periods of notice for termination of this franchise supersede any provision of this Agreement that is less favorable to you.

C. Termination by You. You may terminate this Agreement as a result of a breach by us of a material provision of this Agreement provided that: (i) you provide us with written notice of the breach that identifies the grounds for the breach; and (ii) we fail to cure the breach within 30 days after our receipt of the written notice. If we fail to cure the breach, the termination will be effective 90 days after our receipt of your written notice of breach. Your termination of this Agreement under this Paragraph will not release or modify your Post-Term obligations under Paragraph 14 of this Agreement.

D. Liquidated Damages. In the event of termination or cancellation of this Agreement prior to the end of the Initial Term, for any reason (other than a lawful termination by you), the parties agree that we are entitled to collect damages for lost future revenue, in addition to all other remedies and damages available we have at law or in equity, and any arbitrator or judge shall have

the authority to award the liquidated damages in addition to any other relief, damages, costs, and fees. For the avoidance of doubt, the parties agree that this provision shall apply in the event of termination precipitated by your default under this Agreement. Lost future revenue shall be calculated by taking the monthly average of the Royalty Fees actually paid by Franchisee for the 12 months immediately preceding the effective date of termination or cancellation, multiplied by the months that would have remained in the Initial Term had the Agreement not been terminated or cancelled up to a maximum of 36 months. The parties agree that this calculation is reasonable and reflects the actual lost revenue we are likely to suffer in the event of early termination or cancellation.

POST-TERM OBLIGATIONS

14. Upon the expiration or termination of this Agreement, or the expiration of any Interim Period:

A. Reversion of Rights; Discontinuation of Trademark Use. All of your rights to the use of the Trademarks and all other rights and licenses granted herein and the right and license to conduct business under the Trademarks at the Business will revert to us without further act or deed of any party. All of your right, title and interest in, to and under this Agreement will become our property. Upon our demand, you must assign to us or our assignee your remaining interest in any lease then in effect for the Business (although we will not assume any past due obligations). You must immediately comply with the post-term noncompete obligations under Section 10.D, cease all use and display of the Trademarks and of any proprietary material (including the Operations Manual), assign all right, title and interest in the telephone numbers for the Business and cancel or assign, at our option, any assumed name rights or equivalent registrations filed with authorities. You must pay all sums due to us, our affiliates or designees and all sums you owe to third parties that have been guaranteed by us or any of our affiliates. You must immediately return to us, at your expense, all copies of the Operations Manual, Confidential Information, and product preparation materials then in your possession or control or previously disseminated to your employees and continue to comply with the confidentiality provisions of Section 6.I. You must promptly at your expense and subject to Section 14.B, remove or obliterate all Business signage, displays or other materials (electronic or tangible) in your possession at the Business or elsewhere that bear any of the Trademarks or names or material confusingly similar to the Trademarks and so alter the appearance of the Restaurant as to differentiate the Business unmistakably from duly licensed facilities identified by the Trademarks. If, however, you refuse to comply with the provisions of the preceding sentence within 30 days, we have the right to enter the Restaurant and remove all Business signage, displays or other materials in your possession at the Business or elsewhere that bear any of the Trademarks or names or material confusingly similar to the Trademarks, and you must reimburse us for our costs incurred. Notwithstanding the foregoing, in the event of expiration or termination of this Agreement (or the expiration of any Interim Period), you will remain liable for your obligations pursuant to this Agreement or any other agreement between you and us or our affiliates that expressly or by their nature survive the expiration or termination of this Agreement, including, without limitation, your indemnification obligations under Section 10.B. You also agree to keep in effect the insurance coverage required under Section 10.C for a minimum of three months after the date of expiration or termination.

B. Purchase Option. We have the right to purchase or designate a third party that will purchase all or any portion of the assets of your Business that are owned by you or any of your affiliates including, without limitation, the premises, building, equipment, fixtures, signage, furnishings, supplies, leasehold improvements, and inventory of the Business at a price determined by a qualified appraiser (or qualified appraisers if one party believes it is better to have a real estate appraiser appraise the value of the land and building and a business appraiser appraise the Business's other assets) selected with the consent of both parties, provided we give you written notice of our preliminary intent

to exercise our purchase rights under this Paragraph within 30 days after the date of the expiration or termination of this Agreement, or the expiration of any Interim Period. If the parties cannot agree upon the selection of an appraiser(s), we will select one appraiser (who must have at least five years of restaurant appraisal experience) to conduct the appraisal as set forth in this Section 14.B.

The price determined by the appraiser(s) will be the reasonable fair market value of the assets based on their continuing use in, as, and for the operation of a “Green + The Grain” Business and the appraiser will designate a price for each category of asset (e.g., land, building, equipment, fixtures, etc.), but shall not include the value of any goodwill of the business, as the goodwill of the business is attributable to the Trademarks and the System.

Within 30 days after our receipt of the appraisal report, we or our designated purchaser will identify the assets, if any, that we intend to purchase at the price designated for those assets in the appraisal report. We or our designated purchaser and you will then proceed to complete and close the purchase of the identified assets, and to prepare and execute purchase and sale documents customary for the assets being purchased, in a commercially reasonable time and manner. We and you will each pay one-half of the appraiser’s fees and expenses. Our interest in the assets of the Restaurant that are owned by you or your affiliates will constitute a lien thereon and may not be impaired or terminated by the sale or other transfer of any of those assets to a third party. Upon our or our designated purchaser’s exercise of the purchase option and tender of payment, you agree to sell and deliver, and cause your affiliates to sell and deliver, the purchased assets to us or our designated purchaser, free and clear of all encumbrances, and to execute and deliver, and cause your affiliates to execute and deliver, to us or our designated purchaser a bill of sale therefor and such other documents as may be commercially reasonable and customary to effectuate the sale and transfer of the assets being purchased.

If we do not exercise our option to purchase under this Section, you may sell or lease the Business premises to a third party purchaser, provided that your agreement with the purchaser includes a covenant by the purchaser, which is expressly enforceable by us as a third party beneficiary, pursuant to which the purchaser agrees, for a period of 2 years after the expiration or termination of this Agreement, or the expiration of any Interim Period, not to use the premises for the operation of a business that offers menu items or services similar to that employed by our company-owned or franchised businesses.

C. Claims. You and your Owners and guarantors may not assert any claim or cause of action against us or our affiliates relating to this Agreement or the “GREEN + THE GRAIN” business after the shorter period of the applicable statute of limitations or one year following the date upon which a party discovered or should have discovered the facts giving rise to the claim,; provided that where the one-year limitation of time is prohibited or invalid by or under any applicable law, then and in that event no suit or action may be commenced or maintained unless commenced within the applicable statute of limitations.

GENERAL PROVISIONS

15. The parties agree to the following provisions:

A. Severability. Should one or more clauses of this Agreement be held void or unenforceable for any reason by any court of competent jurisdiction, such clause or clauses will be deemed to be separable in such jurisdiction and the remainder of this Agreement is valid and in full force and effect and the terms of this Agreement must be equitably adjusted so as to compensate the appropriate party for any consideration lost because of the elimination of such clause or clauses. It is

the intent and expectation of each of the parties that each provision of this Agreement will be honored, carried out and enforced as written. Consequently, each of the parties agrees that any provision of this Agreement sought to be enforced in any proceeding must, at the election of the party seeking enforcement and notwithstanding the availability of an adequate remedy at law, be enforced by specific performance or any other equitable remedy.

B. Waiver/Integration. No waiver by us of any breach by you, nor any delay or failure by us to enforce any provision of this Agreement, may be deemed to be a waiver of any other or subsequent breach or be deemed an estoppel to enforce our rights with respect to that or any other or subsequent breach. Subject to our rights to modify the Schedules and/or standards and as otherwise provided herein, this Agreement may not be waived, altered or rescinded, in whole or in part, except by a writing signed by you and us.

This Agreement together with all schedules, addenda and appendices to this Agreement constitute the entire agreement between the parties and supersede any and all prior negotiations, understandings, representations and agreements. Nothing in this or in any related agreement, however, is intended to disclaim the representations we made in the Franchise Disclosure Document we furnished to you.

C. Notices. Except as otherwise provided in this Agreement, any notice, demand or communication provided for herein must be in writing and signed by the party serving the same and either delivered personally, in electronic form via email to an authorized email address with proof of receipt, by reputable overnight service or deposited in the United States mail, service or postage prepaid as follows:

1. If intended for us, addressed to:

green and the grain franchising LLC
200 South 6th Street, Suite 296
Minneapolis, MN 55402

2. If intended for you, addressed to you at the address set forth on the Summary Page or at the Restaurant; or,

in either case, to such other address as may have been designated by written notice to the other party. Notices for purposes of this Agreement will be deemed to have been received if emailed, mailed or delivered as provided in this Section.

D. Authority. Any modification, consent, approval, authorization or waiver granted hereunder required to be effective by signature will be valid only if in writing executed by you or, if on behalf of us, in writing executed by our President or other authorized executive officers.

E. References. If the franchisee is 2 or more individuals, the individuals are jointly and severally liable, and references to you in this Agreement includes all of the individuals. Headings and captions contained herein are for convenience of reference and may not be taken into account in construing or interpreting this Agreement.

F. Guarantee. All persons owning an interest in Franchisee that is a corporation, limited liability company, partnership or other legal entity must execute the form of undertaking and guarantee at the end of this Agreement. Any person or entity that at any time after the date of this Agreement that becomes an owner pursuant to the provisions of Paragraph 11 or otherwise must execute the form of undertaking and guarantee at the end of this Agreement.

G. Successors/Assigns. Subject to the terms of Paragraph 11 hereof, this Agreement is binding upon and inures to the benefit of the administrators, executors, heirs, successors and assigns of the parties.

H. Interpretation of Rights and Obligations. The following provisions apply to and govern the interpretation of this Agreement, the parties' rights under this Agreement, and the relationship between the parties:

1. Applicable Law and Waiver. Subject to our rights under federal trademark laws, including the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051 et. seq.) or other federal law and the parties' rights under the Federal Arbitration Act in accordance with Paragraph 12 of this Agreement, the parties' rights under this Agreement, and the relationship between the parties is governed by, and will be interpreted in accordance with, the laws (statutory and otherwise) of the state in which the Restaurant is located.

2. Our Rights. Whenever this Agreement provides that we have a certain right, that right is absolute, and the parties intend that our exercise of that right will not be subject to any limitation or review. We have the right to operate, administrate, develop, and change the System in any manner that is not specifically precluded by the provisions of this Agreement, although this right does not modify the requirements of Section 5.E and other express limitations set forth in this Agreement.

3. Our Reasonable Business Judgment. Whenever we reserve discretion in a particular area or where we agree to exercise our rights reasonably or in good faith, we will satisfy our obligations whenever we exercise Reasonable Business Judgment in making our decision or exercising our rights. Our decisions or actions will be deemed to be the result of Reasonable Business Judgment, even if other reasonable or even arguably preferable alternatives are available, if our decision or action is intended, in whole or significant part, to promote or benefit the System generally even if the decision or action also promotes our financial or other individual interest. Examples of items that will promote or benefit the System include, without limitation, enhancing the value of the Trademarks, improving customer service and satisfaction, improving product quality, improving uniformity, enhancing or encouraging modernization and improving the competitive position of the System.

I. Venue. Any cause of action, claim, suit or demand allegedly arising from or related to the terms of this Agreement or the relationship of the parties that is not subject to arbitration under Paragraph 12, must be brought in the state or federal district court with jurisdiction over the county of our then current headquarters (currently Hennepin County, Minnesota). Both parties hereto irrevocably submit themselves to, and consent to, the jurisdiction of said courts. The provisions of this Section will survive the termination of this Agreement. You are aware of the business purposes and needs underlying the language of this Section, and with a complete understanding thereof, agree to be bound in the manner set forth.

J. Jury Waiver. All parties hereby waive any and all rights to a trial by jury in connection with the enforcement or interpretation by judicial process of any provision of this Agreement, and in connection with allegations of state or federal statutory violations, fraud, misrepresentation or similar causes of action or any legal action initiated for the recovery of damages for breach of this Agreement.

K. Waiver of Punitive Damages. You and your affiliates and us and our affiliates agree to waive, to the fullest extent permitted by law, the right to or claim for any punitive or exemplary damages against the other and agree that in the event of any dispute between them, each will be limited to the recovery of actual damages sustained.

L. Relationship of the Parties. You and we are independent contractors. Neither party is the agent, legal representative, partner, subsidiary, joint venturer or employee of the other. Neither party may obligate the other or represent any right to do so. This Agreement does not reflect or create a fiduciary relationship or a relationship of special trust or confidence. Without limiting the generality of the foregoing, we shall have no liability in connection with or related to the products or services rendered to you by any third party, even if we required, approved or consented to the product or service or designated or approved the supplier.

M. Force Majeure. In the event of any failure of performance of this Agreement according to its terms by any party, the same will not be deemed a breach of this Agreement if it arose from a cause beyond the control of and without the negligence of said party. Such causes include, but are not limited to, strikes, wars, riots and acts of government except as may be specifically provided for elsewhere in this Agreement.

N. Adaptations and Variances. Complete and detailed uniformity under many varying conditions may not always be possible, practical, or in the best interest of the System. Accordingly, we have the right to vary the System and other standards, specifications, and requirements for any franchised Restaurant or franchisee based upon the customs or circumstances of a particular franchise or operating agreement, site or location, population density, business potential, trade area population, existing business practice, competitive circumstance or any other condition that we deem to be of importance to the operation of such Restaurant, franchisee's business or the System. We are not required to grant to you a like or other variation as a result of any variation from standard services, specifications or requirements granted to any other franchisee. You acknowledge that you are aware that our other franchisees operate under a number of different forms of agreement that were entered into at different times and that, consequently, the obligations and rights of the parties to other agreements may differ materially in certain instances from your rights and obligations under this Agreement.

O. Notice of Potential Profit. We and/or our affiliates may from time to time make available to you or require you to purchase goods, products and/or services for use in your Restaurant on the sale of which we and/or our affiliates may make a profit. Further, we and/or our affiliates may from time to time receive consideration from suppliers and/or manufacturers in respect to sales of goods, products or services to you or in consideration of services rendered or rights licensed to such persons. You agree that we and/or our affiliates are entitled to said profits and/or consideration.

P. Effective Date. We will designate the "Effective Date" of this Agreement in the space provided on the Summary Page. If no Effective Date is designated on the Summary Page, the Effective Date is the date when we sign this Agreement. However, as described in Section 5.A, you do not have the right to, and may not, open and commence operation of a Restaurant at the Authorized Location until we notify you that you have satisfied all of the pre-opening conditions set forth in this Agreement.

Q. Anti-Terrorism Laws. You agree to comply with and/or assist us to the fullest extent possible in our efforts to comply with Anti-Terrorism Laws (as defined below). In connection with such compliance, you certify, represent and warrant that none of your property or interests are subject to being "blocked" under any of the Anti-Terrorism Laws and that you are not otherwise in violation

of any of the Anti-Terrorism Laws. For purpose of this paragraph, “Anti-Terrorism Laws” means Executive Order 13244 issued by the President of the United States, the Terrorism Sanctions Regulations (Title 31, Part 595 of the U.S. Code of Federal Regulations), the Foreign Terrorist Organizations Sanctions Regulations (Title 31, Part 597 of the U.S. Code of Federal Regulations), the Cuban Assets Control Regulations (Title 31, Part 515 of the U.S. Code of Federal Regulations), 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 (including, without limitation, the United States Department of Treasury Office of Foreign Assets Control) addressing or in any way relating to terrorists acts and acts of war.

You certify that none of your owners, employees, or anyone associated with you is listed in the Annex to Executive Order 13224. (The Annex is available at <http://www.treasury.gov/offices/enforcement/ofac/sanctions/terrorism.html>.) You agree not to hire any individuals listed in the Annex. You certify that you have no knowledge or information that, if generally known, would result in you or your owners, employees, or anyone associated with you to be listed in the Annex to Executive Order 13224. You will be solely responsible for ascertaining what actions must be taken by you to comply with the Anti-Terrorism Laws, and you specifically acknowledge and agree that your indemnification responsibilities set forth in this Agreement pertain to your obligations under this Section.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties have executed the foregoing Agreement as of the Effective Date.

green and the grain franchising LLC

Signature: _____

Name: Tiffany Hauser

Title: Founder & CEO

Date: _____

AREA DEVELOPER:

(For a company):

Entity Name: _____

Signature: _____

Name: _____

Title: _____

(For individuals):

Signature: _____

Name: _____

Signature: _____

Name: _____

Signature: _____

Name: _____

Signature: _____

Name: _____

Schedule A to the Franchise Agreement

(To be completed when lease is signed)

Addendum to Lease

This Addendum to Lease (“Addendum”), dated _____, 20____, is entered into between _____ (“Landlord”) and _____ (“Tenant”).

R E C I T A L S

The parties have entered into a Lease Agreement, dated _____, 20____ (the “Lease”), pertaining to the premises located at _____ (the “Premises”).

The Landlord acknowledges that Tenant intends to operate a “GREEN + THE GRAIN” business (“Restaurant”) from the Premises pursuant to Tenant’s Franchise Agreement with green and the grain franchising LLC (“Franchisor”) dated _____ (the “Franchise Agreement”), whereby Tenant will utilize the “GREEN + THE GRAIN” name and the “GREEN + THE GRAIN” Marks as Franchisor may designate in the operation of the Restaurant at the Premises.

Landlord further acknowledges that Franchisor has approved Tenant’s request to locate its Restaurant on the Premises that is the subject of the Lease, provided that the conditions and agreements set forth in this Addendum are made a part of the Lease.

A G R E E M E N T S

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree to amend the Lease as follows:

1. Remodeling and Decor. Landlord agrees that Tenant has the right to remodel, equip, paint and decorate the interior of the Premises and to display such Marks and signs on the interior and exterior of the Premises as Tenant is reasonably required to do pursuant to the Franchise Agreement and any renewal Franchise Agreement under which Tenant may operate a Restaurant on the Premises. Any remodel of the building and/or its signs shall be subject to Landlord’s prior and reasonable approval.

2. Assignment By Tenant.

(a) Tenant does not have the right to sublease or assign the Lease to any third party without Landlord’s and Franchisor’s written approval.

(b) So long as Tenant is in good standing under the Lease, Tenant has the right to assign all of its right, title and interest in the Lease to Franchisor or its affiliates during the term of the Lease, including any extensions or renewals, without first obtaining Landlord’s consent. No assignment will be effective, however, until Franchisor or its designated affiliate gives Landlord written notice of its acceptance of the assignment. Franchisor will be responsible for the Lease obligations incurred after the effective date of the assignment.

(c) If Franchisor elects to assume the Lease, Franchisor shall not be required to begin paying rent until Landlord delivers possession of the Premises to the Franchisor. At any time until the Landlord delivers possession of the Premises, Franchisor shall have the right to rescind the election to assume by written notice to Landlord.

3. Default and Notices to Franchisor.

(a) Landlord shall send Franchisor copies of all notices of default under the Lease at the same time it provides Tenant with such notice. If Tenant fails to cure any defaults within the period specified in the Lease, Landlord shall promptly give Franchisor written notice thereof, specifying the defaults that Tenant has failed to cure. Franchisor has the right to unilaterally assume the Lease if Tenant fails to cure. Franchisor shall have 15 days from the date Franchisor receives such notice to exercise, by written notice to Landlord and Tenant, its right for Franchisor or its affiliate designee ("Franchisor Entity"), to assume the Lease. Franchisor shall have an additional 30 days from the expiration of Tenant's cure period in which to cure the default or violation.

(b) If Franchisor elects to assume the Lease, the Franchisor Entity shall not be required to cure defaults and/or to begin paying rent until Landlord delivers possession of the Premises to the Franchisor Entity. At any time until Landlord delivers possession of the Premises, Franchisor shall have the right to rescind the election to assume by written notice to Landlord.

4. Termination of Franchise Agreement; Expiration or Non-Renewal of Lease.

(a) If the Franchise Agreement is terminated for any reason during the term of the Lease or any renewal or extension thereof, and if Franchisor desires to assume the Lease, Franchisor shall promptly give Landlord written notice thereof. Within 30 days after receipt of such notice, Landlord shall give Franchisor written notice specifying any defaults of Tenant under the Lease. If Franchisor elects to assume the Lease, Franchisor must cure said defaults consistent with paragraph 3 above.

(b) If the Lease contains term renewal or extension right(s) and if Tenant allows the term to expire without exercising said right(s), Landlord shall give Franchisor written notice thereof, and a Franchisor Entity shall have the option, for 30 days after receipt of said notice, to exercise the Tenant's renewal or extension right(s) on the same terms and conditions as are contained in the Lease. If a Franchisor Entity elects to exercise such right(s), it shall so notify Landlord in writing, whereupon Landlord and the Franchisor Entity shall promptly execute and deliver an agreement whereby the Franchisor Entity assumes the Lease, effective at the commencement of the extension or renewal term.

5. Access to Premises Following Expiration or Termination of Lease. Upon the expiration or termination of the Lease, Landlord will cooperate with and assist Franchisor in gaining possession of the Premises and, if the Franchisor Entity does not elect to assume the Lease for the Premises consistent with Sections 3(a) or 4(b) above, Landlord will allow Franchisor to enter the Premises, without being guilty of trespass and without incurring any liability to Landlord except for any damages caused by Franchisor's willful misconduct or gross negligence, to remove all signs and all other items identifying the Premises as a GREEN + THE GRAIN Restaurant and to make such other modifications (such as repainting) as are reasonably necessary to protect the GREEN + THE GRAIN marks and system, and to distinguish the Premises from GREEN + THE GRAIN Restaurants. In the event Franchisor exercises its option to purchase assets of Tenant, Landlord must permit Franchisor to remove all such assets being purchased by Franchisor.

6. Assumption and Subsequent Assignment By Franchisor. If Franchisor elects to assume the Lease under paragraph 2, or unilaterally assumes the Lease as provided for in paragraphs 3 or 4, Landlord and Tenant agree that:

(a) Tenant will remain liable for the responsibilities and obligations, including amounts owed to Landlord, prior to the date of assignment and assumption. Further, Tenant shall

be and remain liable to Landlord for all of its obligations under the Lease, notwithstanding any assignment or assumption of the Lease by Franchisor. Franchisor shall be entitled to recover from Tenant all amounts it pays to Landlord to cure Tenant's defaults under the Lease, including interest and reasonable collection costs.

(b) Franchisor, upon taking possession of the Premises, shall cure any default specified by Landlord within the timeframes noted herein and shall execute and deliver to Landlord its assumption of Tenant's rights and obligations under the Lease. Franchisor shall pay, perform and be bound by all the duties and obligations of the Lease applicable to Tenant, except that the Franchisor may elect not to assume or be bound by the terms of any Amendment to the Lease executed by Tenant without obtaining Franchisor's prior written approval, which shall not be unreasonably withheld or delayed.

(c) At or after the time Franchisor assumes Tenant's interests under the Lease, the Franchisor may, at any time, assign such interests or sublet the Premises to a "GREEN + THE GRAIN" franchisee. Any such assignment shall be subject to the prior written consent of the Landlord, which Landlord shall not unreasonably withhold as it relates to a creditworthy franchisee who otherwise meets Franchisor's then-current standards and requirements for franchisees and agrees to operate the Restaurant as a "GREEN + THE GRAIN" Business pursuant to a Franchise Agreement with Franchisor. Upon receipt by Landlord of an assumption agreement pursuant to which the assignee agrees to assume the Lease and to observe the terms, conditions and agreements on the part of Tenant to be performed under the Lease, the Franchisor shall thereupon be released from all liability as tenant under the Lease from and after the date of assignment, without any need of a written acknowledgement of such release by Landlord.

7. Access to Premises During Lease. As provided in the Franchise Agreement, Franchisor shall have the right to access the Premises during continuance of the Lease to ensure compliance by Tenant with its obligations under the Franchise Agreement.

8. Additional Provisions.

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

(b) Landlord further acknowledges that Tenant is not an agent or employee of Franchisor and the Tenant has no authority or power to act for, or to create any liability on behalf of, or to in any way bind Franchisor or any affiliate of Franchisor, and that Landlord has entered into this Addendum to Lease with full understanding that it creates no duties, obligations or liability of or against Franchisor or any affiliate of Franchisor, unless and until the Lease is assigned to, and accepted in writing by, Franchisor.

(c) All notices to Franchisor required by this Addendum must be in writing and sent by registered or certified mail, postage prepaid, to the following address:

If intended for us, addressed to:

green and the grain franchising LLC
200 South 6th Street, Suite 296
Minneapolis, MN 55402

Franchisor may change its address for receiving notices by giving Landlord written notice of the new address. Landlord agrees that it will notify both Tenant and Franchisor of any change in Landlord's mailing address to which notices should be sent.

9. Sales Reports. If requested by Franchisor, Landlord will provide Franchisor with whatever information Landlord has regarding Tenant's sales from the Restaurant.

10. Conflicts. In the event of a conflict between the terms of the Lease and the terms set forth in this Addendum, the terms set forth herein shall govern. In the event of a conflict between notices provided to Landlord by Tenant and Franchisor, the notices of Franchisor shall prevail.

11. Miscellaneous. Any waiver excusing or reducing any obligation imposed by this Addendum shall be in writing and executed by the party who is charged with making the waiver and shall be effective only to the extent specifically allowed in such writing. The language used in this Addendum shall in all cases be construed simply according to its fair meaning and not strictly for or against any party. Franchisor is a third party beneficiary of this Addendum, with independent rights of enforcement. This Addendum shall be binding upon, and shall inure to the benefit of, the successors, assigns, heirs, and personal representatives of the parties hereto. This Addendum sets forth the entire agreement with regard to the rights of Franchisor, fully superseding any and all prior agreements or understandings between the parties pertaining to the subject matter of this Addendum. This Addendum may only be amended by written agreement duly executed by each party.

IN WITNESS WHEREOF, this Addendum is made and entered into by the undersigned parties as of _____, _____.

LANDLORD:

By: _____

Print Name: _____

Title: _____

FRANCHISEE:

By: _____

Print Name: _____

Title: _____

Schedule B to the Franchise Agreement

(To be completed after bank account is set up)

EFT Authorization Form

ACH Recurring Payment Authorization Form

Schedule your payment to be automatically deducted from your checking or savings account. Just complete and sign this form to get started!

Recurring Payments Will Make Your Life Easier:

- It's convenient (saving you time and postage)
- Your payment is always on time (even if you're out of town), eliminating late charges

Here's How Recurring Payments Work:

You authorize regularly scheduled charges to your checking or savings account. You will be charged the amount indicated below each billing period. A receipt for each payment will be emailed to you and the charge will appear on your bank statement as an "ACH Debit." You agree that no prior notification will be provided unless the date or amount changes, in which case you will receive notice from us at least 10 days prior to the payment being collected.

Please complete the information below:

I _____ (full name) authorize green and the grain franchising LLC to charge my bank account indicated below for royalties, brand marketing fund and the technology fee.

Billing Address _____

Phone# _____

City, State, Zip _____

Email _____

Account Type: ☐ Checking ☐ Savings

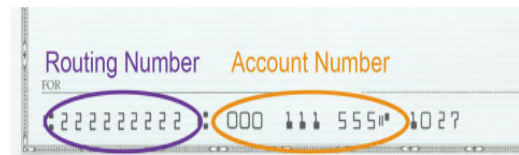
Name on Acct _____

Bank Name _____

Account Number _____

Bank Routing # _____

Bank City/State _____



SIGNATURE _____

DATE _____

I understand that this authorization will remain in effect until I cancel it in writing, and I agree to notify green and the grain franchising LLC in writing of any changes in my account information or termination of this authorization at least 15 days prior to the next billing date. If the above noted periodic payment dates fall on a weekend or holiday, I understand that the payment may be executed on the next business day. I understand that because this is an electronic transaction, these funds may be withdrawn from my account as soon as the above noted periodic transaction dates. In the case of an ACH Transaction being rejected for Non Sufficient Funds (NSF) I understand that green and the grain franchising LLC may at its discretion attempt to process the charge again within 30 days, and agree to an additional \$25 charge for each attempt returned NSF which will be initiated as a separate transaction from the authorized recurring payment. I acknowledge that the origination of ACH transactions to my account must comply with the provisions of U.S. law. I agree not to dispute this recurring billing with my bank so long as the transactions correspond to the terms indicated in this authorization form.

Schedule C to the Franchise Agreement

PERSONAL GUARANTEE AND AGREEMENT TO BE BOUND
PERSONALLY BY THE TERMS AND CONDITIONS
OF THE FRANCHISE AGREEMENT

In consideration of the execution of the Franchise Agreement by us, and for other good and valuable consideration, the undersigned, for themselves, their heirs, successors, and assigns, do jointly, individually and severally hereby become surety and guarantor for the payment of all amounts and the performance of the covenants, terms and conditions in the Franchise Agreement, to be paid, kept and performed by the franchisee, including without limitation the arbitration and other dispute resolution provisions of the Agreement.

Further, the undersigned, individually and jointly, hereby agree to be personally bound by each and every condition and term contained in the Franchise Agreement, including but not limited to the non-compete provisions in Section 10.D, and agree that this Personal Guarantee will be construed as though the undersigned and each of them executed a Franchise Agreement containing the identical terms and conditions of this Franchise Agreement.

The undersigned waives: (1) notice of demand for payment of any indebtedness or nonperformance of any obligations hereby guaranteed; (2) protest and notice of default to any party respecting the indebtedness or nonperformance of any obligations hereby guaranteed; and (3) any right he/she may have to require that an action be brought against the franchisee or any other person as a condition of liability.

In addition, the undersigned consents and agrees that: (1) the undersigned's liability will not be contingent or conditioned upon our pursuit of any remedies against the franchisee or any other person; and (2) such liability will not be diminished, relieved or otherwise affected by franchisee's insolvency, bankruptcy or reorganization, the invalidity, illegality or unenforceability of all or any part of the Franchise Agreement, or the amendment or extension of the Franchise Agreement with or without notice to the undersigned.

It is further understood and agreed by the undersigned that the provisions, covenants and conditions of this Guarantee will inure to the benefit of our successors and assigns.

FRANCHISEE: _____ (insert name of entity)

PERSONAL GUARANTORS:

Individually		

Print Name		

Address		
_____	_____	_____
City	State	Zip Code

Telephone		

Individually		

Print Name		

Address		
_____	_____	_____
City	State	Zip Code

Telephone		

Individually		
Print Name		
Address		
City	State	Zip Code
Telephone		

Individually		
Print Name		
Address		
City	State	Zip Code
Telephone		

Schedule D to the Franchise Agreement

**ACKNOWLEDGMENT ADDENDUM TO
FRANCHISE AGREEMENT**

THIS ACKNOWLEDGMENT ADDENDUM DOES NOT APPLY TO CANDIDATES LOCATED IN, OR FRANCHISED BUSINESSES TO BE LOCATED IN, ANY OF THE FOLLOWING FRANCHISE REGISTRATION STATES: CA, HI, IL, IN, MD, MI, MN, NY, ND, RI, SD, VA, WA, WI.

As you know, you and we are entering into a Franchise Agreement for the operation of a “GREEN + THE GRAIN” franchise. Please review each of the following questions carefully and provide honest responses to each question.

Acknowledgments and Representations.

1. Did you receive a copy of our Disclosure Document (and all exhibits and attachments) at least fourteen calendar days prior to signing the Franchise Agreement? Check one: ☐ Yes ☐ No.
2. Have you studied and reviewed carefully our Disclosure Document and Franchise Agreement? Check one: ☐ Yes ☐ No.
3. Did you understand all the information contained in both the Disclosure Document and Franchise Agreement? Check one: ☐ Yes ☐ No.
4. Do you understand that (i) the franchise granted is for the right to operate a Restaurant at the Authorized Location only, (ii) other than the Designated Area around your Restaurant, you receive no protected territory or exclusive area and (iii) we and our affiliates have the right to issue franchises or operate competing businesses for or at any other location and through alternative channels of distribution? Check one: ☐ Yes ☐ No.
5. Do you understand that the Franchise Agreement contains the entire agreement between you and us concerning the franchise for the Restaurant, meaning that any prior oral or written statements not set out in the Franchise Agreement will not be binding, although nothing in Franchise Agreement or in any related agreement is intended to disclaim the representations we made in the Disclosure Document we furnished to you? Check one: ☐ Yes ☐ No.
6. Have you had adequate opportunity to discuss the benefits and risks of operating a “GREEN + THE GRAIN” franchise with an attorney, accountant or other professional advisor? Check one: ☐ Yes ☐ No.
7. Do you understand that there are risks associated with operating a “GREEN + THE GRAIN” franchise and are you comfortable undertaking those risks? Check one: ☐ Yes ☐ No.
8. Have you conducted your own independent investigation of the “GREEN + THE GRAIN” franchise and have not relied solely upon any oral or written representation about the franchise made by Franchisor, including assessing market conditions and investigation the “GREEN + THE GRAIN” reputation in your geographic area? Check one: ☐ Yes ☐ No.

9. In conducting your independent investigation of the “GREEN + THE GRAIN” franchise, did you conduct any analysis of the competition you are likely to face in your geographic area? Check one: ☐ Yes ☐ No.
10. Do you understand that the success or failure of your Restaurant will depend in large part upon your skills and experience, your business acumen, your location, the local market for products under the “GREEN + THE GRAIN” trademarks, interest rates, the economy, inflation, the number of employees you hire and their compensation, competition and other economic and business factors? Further, do you understand that the economic and business factors that exist at the time you open your Restaurant may change? Check one: ☐ Yes ☐ No.
11. Do you understand that any training, support, guidance or tools we provide to you as part of the franchise are for the purpose of protecting the “GREEN + THE GRAIN” brand and trademarks and to assist you in the operation of your business and not for the purpose of controlling or in any way intended to exercise or exert control over your decisions or day-to-day operations of your business, including your sole responsibility for the hiring, wages, training, supervision and termination of your employees and all other employment and employee related matters? Check One: ☐ Yes ☐ No.
12. Do you understand that you are bound by the non-compete covenants (both in-term and post-term) listed in Section 10.D and that an injunction is an appropriate remedy to protect the interest of the “GREEN + THE GRAIN” system if you violate the covenant(s)? Further, do you understand that the term “you” for purposes of the non-compete covenants is defined broadly in Section 10.D, such that any actions in violation of the covenants by those holding any interest in the franchisee entity may result in an injunction, default and termination of the Franchise Agreement? Check one: ☐ Yes ☐ No.
If you answered “No” to questions 1 to 12, please explain (attach additional sheets if necessary): _____

13. Was any oral, written or visual claim or representation made to you that contradicted the disclosures in the Disclosure Document? Check one: ☐ Yes ☐ No.
14. Has any employee or other person speaking on behalf of green and the grain franchising LLC made any written or oral statement or promise concerning the likelihood of success that you should or might expect to achieve from the operation of a “GREEN + THE GRAIN” franchise? Check one: ☐ Yes ☐ No.
15. Did any employee or other person speaking on behalf of green and the grain franchising LLC make any statement or promise regarding the costs involved in operating a franchise that is not contained in the Disclosure Document or that is contrary to, or different from, the information contained in the Disclosure Document? Check one: ☐ Yes ☐ No.
16. Except for the financial performance representation in Item 19, did any employee or other person speaking on behalf of green and the grain franchising LLC make any oral, written or visual claim, statement, promise or representation to you that stated, suggested, predicted or projected sales, revenues, expenses, earnings, income or profit levels at any “GREEN + THE GRAIN” location or business, or the likelihood of success at your franchised business? Check one: ☐ Yes ☐ No.

If you answered “Yes” to questions 13 to 16, please explain (attach additional sheets if necessary): _____

17. On the receipt pages of your Disclosure Document you identified _____
_____ as the franchise sellers involved in this franchise sales process. Are the franchise sellers identified above the only franchise sellers involved with this transaction? Check one: () Yes () No. If no, please identify any additional franchise sellers involved with this transaction: _____

YOUR ANSWERS TO THESE QUESTIONS ARE IMPORTANT TO US AND WE WILL RELY ON THEM IN SIGNING THE FRANCHISE AGREEMENT. BY SIGNING THIS ADDENDUM, YOU ARE REPRESENTING THAT YOU HAVE CONSIDERED EACH QUESTION CAREFULLY AND RESPONDED TRUTHFULLY TO THE ABOVE QUESTIONS. IF MORE SPACE IS NEEDED FOR ANY ANSWER, CONTINUE ON A SEPARATE SHEET AND ATTACH.

NOTE: IF THE RECIPIENT IS A CORPORATION, PARTNERSHIP, LIMITED LIABILITY COMPANY OR OTHER ENTITY, EACH OF ITS PRINCIPAL OWNERS MUST EXECUTE THIS ACKNOWLEDGMENT.

Signed: _____
Print Name: _____
Date: _____

Signed: _____
Print Name: _____
Date: _____

APPROVED ON BEHALF OF
green and the grain franchising LLC

Signed _____
Print Name: _____
Date: _____

By: _____
Title: _____
Date: _____

*All representations requiring prospective franchisees to assent to a release, estoppel or waiver of liability are not intended nor shall they act as a release, estoppel or waiver of liability incurred under the Illinois Franchise Disclosure Act.

Exhibit C to the Disclosure Document

DEVELOPMENT AGREEMENT

GREEN + THE GRAIN
AREA DEVELOPMENT AGREEMENT SUMMARY PAGE

Developer Information:

Complete Business Name: _____

Owner(s): _____ %

Full Name Percentage Interest

Full Name Percentage Interest

Address for Notices (not a P.O. Box): _____

Telephone No: _____

Mobile Phone: _____

Email Address: _____

Development Area (further described in Appendix A): _____

Initial Franchise Fee: \$ _____

Development Fee (see Section 3): \$ _____
(calculated based on the Initial Franchise Fee for the first location + \$15,000 for each additional location to be developed under this Agreement)

Development Schedule (see Section 4):

Cumulative Restaurants	Franchise Agreement signed by:	Restaurant open and operating by:
1	Concurrently with this Agreement	12 months from the Effective Date of this Agreement
2	__ months from the Effective Date of this Agreement	__ months from the from the Effective Date of this Agreement
3	__ months from the Effective Date of this Agreement	__ months from the Effective Date of this Agreement
4	__ months from the Effective Date of this Agreement	__ months from the Effective Date of this Agreement
5	__ months from the Effective Date of this Agreement	__ months from the Effective Date of this Agreement

Effective Date: _____

Initial: _____ Date: _____ Initial: _____ Date: _____
Developer green and the grain franchising LLC

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APPENDICES

- A. DEVELOPMENT AREA
- B. PERSONAL GUARANTY
- C. ACKNOWLEDGMENT ADDENDUM

green and the grain franchising, LLC
AREA DEVELOPMENT AGREEMENT

This Area Development Agreement is as of the Effective Date by and between green and the grain franchising, LLC, with its principal business located at 200 South 6th Street, Suite 296, Minneapolis, Minnesota 55402 (“**we**” or “**us**”), and “**Developer**” or “**you**” as identified on the Summary Page attached as Appendix A (the “**Summary Page**”). If the developer is a corporation, partnership, limited liability company or other legal entity, certain provisions of the Agreement also apply to its Owners.

RECITALS

A. We and our affiliate green + the grain LLC (our “**Affiliate**”) have developed a contemporary fast casual restaurant business offering fresh and flavorful salads and related products and services available for dine in, carry out and catering under the name “GREEN + THE GRAIN;”

B. Our Affiliate owns the “GREEN + THE GRAIN” Trademark and other trademarks (“**Trademarks**” as defined below) and has granted us a license to sublicense the Trademarks;

C. You desire to develop and operate several GREEN + THE GRAIN restaurants; and

D. We have agreed to grant you the right to develop several GREEN + THE GRAIN restaurants.

In consideration of the foregoing and the mutual covenants and consideration below, you and we agree as follows:

DEFINITIONS

1. For purposes of this Agreement, the terms below have the following definitions:

A. “**Manual**” or “**Operations Manual**” means any collection of written, video, audio and/or software media (including materials distributed electronically), regardless of title and consisting of various subparts and separate components, all of which we or our agents produce and which contain specifications, standards, policies, procedures and recommendations for GREEN + THE GRAIN businesses, all of which we may change from time to time.

B. “**Nontraditional Location**” means a captive market location that serves primarily the customers located within the facility, including but not limited to the following sites: (1) military bases; (2) public transportation facilities (including airports); (3) business or industry locations (e.g. manufacturing site, corporate cafeteria, healthcare facility), (4) sports facilities; (5) student unions or other similar buildings on college or university campuses; and (6) community and special events.

C. “**Owner**” means any person or entity who, now or hereafter, directly or indirectly owns an interest in the developer when the developer is a corporation, limited liability company, or a similar entity other than a partnership entity. If the developer is a partnership entity, then each general partner is an Owner, regardless of the percentage of ownership interest. If the developer is one or more individuals, each individual is an Owner of the developer. Your Owner(s) are identified on the Summary Page. Any change in the persons who are Owners is subject to our

approval and any applicable transfer conditions, with the Summary Page adjusted accordingly. As used in this Agreement, any reference to Owner includes all Owners.

D. **“Restaurant” or “Restaurants”** means each or all of the GREEN + THE GRAIN Restaurant(s) you develop under this Agreement at Traditional Locations or Satellite Locations.

E. **“Satellite Location”** is a Restaurant with a front food service counter but limited food preparation capabilities in accordance with our standards for this type of location.

F. **“System”** means the GREEN + THE GRAIN System, which consists of specific equipment, fixtures, furnishings, materials and supplies; methods, uniform standards, specifications and procedures for operations; procedures for management; training and assistance; and merchandising, advertising and promotional programs and other proprietary information, all of which we may change, improve and further develop. The System is identified by the Trademarks.

G. **“Trademarks”** means the GREEN + THE GRAIN Trademark and the trademarks, service marks and trade names set forth in the Manual, as we may modify and change from time to time, and the trade dress and other commercial symbols used in the Restaurant. Trade dress includes the designs, color schemes and image we authorize you to use in the operation of the Restaurant from time to time.

H. **“Traditional Location”** means a Restaurant that is a fast casual restaurant and offers our fresh and flavorful salads and related products and services available for dine in, carry out and catering.

GRANT OF DEVELOPMENT RIGHTS

2. The following provisions control with respect to the rights granted hereunder:

A. We grant to you, under the terms and conditions of this Agreement, the right to develop and operate a specified number of GREEN + THE GRAIN Restaurants within the geographic area set forth in the Summary Page and further described in Appendix A (the **“Development Area”**).

B. You are bound by the development schedule set forth on the Summary Page (the **“Development Schedule”**). Time is of the essence for the development of each Restaurant in accordance with the Development Schedule. For purposes of determining compliance with the above Development Schedule, only the Restaurants actually open and continuously operating for business in the Development Area as of a given date will be counted toward the number of Restaurants required to be open and continuously operating for business. Each Restaurant must be developed and operated pursuant to a separate Franchise Agreement that you enter into with us pursuant to Section 4.B below.

C. If you are in compliance with the Development Schedule, we will not develop or operate or grant anyone else a franchise to develop and operate a GREEN + THE GRAIN restaurant (except as set forth in this Agreement) in the Development Area prior to the earlier of (i) the expiration or termination of this Agreement; (ii) the date on which you must execute the Franchise Agreement for your last Restaurant pursuant to the terms of the Development Schedule or (iii) the date on which the Authorized Location (as defined in the Franchise Agreement) for your final Restaurant under this Agreement is determined. Notwithstanding anything in this Agreement, upon the earliest occurrence of any of the foregoing events (a) your right to develop any additional

Restaurant will expire and (b) we will be entitled to develop and operate, or to franchise others to develop and operate, GREEN + THE GRAIN restaurants in the Development Area, except as may be otherwise provided under any Franchise Agreement that has been executed between us and you and that has not been terminated.

D. The rights granted under this Agreement are limited to the right to develop Restaurants located in the Development Area, and do not include: (i) any right to sell products and services identified by the Trademarks at any location (including Nontraditional Locations) or through any other channels or methods of distribution, including grocery stores or the Internet (or any other existing or future form of electronic commerce), other than at Restaurants within the Development Area pursuant to the terms of the applicable Franchise Agreement, (ii) any right to sell products and services identified by the Trademarks to any person or entity for resale or further distribution, or (iii) any right to exclude, control or impose conditions on our development or operation of franchised, company or affiliate owned restaurants or businesses any time or at any location outside of the Development Area. You may not use the words GREEN + THE GRAIN or any of the other Trademarks as part of the name of your corporation, partnership, limited liability company or other similar entity.

We retain all rights that are not expressly granted to you under this Agreement or any Franchise Agreement that is in effect for a Restaurant in the Development Area. Further, we or our affiliates may, among other things, on any terms and conditions we deem advisable, without compensation to any franchisee, and without granting you any rights therein:

- (i) establish and/or license others to establish franchised or company-owned or affiliate-owned GREEN + THE GRAIN businesses at any location outside of your Development Area, regardless of the proximity of such businesses to your Development Area;

- (ii) merge with, acquire or become associated with (“**Merger/Acquisition Activity**”) any businesses of any kind (including those in competition with GREEN + THE GRAIN businesses) under other systems and/or marks, which businesses may convert to or operate under the Trademarks and may offer or sell products or services that are the same as or similar to the products or services offered at or from the Restaurants, and which may be located anywhere;

- (iii) sell or distribute for ourselves and/or license others to sell or distribute through restaurants or any other method of distribution products and services the same as or different from the services or products offered under the System, and which are offered and distributed under marks different than the Trademarks;

- (iv) offer, sell or distribute any services or products associated with the System (now or in the future) or identified by the GREEN + THE GRAIN Trademarks, or any other trademarks, service marks or trade names through any distribution channels or methods (“Alternative Channels of Distribution”) separate from Restaurants like the one you are authorized to operate under this Agreement. The Alternative Channels of Distribution may include, without limitation, the Internet (or any other existing or future form of electronic commerce), or grocery stores or other stores where food items are sold; and

- (v) develop or franchise Nontraditional Locations.

E. This Agreement is not a Franchise Agreement, and you have no right to use in any manner the Trademarks or operate a GREEN + THE GRAIN Restaurant by virtue of this Agreement. You have no right under this Agreement to sublicense or subfranchise others to operate a business or restaurant or use the System or the Trademarks.

DEVELOPMENT FEE

3. Simultaneously with the execution of this Agreement, you must pay a Development Fee as described below:

A. As consideration for the rights granted in this Agreement, you must pay us a **“Development Fee”** in the amount designated on the Summary Page. The Development Fee is an amount equal to the Initial Franchise Fee for the first location plus an amount for each additional Restaurant you commit to develop under this Agreement. The Development Fee is consideration for this Agreement and not consideration for any Franchise Agreement, is fully earned by us upon receipt and is nonrefundable.

B. You must submit a separate application for each Restaurant to be established by you within the Development Area as further described in Section 4. Upon our consent to the site of your Restaurant, a separate Franchise Agreement must be executed for each such Restaurant. Provided that the Franchise Agreement is executed within the timeline required by the Development Schedule, the Initial Franchise Fee will be the amount paid for the first location as identified in the Summary Page and reduced by the applicable per location amount included in the calculation of the Development Fee. Upon the execution of each Franchise Agreement, the terms and conditions of the Franchise Agreement control the establishment and operation of such Restaurant. You must execute the Franchise Agreement for the first Restaurant to be developed hereunder simultaneously with the execution of this Agreement.

DEVELOPMENT SCHEDULE

4. The following provisions control with respect to your development rights and obligations:

A. You are bound by and strictly must follow the Development Schedule. By the dates set forth in the Development Schedule, you must enter into Franchise Agreements with us pursuant to this Agreement for the number of Restaurants described in the Development Schedule. You also must comply with the Development Schedule requirements regarding (i) the opening date for each Restaurant and (ii) the cumulative number of Restaurants to be open and continuously operating for business in the Development Area. If you fail to either execute a Franchise Agreement or to open a Restaurant according to the dates set forth in this Agreement or otherwise fail to comply with the Development Schedule, we have the right to immediately terminate this Agreement pursuant to Section 7.B.

B. You may not develop a Restaurant unless (i) at least 60 days prior to the date set forth in the Development Schedule for the execution of each Franchise Agreement, you send us a notice (a) requesting that we send you our then current disclosure documents, (b) confirming your intention to develop the particular Restaurant and (c) sending us all information necessary to complete the Franchise Agreement for the particular Restaurant, and (ii) all of the following conditions have been met (these conditions apply to each Restaurant to be developed in the Development Area):

1. Your Submission of Proposed Site. You must find a proposed site for the Restaurant which you reasonably believe to conform to our site selection criteria (as modified by us from time to time) and submit to us a complete site report (containing such demographic, commercial, and other information and photographs as we may reasonably require) for such site.

2. Our Consent to Proposed Site. You must receive our written consent to your proposed site. We agree not to unreasonably withhold consent to a proposed site. In approving or disapproving any proposed site, we will consider such matters as we deem material, including demographic characteristics of the proposed site, traffic patterns, visibility, business mix, parking, layout and dimensions of location, physical characteristics of the site, and other commercial characteristics (including the purchase or lease obligations for the proposed site). We may conduct on-site evaluations, as we deem advisable, as part of our evaluation of the site for the Restaurant. We reserve the right to charge you our then-current site evaluation fee for each on-site evaluation we conduct.

3. Your Submission of Information. You must furnish to us, at least 60 days prior to the earlier of (i) the date set forth in the Development Schedule by which you must execute a Franchise Agreement or (ii) the actual date on which the Franchise Agreement would be executed, a franchise application for the proposed Restaurant, financial statements and other information regarding you, the operation of any of your other Restaurants within the Development Area and the development and operation of the proposed Restaurant (including, without limitation, investment and financing plans for the proposed Restaurant) as we may reasonably require.

4. Your Compliance with Our Then-Current Standards for Franchisees. You must receive written confirmation from us that you meet our then-current standards for franchisees, including financial capability criteria for the development of a new Restaurant. You acknowledge and agree that this requirement is necessary to ensure the proper development and operation of your Restaurants and to preserve and enhance the reputation and goodwill of all GREEN + THE GRAIN businesses and the goodwill of the Trademarks.

5. Good Standing. You must not be in default of this Agreement, any Franchise Agreement entered into pursuant to this Agreement or any other agreement between you or any of your affiliates and us or any of our affiliates. You also must have satisfied, on a timely basis, all monetary and other material obligations under the Franchise Agreements for all of your existing Restaurants.

6. Execution of Franchise Agreement. You and we must enter into our then-current form of Franchise Agreement for the proposed Restaurant. You understand that we may modify the then-current form of Franchise Agreement from time to time and that it may be different from the current form of Franchise Agreement, although the Royalty Fee for your first Franchise Agreement will remain the same for the initial term of each additional Franchise Agreement you sign under this Agreement. You understand and agree that any and all Franchise Agreements will be construed and will exist independently of this Agreement. The continued existence of each Franchise Agreement will be determined by the terms and conditions of such Franchise Agreement. Except as specifically set forth in this Agreement, the establishment and operation of each Restaurant must be in accordance with the terms of the applicable Franchise Agreement.

7. Other Investors; Franchisee Entity. You may have other investors involved in the ownership of an individual Restaurant you operate under this Agreement, provided that: (i) you advise us of all Owners at the time you sign the Franchise Agreement for the site; (ii) all Owners meet our then-current qualifications for franchisees; (iii) you maintain majority ownership and control of the Franchisee entity; and (iv) each Owner signs the Personal Guaranty and a confidentiality and non-competition agreement in a format we require. You may form a wholly-owned subsidiary or other affiliated entity for each individual Restaurant provided that such entity: (i) conducts no other business than operating a GREEN + THE GRAIN Restaurant, (ii) you maintain management control; (iii) you own and control at least 51% of the equity and voting power of all issued and outstanding equity interests; and (iv) all assets of the Restaurant are owned and the entire Restaurant business is conducted by a single business entity.

C. You must construct and equip each Restaurant in strict accordance with our then-current approved specifications and standards pertaining to equipment, inventory, signage, fixtures, design and layout for the type of location you are developing. You may not commence construction on any Restaurant until you have received our written consent to your building plans.

D. You acknowledge that you have conducted an independent investigation of the prospects for the establishment of the Restaurant within the Development Area, and you recognize that the business venture contemplated by this Agreement involves business and economic risks and that your financial and business success will be primarily dependent upon the personal efforts of you and your management and employees.

E. You recognize and acknowledge that this Agreement requires you to open Restaurants in the future pursuant to the Development Schedule. You further acknowledge that the estimated expenses and investment requirements set forth in Items 6 and 7 of our Franchise Disclosure Document are subject to increase over time, and that future Restaurants developed hereunder likely will involve greater initial investment and operating capital requirements than those stated in the Franchise Disclosure Document provided to you prior to the execution of this Agreement. You are obligated to execute all the Franchise Agreements and open all the Restaurants on the dates set forth on the Development Schedule, regardless of (i) the requirement of a greater investment, (ii) the financial condition or performance of your prior Restaurants, or (iii) any other circumstances, financial or otherwise. The foregoing will not be interpreted as imposing any obligation upon us to execute the Franchise Agreements under this Agreement if you have not complied with each and every condition necessary to develop the Restaurants.

TERM

5. Unless sooner terminated in accordance with Section 7 of this Agreement and subject to the terms detailed in Section 2.C, the term of this Agreement and all rights granted to you will expire on the earlier of (a) date that your last GREEN + THE GRAIN Restaurant is scheduled to be opened under the Development Schedule or (b) the date the last Restaurant to be developed under this Agreement opens for business.

YOUR DUTIES

6. You must perform the following obligations:

A. You must comply with all of the terms and conditions of each Franchise Agreement, including the operating requirements specified in each Franchise Agreement.

B. You and your Owners, officers, directors, shareholders, partners, members and managers (if any) acknowledge that your entire knowledge of the operation of the GREEN + THE GRAIN Restaurants and the System, including the knowledge or know-how regarding the specifications, standards and operating procedures of the services and activities, is derived from information we disclose to you and that certain information is proprietary, confidential and constitutes our trade secrets. The term “trade secrets” refers to the whole or any portion of know-how, knowledge, methods, specifications, processes, procedures and/or improvements regarding the business that is valuable and secret in the sense that it is not generally known to our competitors and any proprietary information contained in the Manuals or otherwise communicated to you in writing, verbally or through the internet or other online or computer communications, and any other knowledge or know-how concerning the methods of operation of the Restaurants. You and your Owners, officers, directors, shareholders, partners, members and managers (if any), jointly and severally, agree that at all times during and after the term of this Agreement, you will maintain the absolute confidentiality of all such proprietary information and will not disclose, copy, reproduce, sell or use any such information in any other business or in any manner not specifically authorized or approved in advance in writing by us. We may require that you obtain nondisclosure and confidentiality agreements in a form satisfactory to us from the individuals identified in the first sentence of this paragraph and other key employees.

C. You must comply with all requirements of federal, state and local laws, rules and regulations.

DEFAULT AND TERMINATION

7. The following provisions apply with respect to default and termination:

A. The rights and territorial protection granted to you in this Agreement have been granted in reliance on your representations and warranties, and strictly on the conditions set forth in Sections 2, 4 and 6 of this Agreement, including the condition that you comply strictly with the Development Schedule.

B. You will be deemed in default under this Agreement if you breach any of the terms of this Agreement, including the failure to meet the Development Schedule, or the terms of any Franchise Agreement or any other agreement between you or your affiliates and us or our affiliates. All rights granted in this Agreement immediately terminate upon written notice without opportunity to cure if: (i) you become insolvent, commit any affirmative action of insolvency or file any action or petition of insolvency, (ii) a receiver (permanent or temporary) of your property is appointed by a court of competent authority, (iii) you make a general assignment or other similar arrangement for the benefit of your creditors, (iv) a final judgment remains unsatisfied of record for 30 days or longer (unless supersedeas bond is filed), (v) execution is levied against your business or property, (vi) suit to foreclose any lien or mortgage against the premises or equipment is instituted against you and not dismissed within 30 days, or is not in the process of being dismissed, (vii) you fail to meet the development obligations set forth in the Development Schedule (unless we determine that you are on track to become compliant with the Development Schedule within 30 days following the applicable deadline set forth in the Development Schedule), (viii) you fail to comply with any other provision of this Agreement and do not correct the failure within 30 days after written notice of that failure is delivered to you, or (ix) we have delivered to you a notice of termination of a Franchise Agreement or another agreement between you or your affiliates and us or our affiliates in accordance with the terms and conditions of such Franchise Agreement or other agreement.

C. If you fail to comply with the Development Schedule, we may terminate this Agreement, reduce the number of Restaurants you have the right to develop hereunder, terminate or reduce the Development Area, repurchase any Restaurant opened by you under this Agreement or exercise any other rights and remedies that we may have under the law. Notwithstanding the foregoing, you may request an extension of your opening deadline for a location under the Development Schedule if you are diligently and in good faith pursuing the opening of the Restaurant as evidenced by a signed lease, commencement of construction or other equivalent process as we determine in our sole judgment. We will not unreasonable withhold your written request for such extension, provided that: (i) you agree to pay a Grace Period Fee of \$2,500 per location for each month or partial month of delay; (ii) you are not in default of any other obligation under this Agreement or any Franchise Agreement; (iii) you and any affiliates with Franchise Agreements entered into pursuant to this Agreement executes a general release, in a form prescribed by us, of any and all claims against us and our affiliates, and our and their respective officers, directors, agents, shareholders, and employees; (iv) you execute an extension agreement and (v) we have not previously granted extensions of more than 3 months per location or 12 months in the aggregate.

RIGHTS AND DUTIES OF PARTIES UPON TERMINATION OR EXPIRATION

8. Upon termination or expiration of this Agreement, all rights granted to you will automatically terminate, and:

A. All remaining rights granted to you to develop Restaurants under this Agreement will automatically be revoked and will be null and void. You will not be entitled to any refund of any fees. You will have no right to develop or operate any business for which a Franchise Agreement has not been executed by us. We will be entitled to develop and operate, or to franchise others to develop and operate, GREEN + THE GRAIN restaurants in the Development Area, except as may be otherwise provided under any Franchise Agreement that has been executed between us and you and that has not been terminated.

B. You must immediately cease to operate your business under this Agreement and must not thereafter, directly or indirectly, represent to the public or hold yourself out as a present or former developer of ours except in connection with the business operations of any existing Restaurants that have been developed prior to the termination of this Agreement and that are still operating under a valid Franchise Agreement.

C. Except as specifically permitted under any then-effective Franchise Agreement, you must take such action as may be necessary to cancel or assign to us or our designee, at our option, any assumed name or equivalent registration that contains the name or any of the words GREEN + THE GRAIN or any other Trademark of ours, and you must furnish us with evidence satisfactory to us of compliance with this obligation within 30 days after termination or expiration of this Agreement.

D. Except as specifically permitted under any then-effective Franchise Agreement, you must immediately (i) cease using or operating any digital marketing and social media related to the Restaurant in any way, take all action required to disable digital marketing and social media accounts, and cancel all rights in and to any accounts for such digital marketing and social media (unless we require you to assign them to us), (ii) assign to us or our designee all your right, title, and interest in and to your telephone numbers and must notify the telephone company and all listing agencies of the termination or expiration of your right to use any telephone number in any regular,

classified or other telephone directory listing associated with the Trademarks and to authorize transfer of same at our direction.

E. You must within 30 days of the termination or expiration pay all sums owing to us and our affiliates.

All unpaid amounts will bear interest at the rate of 18% per annum or the maximum contract rate of interest permitted by governing law, whichever is less, from and after the date of accrual. In the event of termination for any default by you, the sums due will include all damages, costs, and expenses, including reasonable attorneys' fees and expenses, incurred by us as a result of your default. You also must pay to us all damages, costs and expenses, including reasonable attorneys' fees and expenses, that we incur subsequent to the termination or expiration of this Agreement in obtaining injunctive or other relief for the enforcement of any provisions of this Agreement.

F. If this Agreement is terminated, you may continue to operate, pursuant to the terms of the applicable Franchise Agreement(s), any Restaurants open and operating at the time of the termination of this Agreement, unless the termination of this Agreement constitutes a termination under the terms of the separate Franchise Agreement for the Restaurant. Under such circumstances, we will have the option to purchase from you all assets used in the Restaurant that have been developed prior to the termination of this Agreement and that are subject to closure under the terminating Franchise Agreement(s), as provided in the post-termination purchase option provision of the terminating Franchise Agreement(s).

G. All of our and your obligations that expressly or by their nature survive the expiration or termination of this Agreement will continue in full force and effect subsequent to and notwithstanding its expiration or termination and until they are satisfied or by their nature expire.

TRANSFER

9. The following provisions govern any transfer:

A. We have the right to transfer all or any part of our rights or obligations under this Agreement to any person or legal entity.

B. This Agreement is entered into by us with specific reliance upon your personal experience, skills and managerial and financial qualifications. Consequently, this Agreement, and your rights and obligations under it, are and will remain personal to you. You may only Transfer your rights and interests under this Agreement if you obtain our prior written consent and you transfer your rights and interests under the relevant Franchise Agreements for Restaurants in the Development Area as dictated by the circumstances. In this event, the transferee will be required, as a condition of approval of the transfer, to assume transferor's development obligations, including the payment of any remaining initial franchise fees. Accordingly, the assignment terms and conditions of the Franchise Agreements will apply to any Transfer of your rights and interests under this Agreement. As used in this Agreement, the term "Transfer" means any sale (including installment sale), assignment, gift, pledge, mortgage or any other encumbrance, transfer by bankruptcy, transfer by judicial order, merger, consolidation, reorganization, combination, share exchange, transfer by operation of law or otherwise, or transfer as a result of a death, disability, divorce or insolvency, whether direct or indirect, voluntary or involuntary, of this Agreement or any interest in it, or any rights or obligations arising under it, or of any material portion of your assets, or of any interest in you.

MISCELLANEOUS

10. The parties agree to the following provisions:

A. You agree to indemnify, defend, and hold us, our affiliates and our officers, directors, managers, members, shareholders, representatives and employees harmless from and against any and all claims, losses, damages and liabilities, however caused, arising directly or indirectly from, as a result of, or in connection with, the development, use and operation of your Restaurants, as well as the costs, including attorneys' fees, of defending against them ("**Franchise Claims**"). Franchise Claims include, but are not limited to, those arising from any death, personal injury or property damage (whether caused wholly or in part through our or our affiliates' active or passive negligence), latent or other defects in any Restaurant, or your employment practices. If a Franchise Claim is made against us or our affiliates, we reserve the right in our sole judgment to select our own legal counsel to represent our interests, at your cost.

B. Should one or more clauses of this Agreement be held void or unenforceable for any reason by any court of competent jurisdiction, such clause or clauses will be deemed to be separable in such jurisdiction and the remainder of this Agreement is valid and in full force and effect and the terms of this Agreement must be equitably adjusted so as to compensate the appropriate party for any consideration lost because of the elimination of such clause or clauses.

C. No waiver by us of any breach by you, nor any delay or failure by us to enforce any provision of this Agreement, may be deemed to be a waiver of any other or subsequent breach or be deemed an estoppel to enforce our rights with respect to that or any other or subsequent breach. This Agreement may not be waived, altered or rescinded, in whole or in part, except by a writing signed by you and us.

D. This Agreement together with all schedules, addenda and appendices to this Agreement constitute the entire agreement between the parties and supersede any and all prior negotiations, understandings, representations and agreements. Nothing in this or in any related agreement, however, is intended to disclaim the representations we made in the Franchise Disclosure Document we furnished to you. You acknowledge that you are entering into this Agreement as a result of your own independent investigation of our franchised business and not as a result of representations about us made by our shareholders, officers, directors, employees, agents, representatives, independent contractors, or franchisees that are contrary to the terms set forth in this Agreement, or in any disclosure document, prospectus, or other similar document required or permitted to be given to you pursuant to applicable law.

E. Except as otherwise provided in this Agreement, any notice, demand or communication provided for herein must be in writing and signed by the party serving the same and either delivered personally, in electronic form via email to an authorized email address with proof of receipt, by reputable overnight service or deposited in the United States mail, service or postage prepaid as follows:

1. If intended for us, addressed to:

green and the grain franchising, LLC
200 South 6th Street, Suite 296
Minneapolis, MN 55402

2. If intended for you, addressed to you at the address set forth on the Summary Page; or,

in either case, to such other address as may have been designated by notice to the other party. Notices for purposes of this Agreement will be deemed to have been received if emailed, mailed or delivered as provided in this subparagraph.

F. Any modification, consent, approval, authorization or waiver granted in this Agreement required to be effective by signature will be valid only if in writing executed by the Owner or, if on behalf of us, in writing executed by our CEO.

G. The following provisions apply to and govern the interpretation of this Agreement, the parties' rights under this Agreement, and the relationship between the parties:

1. Applicable Law and Waiver. Subject to our rights under federal trademark laws and the parties' rights under the Federal Arbitration Act in accordance with Section 10.N of this Agreement, this Agreement, the parties' rights under this Agreement, and the relationship between the parties, is governed by, and will be interpreted in accordance with, the laws (statutory and otherwise) of the state in which the Development Area is located, excluding any conflicts of laws provisions.

2. Our Rights. Whenever this Agreement provides that we have a certain right, that right is absolute and the parties intend that our exercise of that right will not be subject to any limitation or review. We have the right to operate, administrate, develop, and change the System in any manner that is not specifically precluded by the provisions of this Agreement, although this right does not modify the express limitations set forth in this Agreement.

3. Our Reasonable Business Judgment. Whenever we reserve discretion in a particular area or where we agree to exercise our rights reasonably or in good faith, we will satisfy our obligations whenever we exercise Reasonable Business Judgment in making our decision or exercising our rights. Our decisions or actions will be deemed to be the result of Reasonable Business Judgment, even if other reasonable or even arguably preferable alternatives are available, if our decision or action is intended, in whole or significant part, to promote or benefit the System generally even if the decision or action also promotes our financial or other individual interest. Examples of items that will promote or benefit the System include, without limitation, enhancing the value of the Trademarks, improving customer service and satisfaction, improving product quality, improving uniformity, enhancing or encouraging modernization and improving the competitive position of the System.

H. Any cause of action, claim, suit or demand allegedly arising from or related to the terms of this Agreement or the relationship of the parties that is not subject to arbitration under Section 10.N must be brought in the state or federal district court located in the county where our headquarters are then located (currently, Hennepin County, Minnesota). Both parties irrevocably submit themselves to, and consent to, the jurisdiction of said courts. The provisions of this Section will survive the termination of this Agreement. You are aware of the business purposes and needs underlying the language of this subparagraph, and with a complete understanding, agree to be bound in the manner set forth.

I. All parties hereby waive any and all rights to a trial by jury in connection with the enforcement or interpretation by judicial process of any provision of this Agreement, and in connection with allegations of state or federal statutory violations, fraud, misrepresentation or similar causes of action or any legal action initiated for the recovery of damages for breach of this Agreement and any claim arising out of the parties' relationship.

J. You and us and our affiliates agree to waive, to the fullest extent permitted by law, the right to or claim for any punitive or exemplary damages against the other and agree that in the event of any dispute between them, each will be limited to the recovery of actual damages sustained.

K. If you are a corporation, partnership, limited liability company, partnership or other legal entity, all of your Owners must execute the form of undertaking and guarantee attached as Appendix B to this Agreement ("**Personal Guaranty**"). Any person or entity that at any time after the date of this Agreement becomes an Owner must also execute the form of Personal Guaranty.

L. You and we are independent contractors. Neither party is the agent, legal representative, partner, subsidiary, joint venturer or employee of the other. Neither party may obligate the other or represent any right to do so. This Agreement does not reflect or create a fiduciary relationship or a relationship of special trust or confidence.

M. In the event of any failure of performance of this Agreement according to its terms by any party (other than payment of money), the same will not be deemed a breach of this Agreement if it arose from a cause beyond the control of and without the negligence of said party. Such causes include, but are not limited to, strikes, wars, riots and acts of government except as may be specifically provided for elsewhere in this Agreement.

N. Except as qualified below, any dispute between you and us or any of our or your affiliates, including, without limitation your Owners and guarantors, arising under, out of, in connection with or in relation to this Agreement, the parties' relationship, or the business must be submitted to binding arbitration under the authority of the Federal Arbitration Act and must be determined by arbitration administered by the American Arbitration Association pursuant to its then-current commercial arbitration rules and procedures. Any arbitration must be on an individual basis, and the parties and arbitrator will have no authority or power to proceed with any claim as a class action or otherwise to join or consolidate any claim with any other claim or proceeding involving third parties. If a court determines that this limitation on joinder of or class action certification of claims is unenforceable, then this entire commitment to arbitrate will become null and void and the parties must submit all claims to the jurisdiction of the courts. The arbitration must take place in the county where our headquarters are then located (currently, Hennepin County, Minnesota), or such other place as we mutually agree. The arbitrator must follow the law and not disregard the terms of this Agreement. The arbitrator must have at least 5 years of significant experience in franchise law. A judgment may be entered upon the arbitration award by any court of competent jurisdiction. The decision of the arbitrator will be final and binding on all parties to the dispute; however, the arbitrator may not under any circumstances: (i) stay the effectiveness of any pending termination of this Agreement; (ii) assess punitive or exemplary damages; or (iii) make any award which extends, modifies or suspends any lawful term of this Agreement or any reasonable standard of business performance that we set.

Before any party may bring an action in court or against the other, or commence an arbitration proceeding (except as noted below), the parties must first meet to mediate the dispute. Specifically, no litigation or arbitration action may be commenced until the earlier of thirty (30) days from written notice by one party to the other of a request to initiate mediation, or the mutual

agreement by both parties that mediation has been unsuccessful if the notified party fails to respond to the requesting party within thirty (30) days of notification. The mediation will be held in the county where our headquarters are then located (currently, Hennepin County, Minnesota). Any such mediation will be non-binding and conducted by the American Arbitration Association in accordance with its then-current rules for mediation of commercial disputes. Prior to the mediation, each party involved in the mediation must sign the standard confidentiality agreement designated by us or the mediator. The mediator will be disqualified as a witness, expert or counsel for any party with respect to the dispute or any related matter. Mediation is a compromise negotiation and will constitute privileged communications under the law governing this Agreement. The entire mediation process will be confidential and the conduct, statements, promises, offers, views and opinions of the mediator and the parties will not be discoverable or admissible in any legal proceeding for any purposes; provided, however, that evidence which is otherwise discoverable or admissible will not be excluded from discovery or admission as a result of its use in the mediation. The parties will share equally all fees and expenses of the mediator.

Nothing in this Agreement bars either party's right to obtain injunctive relief against threatened conduct that will cause loss or damages to the other party, under the usual equity rules, including the applicable rules for obtaining restraining orders and preliminary injunctions. Furthermore, we and our affiliates have the right to commence a civil action against you or take other appropriate action for the following reasons: to collect sums of money due to us; to compel your compliance with trademark standards and requirements to protect the goodwill of the Trademarks; to compel you to compile and submit required reports to us; or to permit evaluations or audits authorized by this Agreement.

The prevailing party in any action or proceeding arising under, out of, in connection with, or in relation to this Agreement, any lease or sublease for the Restaurant or Authorized Location, the parties' relationship or the business will be entitled to recover its reasonable attorneys' fees and costs.

O. We will designate the "**Effective Date**" of this Agreement on the Summary Page in the space provided on the Summary Page. If no Effective Date is designated on the Summary Page, the Effective Date is the date we sign this Agreement.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties have executed the foregoing Agreement as of the Effective Date.

green and the grain franchising LLC

Signature: _____
Name: Tiffany Hauser
Title: Founder & CEO
Date: _____

AREA DEVELOPER:

(For a company):

Entity Name: _____

Signature: _____
Name: _____
Title: _____

(For individuals):

Signature: _____
Name: _____

Signature: _____
Name: _____

Signature: _____
Name: _____

Signature: _____
Name: _____

APPENDIX A

Development Area

The Development Area is the area reflected within the boundaries of the map or description included below:

Where the boundary of the Development Area is a road, the interior side of the road is considered within the boundary (and the exterior side of the road is not). No Development Area will be enlarged due to any future road construction, change in political boundaries or other alteration. If there is any conflict between the geographical designation on the Summary Page and the map or description above, the information in this Appendix governs.

APPENDIX B

PERSONAL GUARANTY AND AGREEMENT TO BE BOUND PERSONALLY BY THE TERMS AND CONDITIONS OF THE AREA DEVELOPMENT AGREEMENT

In consideration of the execution of the Area Development Agreement (the “Agreement”) by green and the grain franchising, LLC (“we” or “us”) and for other good and valuable consideration, the undersigned, for themselves, their heirs, successors, and assigns, do jointly, individually and severally hereby become surety and guarantor for the payment of all amounts and the performance of the covenants, terms and conditions in the Agreement, to be paid, kept and performed by the Developer, including without limitation the arbitration and other dispute resolution provisions of the Agreement.

Further, the undersigned, individually and jointly, hereby agree to be personally bound by each and every condition and term contained in the Agreement and agree that this Personal Guaranty will be construed as though the undersigned and each of them executed an agreement containing the identical terms and conditions of the Agreement.

The undersigned waives (1) notice of demand for payment of any indebtedness or nonperformance of any obligations hereby guaranteed; (2) protest and notice of default to any party respecting the indebtedness or nonperformance of any obligations hereby guaranteed; (3) any right he/she may have to require that an action be brought against the Developer or any other person as a condition of liability; and (4) notice of any changes permitted by the terms of the Agreement or agreed to by the Developer.

In addition, the undersigned consents and agrees that: (a) the undersigned’s liability will not be contingent or conditioned upon our pursuit of any remedies against the Developer or any other person; (b) such liability will not be diminished, relieved or otherwise affected by the Developer’s insolvency, bankruptcy or reorganization, the invalidity, illegality or unenforceability of all or any part of the Agreement, or the amendment or extension of the Agreement with or without notice to the undersigned; and (c) this Personal Guaranty shall apply in all modifications to the Agreement of any nature agreed to by Developer with or without the undersigned receiving notice thereof.

It is further understood and agreed by the undersigned that the provisions, covenants and conditions of this Personal Guaranty will inure to the benefit of our successors and assigns.

DEVELOPER: _____ (insert name of entity)

PERSONAL GUARANTORS:

Individually

Print Name

Address

City State Zip Code

Telephone

Individually

Print Name

Address

City State Zip Code

Telephone

Individually		
Print Name		
Address		
City	State	Zip Code
Telephone		

Individually		
Print Name		
Address		
City	State	Zip Code
Telephone		

APPENDIX C

ACKNOWLEDGMENT ADDENDUM TO GREEN + THE GRAIN AREA DEVELOPMENT AGREEMENT

As you know, you and we are entering into Area Development Agreement for the development and operation of GREEN + THE GRAIN Restaurants. Please review each of the following questions carefully and provide honest responses to each question.

Acknowledgments and Representations*.

1. Did you receive a copy of our Disclosure Document (and all exhibits and attachments) at least 14 calendar days prior to signing the Area Development Agreement and payment of any consideration? Check one: ☐ Yes ☐ No.
2. Have you studied and reviewed carefully our Disclosure Document and Area Development Agreement? Check one: ☐ Yes ☐ No.
3. Did you understand all the information contained in both the Disclosure Document and Area Development Agreement? Check one: ☐ Yes ☐ No.
4. Do you understand that the profitability of individual businesses depends on a number of factors that may vary due to individual characteristics of the business? Further, do you understand that net profitability will be affected by required contributions for advertising and promotions as well as royalty fees paid to us? Check one: ☐ Yes ☐ No.
5. Do you understand that that the franchise granted is for the right to develop and operate the Restaurants in the Development Area, as stated in Subparagraph 2.B, and that, according to Subparagraph 2.D, we and our affiliates have the right to distribute products through alternative methods of distribution and to issue franchises or operate competing businesses for or at locations, as we determine, (i) outside of your Development Area using any trademarks; and (ii) inside your Development Area using any trademarks other than the GREEN + THE GRAIN Trademark? Check one: ☐ Yes ☐ No.
6. Do you understand that the success or failure of the development and operation of your Restaurant and Restaurants will depend in large part upon your skills and experience, your business acumen, your location, the local market for products under the GREEN + THE GRAIN trademarks, interest rates, the economy, inflation, the number of employees you hire and their compensation, competition and other economic and business factors? Further, do you understand that the economic and business factors that exist at the time you open your Restaurants may change? Check one ☐ Yes ☐ No.

If you answered “No” to questions 1 to 6, please explain (attach additional sheets if necessary): _____

7. Was any oral, written or visual claim or representation made to you that contradicted the disclosures in the Disclosure Document? Check one: ☐ Yes ☐ No. If yes, describe in detail below.
8. Did any employee or other person speaking on behalf of green and the grain franchising, LLC make any oral, written or visual claim, statement, promise or representation to you that stated, suggested,

predicted or projected sales, revenues, expenses, earnings, income or profit levels outside of what is contained in Item 19 of our Disclosure Document? Check one: ☐ Yes ☐ No. If yes, describe in detail below.

9. Did any employee or other person speaking on behalf of green and the grain franchising, LLC make any statement or promise regarding the costs involved in operating a franchise that is not contained in the Disclosure Document or that is contrary to, or different from, the information contained in the Disclosure Document. Check one: ☐ Yes ☐ No.

If you answered "Yes" to questions 7-9, please explain in detail the claim, representation or statement (attach additional sheets if necessary): _____

YOU UNDERSTAND THAT YOUR ANSWERS ARE IMPORTANT TO US AND THAT WE WILL RELY ON THEM. BY SIGNING THIS ADDENDUM, YOU ARE REPRESENTING THAT YOU HAVE CONSIDERED EACH QUESTION CAREFULLY AND RESPONDED TRUTHFULLY TO THE ABOVE QUESTIONS. IF MORE SPACE IS NEEDED FOR ANY ANSWER, CONTINUE ON A SEPARATE SHEET AND ATTACH.

NOTE: IF THE RECIPIENT IS A CORPORATION, PARTNERSHIP, LIMITED LIABILITY COMPANY OR OTHER ENTITY, EACH OF ITS PRINCIPAL OWNERS MUST EXECUTE THIS ACKNOWLEDGMENT.

Signed: _____

Print Name: _____

Date: _____

Signed: _____

Print Name: _____

Date: _____

APPROVED ON BEHALF OF
green and the grain franchising, LLC

Signed: _____

Print Name: _____

Date: _____

By: _____

Title: _____

Date: _____

*All representations requiring prospective franchisees to assent to a release, estoppel or waiver of liability are not intended nor shall they act as a release, estoppel or waiver of liability incurred under the Illinois Franchise Disclosure Act.

Exhibit D to the Disclosure Document

LIST OF FRANCHISEES
(as of December 31, ~~2023~~2024)

None.

**FRANCHISEES WHO HAVE SIGNED A FRANCHISE AGREEMENT BUT ARE NOT
YET OPERATIONAL**

(As of December 31, ~~2023~~2024)

None.

Exhibit E to the Disclosure Document

LIST OF FRANCHISEES WHO HAVE LEFT THE SYSTEM

(as of December 31, ~~2023~~2024)

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

None.

Exhibit F to the Disclosure Document

TABLE OF CONTENTS OF OPERATIONS MANUAL

Section	Number of Pages
Chapter 1: General Introduction	3 <u>4</u>
Chapter 2: The Brand	6 <u>3</u>
Chapter 3: The Franchise Relationship	27 <u>25</u>
Chapter 4: Brand Operational Standards	27 <u>23</u>
Chapter 5: Staffing Best Practices	10 <u>12</u>
Chapter 6: Operations Best Practices	14 <u>12</u>
Chapter 7: Food Safety Best Practices	19 <u>15</u>
Chapter 8: Crisis Management	5
Chapter 9: Management & Administration Best Practices	19 <u>16</u>
Total Pages:	130 <u>115</u>

Exhibit G to the Disclosure Document

FINANCIAL STATEMENTS

GREEN AND THE GRAIN FRANCHISING LLC

***FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023***

C O N T E N T S

	Page
INDEPENDENT AUDITOR'S REPORT	1
FINANCIAL STATEMENTS	
Balance sheets	3
Statements of operations	4
Statements of members' equity	5
Statements of cash flows	6
Notes to financial statements	7

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
green and the grain franchising LLC
Minneapolis, Minnesota

Opinion

We have audited the accompanying financial statements of green and the grain franchising LLC (a Limited Liability Company), which comprise the balance sheets as of December 31, 2024 and 2023, and the related statements of operations, members' equity and cash flows for the year then ended December 31, 2024 and the period from inception (October 5, 2023) to December 31, 2023, 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 green and the grain franchising LLC as of December 31, 2024 and 2023, and the results of its operations and its cash flows for the year ended December 31, 2024 and the period from inception (October 5, 2023) to December 31, 2023 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 green and the grain franchising 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 of green and the grain franchising LLC's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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 audits.
- 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 green and the grain franchising LLC's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about green and the grain franchising LLC's ability to continue as a going concern for a reasonable period of time.

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

A handwritten signature in black ink that reads "Boyum & Barescheer PLLP". The script is cursive and fluid.

Boyum & Barescheer PLLP
Minneapolis, Minnesota
February 25, 2025

GREEN AND THE GRAIN FRANCHISING LLC

BALANCE SHEETS

DECEMBER 31,	2024	2023
ASSETS		
CURRENT ASSETS		
Cash	\$ 98,394	\$ 175,000
<i>Total current assets</i>	98,394	175,000
WEBSITE, net	8,556	-
<i>Total assets</i>	\$ 106,950	\$ 175,000
LIABILITIES AND MEMBERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable	\$ 6,591	\$ 8,000
Due to related party	3,170	-
<i>Total liabilities</i>	9,761	8,000
MEMBERS' EQUITY	97,189	167,000
<i>Total liabilities and members' equity</i>	\$ 106,950	\$ 175,000

The notes to the financial statements are an integral part of these statements.

GREEN AND THE GRAIN FRANCHISING LLC

STATEMENTS OF OPERATIONS

YEAR AND PERIOD ENDED DECEMBER 31,	2024	2023
REVENUE	\$ -	\$ -
OPERATING EXPENSES	179,811	8,000
<i>Net loss</i>	\$ (179,811)	\$ (8,000)

The notes to the financial statements are an integral part of these statements.

GREEN AND THE GRAIN FRANCHISING LLC

STATEMENTS OF MEMBERS' EQUITY

YEAR AND PERIOD ENDED DECEMBER 31, 2024 AND 2023		
BALANCE, INCEPTION OF OCTOBER 5, 2023	\$	-
Members' contributions		175,000
Net loss		(8,000)
BALANCE, December 31, 2023		167,000
Members' contributions		110,000
Net loss		(179,811)
BALANCE, December 31, 2024	\$	97,189

The notes to the financial statements are an integral part of these statements.

GREEN AND THE GRAIN FRANCHISING LLC

STATEMENTS OF CASH FLOWS

YEAR AND PERIOD ENDED DECEMBER 31,	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	\$ (179,811)	\$ (8,000)
Adjustments to reconcile net loss to net cash used by operating activities:		
Amortization	2,444	-
Net change in assets and liabilities:		
Accounts payable	(1,409)	8,000
Due from related party	3,170	-
<i>Net cash used in operating activities</i>	(175,606)	-
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of website	(11,000)	-
<i>Net cash used in investing activities</i>	(11,000)	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Members' contributions	110,000	175,000
<i>Net cash provided by financing activities</i>	110,000	175,000
Net increase (decrease) in cash	(76,606)	175,000
Cash, beginning of period	175,000	-
<i>Cash, end of the year and period</i>	\$ 98,394	\$ 175,000

The notes to the financial statements are an integral part of these statements.

GREEN AND THE GRAIN FRANCHISING LLC

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Business description

green and the grain franchising LLC (the Company), a Minnesota limited liability company, offers franchises of GREEN + THE GRAIN restaurants. The franchisees will operate a fast casual restaurant offering fresh salads and related products under the name “GREEN + THE GRAIN.” The Company was incorporated on October 5, 2023 and funded on December 29, 2023. The Company receives an initial franchise fee and continuing fees monthly from the franchisees. The Company is currently preparing to sell franchises, and no franchises have been sold as of February 25, 2025.

Use of estimates

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

Cash

The Company considers cash on hand, bank checking accounts and investments purchased with a maturity of three months or less to be cash equivalents.

Concentration of credit risk

The Company maintains cash in financial institutions that are insured by the Federal Deposit Insurance Corporation (FDIC), which at times may exceed federally insured limits. The Company believes they are not exposed to any significant credit risk on cash and cash equivalents.

Website

The cost incurred to develop the Company’s website are capitalized and amortized over the three-year estimated useful life of the website. The Company capitalized \$11,000 of website development costs and recorded amortization expense of \$2,444 for the year ended December 31, 2024.

Future amortization of the website is as follows:

YEARS ENDING DECEMBER 31,		
2025	\$	3,667
2026		3,667
2027		1,222
Total	\$	8,556

Long-lived assets

Long-lived assets and certain identifiable intangible assets to be held and used are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. Determination of recoverability is based on an estimate of undiscounted future cash flows resulting from the use of the asset and its eventual disposition. Measurement of an impairment loss for long-lived assets and certain identifiable intangible assets that management expects to hold and use is based on the fair value of the asset. Long lived assets and certain identifiable intangible assets to be disposed of are reported at the lower of carrying amount or fair value less costs to sell. The Company has determined that no impairment existed at December 31, 2024.

GREEN AND THE GRAIN FRANCHISING LLC

NOTES TO THE FINANCIAL STATEMENTS

Subsequent events

Management has evaluated subsequent events through February 25, 2025, the date at which the financial statements were available to be issued.

Revenue recognition

The Company follows Accounting Standards Update (ASU) 2014-09 *Revenue from Contracts with Customers (Topic 606)*. The guidance requires the Company to recognize revenue to depict the transfer of good or services to customers in an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The guidance also requires expanded disclosures related to the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers.

The Company franchises GREEN + THE GRAIN restaurants. The franchise arrangement is documented in the form of a franchise agreement. The franchise arrangement between the Company as the franchisor and the franchisee as the customer requires the Company to perform various activities to support the concepts of the franchise license. The nature of the Company's promise in granting the franchise license is to provide the franchisee with access to the brand's symbolic intellectual property over the term of the license.

The transaction price in a standard franchise arrangement primarily consists of (a) initial franchise fee; (b) royalty fees; (c) marketing fees; (d) technology fees; (e) training fees; and (f) other one-time or ongoing fees.

The Company recognizes the primary components of the transaction price as follows:

- Franchise fees are typically received in cash at or near the beginning of the franchise term.
- The Company is entitled to various continuing fees, including royalty fees, marketing fees, and other fees. Some of the fees are flat fees and others are based on the revenues of the franchisee's business.

There have been no franchisees signed as of February 25, 2025.

Advertising

Advertising costs are expensed as incurred. Advertising expense was \$50,037 and \$0 for the year ended December 31, 2024 and period ended December 31, 2023, respectively.

Income taxes

The Company is organized as a Limited Liability Company that is taxed as a partnership under the Internal Revenue code and applicable state statutes. The profits and losses of the Company flow through to the members rather than the Company level. Accordingly, the Company will have no tax liability.

The Company has not been audited by the Internal Revenue Service or other state agencies. Management has evaluated its tax positions and has concluded that they do not result in anything that would require either recording or disclosure in the financial statements.

NOTE 2. RELATED PARTY TRANSACTIONS

The Company's due to related party was \$3,170 and \$0 at December 31, 2024, and 2023, respectively. The amounts due to related party is non-interest bearing and due on demand.

The Company recorded expenses related to franchise services from a related party affiliate through common ownership of \$60,000 and \$0 for the year ended December 31, 2024 and period ended December 31, 2023, respectively. The Company recorded these services in accounts payable on the balance sheets which totaled \$5,000 and \$0 at December 31, 2024 and 2023, respectively.

Exhibit H to the Disclosure Document

GENERAL RELEASE

THIS AGREEMENT ("Agreement") is made and entered into this ____ day of _____, 20__, by and between green and the grain franchising LLC, a Minnesota limited liability company having its principal place of business located at 200 South 6th Street, Suite 296, Minneapolis, MN 55402 (the "Franchisor"), and _____, a _____ whose principal address is at _____ (hereinafter referred to as "Releasor"), wherein the parties hereto, in exchange for good and valuable consideration, the sufficiency and receipt of which is hereby acknowledged, and in reliance upon the representations, warranties, and comments herein are set forth, do agree as follows:

1. **Release by Releasor:**

Releasor does for itself, its successors and assigns, hereby release and forever discharge generally the Franchisor and any affiliate, wholly owned or controlled corporation, subsidiary, successor or assign thereof and any shareholder, officer, director, employee, or agent of any of them, from any and all claims, demands, damages, injuries, agreements and contracts, indebtedness, accounts of every kind or nature, whether presently known or unknown, suspected or unsuspected, disclosed or undisclosed, actual or potential, which Releasor may now have, or may hereafter claim to have or to have acquired against them of whatever source or origin, arising out of or related to any and all transactions of any kind or character at any time prior to and including the date hereof, including generally any and all claims at law or in equity, those arising under the common law or state or federal statutes, rules or regulations such as, by way of example only, franchising, securities and anti-trust statutes, rules or regulations, in any way arising out of or connected with the Agreement, and further promises never from this day forward, directly or indirectly, to institute, prosecute, commence, join in, or generally attempt to assert or maintain any action thereon against the Franchisor, any affiliate, successor, assign, parent corporation, subsidiary, director, officer, shareholder, employee, agent, executor, administrator, estate, trustee or heir, in any court or tribunal of the United States of America, any state thereof, or any other jurisdiction for any matter or claim arising before execution of this Agreement. In the event Releasor breaches any of the promises covenants, or undertakings made herein by any act or omission, Releasor shall pay, by way of indemnification, all costs and expenses of the Franchisor caused by the act or omission, including reasonable attorneys' fees.

2. Releasor hereto represents and warrants that no portion of any claim, right, demand, obligation, debt, guarantee, or cause of action released hereby has been assigned or transferred by Releasor party to any other party, firm or entity in any manner including, but not limited to, assignment or transfer by subrogation or by operation of law. In the event that any claim, demand or suit shall be made or institute against any released party because of any such purported assignment, transfer or subrogation, the assigning or transferring party agrees to indemnify and hold such released party free and harmless from and against any such claim, demand or suit, including reasonable costs and attorneys' fees incurred in connection therewith. It is further agreed that this indemnification and hold harmless agreement shall not require payment to such claimant as a condition precedent to recovery under this paragraph.

3. Each party acknowledges and warrants that his, her or its execution of this Agreement is free and voluntary.

4. [STATE] law shall govern the validity and interpretation of this Agreement, as well as the performance due thereunder. This Agreement is binding upon and inures to the benefit of the respective assigns, successors, heirs and legal representatives of the parties hereto.

5. In the event that any action is filed to interpret any provision of this Agreement, or to enforce any of the terms thereof, the prevailing party shall be entitled to its reasonable attorneys' fees and costs incurred therein, and said action must be filed in the State of _____.

6. This Agreement may be signed in counterparts, each of which shall be binding against the party executing it and considered as the original.

IN WITNESS WHEREOF, the parties hereto, intending to be legally bound hereby, have executed this agreement effective as of the date first above.

RELEASOR:

Witness

(Name)

green and the grain franchising LLC:

Witness

By:_____
Name:_____
Title:_____

Exhibit I to the Disclosure Document

SALE OF ASSETS PURCHASE AGREEMENT

THIS IS A FORM AND IS SUBJECT TO CHANGE

SALE OF ASSETS AGREEMENT

(Sale of Restaurant # _____)

This Sale of Assets Agreement (the "Agreement") is dated as of the ____ day of ____, and is entered into by and between _____, a _____, having its principal place of business at _____ ("Seller"), and _____, a _____ having its principal place of business at _____ ("Buyer").

WHEREAS, Seller is the owner of assets used in the operation of a "GREEN + THE GRAIN" contemporary fast casual restaurant business (the "Restaurant"), which is known as Restaurant #_____, located at the following address:

Restaurant Address

and,

WHEREAS, Seller wishes to sell, and Buyer wishes to buy, the assets used in the operation of the Restaurant and certain associated rights and obligations, all of which are more particularly described below, pursuant to the terms and conditions of this Agreement.

NOW, THEREFORE, in consideration of the covenants herein contained, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

I. Recitals

The recitals set forth above are incorporated herein by reference and made a part of this Agreement.

II. Identification and Delivery of Assets

A. At the Closing (as defined below), Seller shall sell and Buyer shall buy the following described property used in or in conjunction with the operation of the Restaurant as of the close of business on _____ (hereinafter called the "Assets"):

1. All equipment used in the operation of the Restaurant, including but not limited to, all refrigeration units, coolers, HVAC units, tools, and utensils;
2. All office furniture and other furnishings in the Restaurant, including but not limited to, file cabinets, shelving, storage units, and equipment racks;
3. All interior and exterior leasehold improvements in the Restaurant, including but not limited to, all counters, storage, makelines, wall coverings, floorings, maps, security devices, safes, and signs;
4. All other supplies and paper goods;

5. An assignment of the right to use the telephone numbers for the Restaurant and the related electronic equipment (including credit card processors) and all existing and pre-paid telephone listings and advertising, subject to the terms of the Standard Franchise Agreement;
6. All logo apparel in the Restaurant, including shirts and hats;
7. A functional credit card processing system, along with all processing equipment, including modem and the use of phone lines and numbers necessary or useful to use the equipment; and
8. Assignment of the real estate lease for the premises where the Restaurant is located, but only for the remainder of the current term, substantially in the form of Exhibit _.

A general summary of these items is set out on Exhibit _ and the parties agree that Exhibit _ may be attached to the Bill of Sale and other documents as a general description of the property and rights being sold and transferred hereunder, but failure to do so shall not affect the validity of the sale.

B. The following assets of the Restaurant shall be excluded from the sale:

1. Accounts receivable of the Restaurant; and
2. Any assets or rights of Seller not directly used in the Restaurant.

C. As of the close of business on _____ (“Closing”), Seller and Buyer shall prepare a written schedule setting forth a full and complete identification and count of all items comprising the assets to be sold as described in the foregoing paragraph A of this Article II. Upon its completion, the schedule shall be attached as Exhibit _ and incorporated herein by reference as the description of the Assets to be sold. Exhibit _, along with Exhibit _, may also be attached to the Bill of Sale but failure to do so shall not affect the validity of the sale.

D. At the Closing, in consideration of the sale of the Assets by Seller to the Buyer, Buyer shall deliver to Seller, unless the same has already occurred, the following:

1. Standard Franchise Agreement with green and the grain franchising, LLC (“Franchise Agreement”) and related covenants for the Restaurant, signed by Buyer and the Buyer’s owners;
2. Buyer’s written assumption of the obligations under the contracts listed on Exhibit _, and the signed Bill of Sale;
3. Proof of insurance coverage as required by the Franchise Agreement for the Restaurant;

4. A certificate of incumbency and board of director and shareholder resolutions from the Buyer < or members and managers or shareholders and directors>, executed by the <President or Managing Member> of Buyer, certifying the due authorization to enter this transaction and the names of the persons having authority to do so; and
 5. A signed copy of the assignments of the lease for the premises where the Restaurant is located, in the form of Exhibit _;
- E. At the closing hereof Seller shall deliver possession of the Assets to Buyer unless the same has already occurred and in addition, shall deliver to Buyer the following:
1. An assignment of any contract which Buyer has agreed to assume, in the form of Exhibit _ and an authorization to use the telephone numbers for the Restaurant, in the form of Exhibit _, subject to Seller's rights under the Franchise Agreement;
 2. A bill of sale, in the form of Exhibit _, conveying the Assets to Buyer;
 3. Signed copies of the assignments of leases for the Restaurant's premises, substantially in the form of Exhibit _; and
 4. Copy of the Franchise Agreement signed by green and the grain franchising, LLC.

III. Purchase Price and Terms

The purchase price for the Assets and the rights and intangibles to be transferred to Buyer, subject to the adjustments provided for in this Agreement, shall be _____ Dollars (\$_____) ("Purchase Price") which shall be paid by Buyer to Seller on or before Closing in the following manner:

- A. The Purchase Price of _____ (\$_____), which shall be paid by Buyer to Seller in cash at any time prior to Closing in readily available funds by wire transfer to an account designated by Seller;
- B. Any other amount due under the Sale of Assets Agreement shall be paid in cash, or equivalent, at Closing; and
- C. The parties further specifically agree upon the Purchase Price Allocation set forth at Exhibit _ and will promptly execute and deliver such other forms or documents as may be appropriate or required by any taxing authority to verify this allocation. This provision shall survive Closing.

IV. Additional Charges and Expenses; Reimbursement Items

In addition to the Purchase Price, as mentioned in paragraph III, Buyer agrees to reimburse Seller for various reimbursement items as more fully described on Exhibit _, and which result from Seller's acquisition of the Restaurant on the same date as Closing. The amounts for

reimbursement items will be in addition to the Purchase Price due and shall be estimated prior to Closing and paid by Buyer to Seller with the Purchase Price prior to Closing. Buyer will pay to Seller any additional amounts due and Seller will reimburse any overpayment amounts to Buyer under this agreement within fifteen (15) calendar days of Closing. If the parties do not know all of these amounts as of Closing, Seller will obtain the information after Closing and Buyer agrees to reimburse Seller for these amounts. In addition to the Purchase Price, Buyer shall pay to Seller at Closing the cost of all food and beverage items on hand at the Restaurant or on order for the Restaurant as detailed on Exhibit _.

V. Closing, Risk of Loss and Prorations

- A. The closing hereof shall take place on _____ at 10:00 a.m. at _____, or at such other time of day and location as the parties may agree. All payments to be made and documents to be delivered at the Closing shall be consummated at that time and place unless further agreement thereto is made by the parties.
- B. It is hereby acknowledged and agreed that Buyer shall have possession of the Assets and the premises as of the close of business on _____ and all risk or loss to the Assets and all obligations of whatever sort or nature arising from the ownership or operation of the Restaurant from and after the close of business on _____, shall be that of Buyer and Buyer will hold Seller harmless from obligations of Buyer arising out of the ownership or operation of the Restaurant on or after Closing. Seller shall hold Buyer harmless from claims and obligations arising out of the operation of the Restaurant prior to prior to Closing.
- C. All taxes, rentals, utility bills, pre-paid advertising, real estate and personal property taxes, insurance, amounts due under service contracts or marketing related agreements assigned to and agreed to be assumed by Buyer, and other expenses and obligations of the Restaurant shall be prorated as of the date of Closing, as more fully described on Exhibit _.

VI. Buyer's Covenants

- A. The Assets are being purchased for use in the Buyer's business as a "GREEN + THE GRAIN" franchisee pursuant to the Franchise Agreement with green and the grain franchising, LLC and for no other purpose and the closing of this transaction is conditioned on Buyer being approved as a franchisee and Buyer and Buyer's owners signing the Franchise Agreement and covenants of owners and any other related agreements.
- B. Buyer agrees to promptly pay all taxes and penalty and interest thereon, if any, as well as any other taxes, including sales, transfer, unemployment, real estate, and personal property and similar taxes (all taxes other than Seller's income taxes) which accrue on or subsequent to the date of closing arising out of this transaction or the operation of the Restaurant or use of the Assets. Buyer shall also pay before delinquent all taxes and assessments which are or may be levied against, or which may constitute a lien upon the Assets on or subsequent to the date of Closing and Buyer further agrees to specifically defend and indemnify Seller from all claims or demands arising from such taxes, including penalties and interest, or liens. In

the event that Buyer receives any notice of taxes or liens relating to the Assets which are attributable to Seller's ownership of the Assets prior to the date of Closing, Buyer agrees to promptly provide any such notice and materials to Seller. Seller shall promptly pay all taxes, penalty and interest, if any attributable to Seller's ownership of the Assets and/or period of ownership of the Assets and Seller further agrees to specifically defend and indemnify Buyer from all claims or demands arising from such taxes or liens accruing prior to the date of Closing.

- C. Should Buyer fail to pay any part of the amounts herein to be paid to Seller by Buyer within fifteen (15) days after demand, Buyer shall pay to Seller interest on such delinquent payment from the due date thereof until paid at twelve (12%) per annum, or at the highest legal rate if that rate is lower.
- D. Buyer is a corporation duly organized, validly existing and in good standing under the laws of the State of ; has all requisite power to own, lease and operate its assets, properties and business and to carry on its business as a "GREEN + THE GRAIN" franchisee as now conducted.
- E. is the President and Director of the Buyer and has the full right, power and authority to enter into, sign and deliver this Agreement and all documents related to this transaction.
- F. Buyer has taken all actions necessary to authorize Buyer to enter into and perform its obligations under this Agreement and all other documents related to this transaction. This Agreement is, and as of the Closing Date this Agreement and the other documents related to this transaction will be, the legal, valid and binding obligations of Buyer, enforceable in accordance with their respective terms.

VII. Time of the Essence

Time is of the essence of this Agreement. The acceptance by either party of partial or delinquent payment or performance, or failure of either party to exercise any right or remedy shall not be a waiver of the party's obligations or rights, or constitute a waiver of any other or similar act or omission occurring at a later date. Failure at times to insist upon strict performance hereunder shall not be deemed as a waiver or bar to later insist upon strict performance of all of the terms of this Agreement.

VIII. Buyer's Inspection

Buyer acknowledges by execution hereof that Buyer has made a complete inspection of the Assets and the Restaurant premises which are the subject of this Agreement, is satisfied with the condition and suitability of same, and accepts the Restaurant premises and all the Assets "AS IS." From and after Closing, Buyer shall assume all responsibility that the Restaurant premises comply with all laws, ordinances, directives of the government and its agencies, and regulations, regardless of the condition at Closing. Seller makes no other warranties or any warranties as to the fitness, use or merchantability of the Restaurant premises or the Assets, ANY SUCH WARRANTIES BEING HEREBY EXPRESSLY NEGATED AND DISCLAIMED. Buyer may enforce in the name of Seller any warranties, if any, which may have been made by the manufacturer of the Assets. No defect, unfitness, unmerchantability or malfunction of the Assets

or the Restaurant premises shall relieve Buyer of the obligation to make the payments or perform the obligations required hereunder. This provision shall survive the Closing.

IX. Buyer's Use of Assets; Indemnifications

Buyer shall defend and indemnify Seller against, and hold Seller harmless from, any and all claims, actions, proceedings, expenses, damages and liabilities, including attorneys' fees, arising in connection with the Assets or the Restaurant premises after the close of business on _____.

X. Seller's Use of Assets; Indemnifications

Seller shall defend and indemnify Buyer against, and hold Buyer harmless from, any and all claims, actions, proceedings, expenses, damages and liabilities, including attorneys' fees, arising in connection with the Assets or the Restaurant premises prior to the close of business on. Seller's liability under this section shall not exceed the Purchase Price, less Seller's cost of this transaction.

XI. Choice of Law and Litigation [Alternative: arbitration for dispute resolution per the Franchise Agreement]

This Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of Minnesota. Any suit or action arising out of, related to, or in connection with this Agreement, or any instrument or document executed pursuant thereto, shall be filed and maintained in Hennepin County, Minnesota, or such other jurisdiction as to which Seller may expressly agree in writing. Buyer waives any claim that such jurisdiction is inconvenient, and hereby irrevocably authorizes and directs the judge in any court other than ones named above to promptly dismiss any such suit or action, with prejudice and at plaintiff's costs, unless Seller shall have consented in writing to the venue and jurisdiction of the suit or action.

XII. Benefit of Agreement

This Agreement shall be binding upon and shall inure to the benefit of the parties, their successors, the assigns of Seller, and the Buyer. Buyer may not assign this Agreement or delegate its duties hereunder without the prior written consent of Seller. Seller may assign its rights in this Agreement and all other documents executed in connection with this transaction.

XIII. Entire Agreement

This instrument, including the Exhibits, constitutes the entire Agreement between Buyer and Seller concerning the subject matter of this Agreement. The parties have not received, and have not relied on, any promise, statement or representation other than those expressly set forth herein in entering into this Agreement. This Agreement shall be binding when signed by an authorized agent of each party and may be executed in one or more counterparts, all of which shall constitute one original. The terms of this Agreement may be altered only by a writing signed by Buyer and Seller.

XIV. Authorization

Seller is fully authorized and empowered to release to its affiliated companies or other creditors any information concerning this Agreement, including but not limited to the type, location, condition and amount of fixtures and equipment involved; the total purchase price; the inclusive dates of the Agreement, and any other matter or fact related to the transaction or Buyer and

Seller's relationship hereunder. Buyer further releases and holds Seller harmless from any liability for releasing any such information pursuant to the paragraph.

XV. Notices

Except as otherwise provided in this Agreement, all notices, demands or other communications given under this Agreement shall be in writing, and shall be either hand delivered or mailed to the address of each party as first above set forth, said mailing to be by certified United States government mail, or by recognized overnight commercial courier service, with notice to be effective upon delivery or on the second business day after mailing by certified mail. Either party may, by written direction to the other, change the address to which notice shall be sent.

XVI. Bulk Sales

Buyer and Seller both agree to waive compliance with any applicable bulk sales provision or similar law.

XVII. Compliance With Lease(s)

Buyer agrees to assume the real estate leases for the Restaurant, by executing an Assignment of Lease for the Restaurant premises in the form of Exhibit _ attached hereto. In connection with Buyer's assumption of the lease, Buyer shall promptly pay when due all rent, additional rent, taxes, assessments and utility charges and fully comply with all of the terms of the leases for the Restaurant's premises. Buyer shall defend, indemnify and hold Seller harmless from any liability under the leases from and after the close of business on _____, including Seller's attorneys' fees. Unless its liability ends sooner, Seller shall have no liability under the lease for the Restaurant upon the first to occur of any of the following: (i) the termination or expiration of the present term of the lease; (ii) a material modification of the lease; or, (iii) Seller's release from liability under the lease. Buyer will not exercise any option to renew or extend any lease unless Seller is released from any further liability under the lease as of the expiration of the current term.

XVIII. Assumption Of Seller's Other Contractual Obligations

Buyer shall assume those contracts listed and disclosed on Exhibit __, by executing an Assignment of Contracts in the form of Exhibit __. Conditioned on the Closing, Buyer agrees to defend, indemnify and hold Seller harmless from and against any obligation, breach or other liability arising out of an assigned contract, which accrues subsequent to Closing. Seller agrees to defend, indemnify and hold Buyer harmless from and against any obligation, breach or other liability arising out of an assigned contract, which accrues prior to Closing. Seller's liability under these contracts shall end upon termination or expiration of the current term of those contracts and Buyer agrees that the terms of any renewal or continuation of these contracts by Buyer shall be without further liability to Seller.

XIX. Tenancy

Buyer acknowledges and agrees that Seller does not own the building or real estate where the Assets are located and Seller does not warrant that it has a continuing right to possession of the Restaurant's premises.

XX. Bill of Sale

Upon payment in full of all sums due and owing Seller hereunder and upon full and faithful performance of all the terms of this Agreement by the Buyer on its part to be performed, Seller shall execute and deliver to Buyer a Bill of Sale in the form of Exhibit __, evidencing conveyance of the Assets to Buyer.

XXI. Severability

Seller and Buyer agree that if any provision of this Agreement is capable of two constructions, one of which would render the provision illegal or otherwise voidable or unenforceable and the other of which would render the provision valid and enforceable, such provision shall have the meaning that renders it valid and enforceable. The language of all provisions of this Agreement shall be construed simply according to its fair meaning and not strictly against Buyer or Seller. It is the desire and intent of Buyer and Seller that the provisions of this Agreement be enforced to the fullest extent permissible under the laws and public policies in force. If any provision is nonetheless held to be void or unenforceable, all of the others shall remain in full force and effect.

XXII. Confirmation of Prior Acts or Performance

In the event that any act or performance required by the parties hereto has occurred prior to the date of execution of this Agreement, all of the same are hereby agreed to and ratified as being in performance hereof.

XXIII. Headings

The headings of each article are for the convenience of the parties only, are not part of this Agreement, and shall not be considered when interpreting or enforcing the terms of this Agreement.

XXIV. Proof of Proper Insurance Coverage

Notwithstanding any other provision of this Agreement, it is expressly agreed between the parties that this sale is contingent upon Buyer obtaining and maintaining proper insurance coverage for all aspects of the operation of the Restaurant in compliance with the Franchise Agreement and the real estate lease for the premises where the Restaurant is located, effective on or before Closing. Buyer agrees to furnish Seller with proof of such insurance coverage at or prior to Closing. The provisions of this article shall survive the closing. Nothing set forth in this Article shall limit any other right or remedy granted Seller.

XXV. Confidentiality

Buyer and _____ each agree to keep the terms of this Agreement confidential and to maintain this confidentiality after Closing. Information regarding this transaction may be released if required by law. Buyer and _____ may discuss this transaction with Buyer's accountant, attorney, lender and insurance agent on a need-to-know basis provided those persons are informed of this confidentiality provision and agree to keep the terms confidential.

XXVI. Continued Operation

Buyer shall be responsible for transferring or obtaining new any business licenses and permits and taking any other action necessary for the continued operation of the Restaurant. Any

additional expense or improvements required to continue operation of the Restaurant shall be the responsibility of Buyer.

XXVII. Employment Matters

Seller will terminate the employment of all persons working at the Restaurant as of the close of business on the day before Closing and Buyer may hire those persons to continue to work on and after that date and time. With respect to the Restaurant, Buyer has advised Seller that it intends to offer substantially similar jobs with substantially similar wages and benefits to all persons employed in the Restaurant just prior to the Closing, other than those individuals set forth in Exhibit _.

Seller agrees to pay all salary, vacation pay and benefits due Seller's Restaurant employees for amounts due prior to the close of business on the day before Closing, in the normal course of Seller's payroll cycle and shall indemnify Buyer from any liability therefore. It is understood that depending on the date of closing, these payments may be made after Closing. Notwithstanding the foregoing Seller shall comply with state law concerning payment of wages to terminated employees.

Buyer further agrees to cooperate with Seller regarding COBRA continuation coverage, if such cooperation is necessary.

XXVIII. Other Provisions

- A. Any other special provisions or agreements between Buyer and Seller shall be set forth on a page attached hereto and shall be signed and dated by both parties. When any provision hereof contemplates action by a party on or after Closing, that provision shall survive the Closing.
- B. The parties represent and warrant to each other that said party has the authority and legal capacity to enter this Agreement and to carry out the terms thereof and the parties intend for the other to rely on the representations and warranties contained herein.
- C. Each party shall be solely responsible for its own costs and expense (including attorneys' fees and accountants' fees) incurred in connection with this Agreement and the consummation of the transactions contemplated hereby.
- D. To the extent that either party receives funds on or after the closing date which are attributable to the other party's period of ownership (including but not limited to receipts from credit card sales, _____ rebates, and the like), then the party receiving such funds agrees to immediately notify the other party and to forward such funds to the other party.
- E. Buyer authorizes Seller to insert the date and to complete any blank spaces in this Agreement and any exhibit and execution copy of any document related to this transaction in a manner that is consistent with the circumstances and the agreement of the parties.

XXIX. JURY WAIVER.

BUYER AND SELLER HEREBY KNOWINGLY, VOLUNTARILY, INTENTIONALLY, UNCONDITIONALLY AND IRREVOCABLY WAIVE, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY PROCEEDING ARISING OUT OF, RELATING TO, OR IN CONNECTION WITH THIS AGREEMENT OR THE TRANSACTION CONTEMPLATED HEREBY.

The parties acknowledge reading, understanding and fully agreeing to all of the terms hereof.

[Remainder of Page Left Intentionally Blank]

IN WITNESS WHEREOF, the parties have hereunto executed this Agreement as of the day and year first above written.

Witness:

Witness:

Seller: _____, a _____

By: _____
its _____

Buyer: _____, a _____

By: _____
its _____

Buyer's FEIN: _____

SUBLEASE AGREEMENT

THIS SUBLEASE AGREEMENT (this "Sublease") is made on this _____ day of _____, 200____, by and between:

- _____ [INSERT LEASE HOLDER], a _____ limited liability company having its principal place of business at _____ ("Sublessor"); and
- _____ [INSERT FRANCHISEE] a _____ [resident] [corporation] [limited liability company] having its principal place of business at _____ ("Sublessee").

RECITALS

- A. Sublessee has entered into a Franchise Agreement with Sublessor's affiliate, [FRANCHISOR], dated _____ (the "**Franchise Agreement**") for the operation of a BRAND™ location.
- B. _____, a _____ [INSERT ENTITY TYPE] ("Landlord"), as landlord, and Sublessor, as tenant, are parties to that certain Lease Agreement dated _____, _____, as amended from time to time (the "**Master Lease**"), covering certain leased premises (the "**Premises**") located at _____, and more particularly described in the Master Lease. A true and correct copy of such Master Lease is attached hereto as Exhibit A.
- C. Sublessor desires to sublease to Sublessee, and Sublessee desires to sublease from Sublessor, the Premises, upon the terms and conditions of this Sublease.

NOW, THEREFORE, Sublessor and Sublessee agree as follows:

AGREEMENT

- 1. Sublease.** Sublessor hereby subleases to Sublessee, and Sublessee hereby subleases from Sublessor, the Premises for the Sublease Term, for the rent and on all other terms and conditions set forth herein.
- 2. Sublessor's Representations and Warranties.** Sublessor represents and warrants that:
- 2.1. The Master Lease constitutes the entire agreement between Landlord and Sublessor regarding the Premises, and there are no additional written or oral amendments or modifications thereto;
- 2.2. Sublessor has not assigned any of its rights under the Master Lease to any third parties;
- 2.3. The Master Lease is in full force and effect and to Sublessor's knowledge, no default exists thereunder on the part of the Landlord or Sublessor;
- 2.4. Each of the persons executing this Sublease on behalf of Sublessor warrant and represent that they have full power and authority to execute this Sublease and to bind Sublessor, and upon their execution, this Sublease shall constitute a valid and binding obligation upon Sublessor; and
- 2.5. If required under the terms of the Master Lease, Sublessor shall deliver to Sublessee a consent of Landlord to this Sublease in the form attached as Exhibit C.

3. Sublessee's Representations and Warranties. Sublessee represents and warrants that:

3.1. Each of the persons executing this Sublease on behalf of Sublessee have full power and authority to execute this Sublease and to bind Sublessee, and upon their execution, this Sublease shall constitute a valid and binding obligation upon Sublessee; and

3.2. Sublessee and, as applicable, its spouse, shareholders, partners, or members, shall execute the form of personal guarantee attached hereto as Exhibit D.

4. Term. The term of this Sublease ("**Sublease Term**") shall commence on the date set forth on Exhibit B attached hereto (the "**Sublease Commencement Date**"). The Sublease shall have the same Termination Date as the Master Lease, which is the date set forth on Exhibit B attached hereto (the "**Termination Date**"), unless the Sublease Term is sooner terminated pursuant to any provision of this Sublease or the Master Lease. Sublessee has no right to exercise any extension or renewal options or rights under the Master Lease.

5. Rent. Commencing on the Sublease Commencement Date, Sublessee shall pay to Sublessor all rents and other amounts whatsoever due and payable from time to time under the Master Lease (collectively, the "**Sublease Rent**"). All Sublease Rent is payable without notice, demand, deduction or offset at least seven days prior to the date on which the applicable Sublease Rent is due and payable under the Master Lease. Sublessor, at its option, may direct Sublessee to pay the Sublease Rent directly to Landlord or other third party recipient thereof. Sublease Rent for any partial months shall be prorated on a per diem basis and shall be due and payable on the first day of such partial month.

6. Security Deposit. Sublessee shall, upon execution of this Sublease, deposit with Sublessor the security deposit set forth on Exhibit B ("**Security Deposit**") as security for the performance of terms and provisions of this Lease by Sublessee, which shall be returned to Sublessee within the time period required by law if it has discharged its obligations to Sublessor in full. The Security Deposit shall not be used to pay the last month's sublease payment. Unless required otherwise by applicable law, the Security Deposit may be commingled with other funds, and no interest shall be paid thereon.

7. Real Estate Taxes and Utilities. Sublessee shall pay all real estate taxes for the Premises, if any, as directed in the Master Lease. In addition, Sublessee shall pay its proportionate share of utilities and other expenses as defined and described in the Master Lease.

8. Sublessee Improvements. SUBLESSEE ACKNOWLEDGES THAT IT HAS INSPECTED THE PREMISES AND, AS BETWEEN SUBLESSOR AND SUBLESSEE, AGREES TO ACCEPT THE PREMISES IN THEIR "AS IS" CONDITION. SUBLESSEE ACKNOWLEDGES THAT SUBLESSOR HAS MADE NO REPRESENTATIONS OR WARRANTIES CONCERNING THE CONDITION OF THE PREMISES OR THEIR FITNESS FOR ANY PARTICULAR USE, AND SUBLESSEE SHALL RELY SOLELY ON ITS OWN INVESTIGATIONS AND INSPECTIONS TO DETERMINE THE SUITABILITY OF THE PREMISES FOR ITS INTENDED USE. SUBLESSOR SHALL HAVE NO OBLIGATION TO MAKE ANY TENANT IMPROVEMENTS, ALTERATIONS, OR REPAIRS OF ANY KIND OR NATURE, INCLUDING ANY REQUIRED TO BE MADE BY SUBLESSEE UNDER THE FRANCHISE AGREEMENT OR BY FEDERAL, STATE OR LOCAL LAW, INCLUDING COMPLIANCE WITH THE AMERICANS WITH DISABILITIES ACT.

9. Use. Sublessee shall use the Premises only for such uses as are permitted by the Master Lease and for operating the business specified in the Franchise Agreement, and for no other purposes. Sublessee's use of the Premises at all times shall conform to all applicable laws, ordinances, regulations and codes. Sublessee will not use or dispose of any hazardous substance, toxic chemical, pollutant or hazardous materials at on or under the Premises.

10. Master Lease.

10.1. This Sublease is subject and subordinate to the Master Lease. It is the intent of Sublessee and Sublessor to incorporate the Master Lease into this Sublease by reference, except as otherwise specifically provided by this Sublease.

10.2. Except as otherwise expressly provided by the terms of this Sublease, Sublessee agrees to be bound by and perform all the terms, provisions, and conditions to be performed by or applicable to Sublessor under the Master Lease, and for purposes of this Sublease, any references therein to “Tenant” or “Lessee” shall be deemed references to Sublessee. Sublessor shall have the benefit of all rights and remedies available to Landlord under the Master Lease, including, but not limited to, the right of re-entry.

10.3. Except as expressly provided by the terms of this Sublease or as superseded by the specific provisions hereof, all rights of Sublessor, as tenant, and obligations of Landlord under the Master Lease shall inure to the benefit of Sublessee herein, and for purposes of this Sublease, any references to “Landlord” or “Lessor” in the Master Lease shall be deemed to continue to be references to Landlord. Sublessor shall have no liability to Sublessee for Landlord’s defaults, provided that at Sublessee’s request, Sublessor shall reasonably attempt to require Landlord to cure any default by Landlord under the Master Lease.

11. Assignment and Subletting. Sublessee shall not assign this Sublease in whole or in part, further sublet all or any part of the Premises, or permit occupancy of all or any part of the Premises under any arrangement by a party other than Sublessee, without the prior written consent of Sublessor. Consent by Sublessor in one such instance shall not be a waiver of Sublessor’s rights under this Section 11 as to requiring consent for any subsequent instance. In any event, no subletting, licensing or assignment shall release Sublessee from its obligations to pay the Sublease Rent and to perform all other obligations to be performed by Sublessee hereunder for the Sublease Term. Notwithstanding anything to the contrary in this Sublease, Sublessee acknowledges that its right to further sublease the Premises or assign this Sublease are subordinate and subject to the terms of the Master Lease, including without limitation, those provisions requiring the consent of Landlord.

12. Default.

12.1. Event of Default. The occurrence of any one or more of the following shall constitute an “Event of Default” under this Sublease:

12.1.1. Sublessee’s failure to pay any Sublease Rent or other sums due hereunder within five (5) days after notice from Sublessor to Sublessee that such amount is due and payable;

12.1.2. Sublessee’s default under any provision of the Master Lease and failure to cure such default at least five (5) days prior to the expiration of any applicable cure period with respect to such default under the Master Lease; provided, however, that in no event shall such Sublessee’s period to cure be less than five (5) days.

12.1.3. Sublessee’s default in the performance of any of the covenants, conditions or agreements contained in the Franchise Agreement. Sublessee’s cure period, if any, for defaults under the Franchise Agreement shall remain as stated in the Franchise Agreement.

12.1.4. Except for Sections 12.1.1., 12.1.2. and 12.1.3., Sublessee’s default in the due

keeping, observing or performance of any covenant, term, provision or condition of this Sublease not otherwise described above on the part of Sublessee to be kept, observed or performed, provided that Sublessee fails to cure such default within twenty (20) days after Sublessor's written notice of default to Sublessee; or, in the case of a default which, for causes beyond Sublessee's control (as determined by Sublessor) cannot be cured within said twenty (20) day period, if Sublessee fails to complete such cure within a reasonable period of time not to exceed sixty (60) days.

12.1.5. If an Event of Default occurs under this Sublease, Sublessee does hereby authorize and fully empower Sublessor at any time to (a) terminate this Sublease, (b) re-enter and take possession of the Premises without such re-entering working a termination or forfeiture of this Sublease or the rents to be paid and the covenants to be kept by Sublessee for the full term of this Sublease, (c) exercise any right or remedy at law or in equity, and/or (d) exercise any right or remedy provided under the Master Lease with respect to any default thereunder.

12.2. Notwithstanding any contrary provision of the Master Lease, or this Sublease, including specifically Sections 12.1.1. through 12.1.5. above, this Sublease shall automatically terminate without notice or an opportunity to cure: (i) if any execution or attachment shall be issued against Sublessee or any of Sublessee's property and shall not be stayed, discharged or vacated within thirty (30) days after the issuance thereof; (ii) if Sublessee makes an assignment for the benefit of creditors, files a voluntary petition in bankruptcy, is adjudicated bankrupt or insolvent, files or acquiesces in the appointment of a trustee or receiver for Sublessee; (iii) if proceedings are commenced to have Sublessee adjudicated bankrupt or to seek its reorganization under any state or federal bankruptcy or insolvency law, and such proceedings are not dismissed within thirty (30) days, or a trustee or receiver is appointed for Sublessee without its consent, and the appointment is not vacated within thirty (30) days; or (iv) upon termination or expiration of the Franchise Agreement.

12.3. If Sublessee fails to perform any act on its part required to be performed hereunder, after giving written notice to Sublessee, Sublessor may (but is not obligated to) perform such act without waiving or releasing Sublessee from any of its obligations relative thereto. All sums paid or costs incurred by Sublessor in so performing such acts under this Section 12.3., together with reasonable attorneys' fees and interest thereon at a rate per annum equal to the lesser of eighteen percent (18%) or the maximum rate permitted by law, from the date each such payment was made or such cost incurred by Sublessor, shall be payable by Sublessee to Sublessor on demand.

12.4. No reference to nor exercise of any specific right or remedy by Sublessor shall prejudice or preclude Sublessor from exercising or invoking any other remedy in respect thereof, whether allowed at law or in equity or expressly provided for herein. No such remedy shall be exclusive or dependent upon any other such remedy, but Sublessor may from time to time exercise any one or more of such remedies independently or in combination.

13. Liability of Sublessor. Except for those specific obligations assumed by Sublessor under this Sublease, Sublessee acknowledges and agrees that (a) Sublessor does not assume any of the liabilities or obligations of the Landlord under the Master Lease, and (b) Sublessee's sole and absolute remedy for any breach of such obligations by Landlord shall be against the Landlord, not Sublessor. Sublessor agrees to reasonably cooperate with Sublessee in any action that Sublessee may have against Landlord for its breach of its obligations under the Master Lease.

14. Indemnification. Sublessee agrees to indemnify and hold harmless Sublessor from any and all claims, loss, damage, liabilities, causes of action or costs (including attorneys' fees and costs of suit),

however caused, to the extent they arise out of (or are alleged by Landlord or third parties to arise out of) Sublessee's use or occupancy of the Premises, including any costs to cure any default and any attorneys' fees incurred.

15. Insurance. Sublessee agrees to purchase and to carry in full force all insurance required by the Master Lease to be carried by Sublessor. Sublessee shall name Sublessor as an additional insured on all liability insurance policies and as loss payee on its property damage insurance and shall provide Sublessor with reasonable evidence of such insurance or as otherwise required under the Franchise Agreement.

16. Notices. All notices will be addressed to the parties at the addresses set forth below or to such other address as any party may notify the other parties of in a writing delivered in accordance with this Section. Any notice required or permitted to be given under this Sublease will be deemed given: (i) when delivered personally to the party to receive such notice, if a natural person, or to an officer of any party which is a corporation or limited liability company or to any member or partner as the case may be of any party which is partnership; (ii) 5 days after mailing by express courier service, fully prepaid, addressed as herein provided, or upon actual receipt of such mailing, whichever will first occur; or (iii) upon receipt of confirmation from the addressee acknowledging receipt of such notice if by e-mail, facsimile or other electronic transmission service, provided that in the case of notice delivered in accordance with this clause (iii), a copy of the notice is also simultaneously sent in accordance with clause (ii) above. Each party to this Sublease agrees to furnish to the other party, within 5 business days after receipt, copies of all notices and other communications that either party receives from Landlord.

If to Sublessor:

Address
Address
Attn: _____

If to Sublessee:

17. General Provisions.

17.1. Severability. Should one or more clauses of this Sublease be held void or unenforceable for any reason by any court or tribunal of competent jurisdiction, such clause or clauses will be deemed to be separable in such jurisdiction and the remainder of this Sublease is valid and in full force and effect and the terms of this Sublease must be equitably adjusted so as to compensate the appropriate party for any consideration lost because of the elimination of such clause or clauses. It is the intent and expectation of each of the parties that each provision of this Sublease will be honored, carried out and enforced as written. Consequently, each of the parties agrees that any provision of this Sublease sought to be enforced in any proceeding must, at the election of the party seeking enforcement and notwithstanding the availability of an adequate remedy at law, be enforced by specific performance or any other equitable remedy.

17.2. Waiver/Integration. No waiver by either party of any breach by the other party, nor any delay or failure by either party to enforce any provision of this Agreement, will be deemed to be a waiver of any other or subsequent breach or be deemed an estoppel to enforce the non-breaching party's rights with respect to that or any other or subsequent breach.

17.3. *Authority.* Any modification, consent, approval, authorization or waiver granted hereunder required to be effective by writing will only be valid if in writing executed by Sublessee or, if on behalf of Sublessor, in writing executed by its President or other duly authorized officers.

17.4. *References.* If the Sublessee is two or more persons, the persons are jointly and severally liable, and references to Sublessee in this Sublease includes all of the persons. Headings and captions contained herein are for convenience of reference and may not be taken into account in construing or interpreting this Sublease.

17.5. *Successors/Assigns.* Subject to the terms of Section 11 hereof, this Sublease is binding upon and inures to the benefit of the administrators, executors, heirs, successors and assigns of the parties.

17.6. *Applicable Law and Waiver.* The parties' rights under this Sublease, and the relationship between the parties is governed by, and will be interpreted in accordance with, the laws (statutory and otherwise) of the state in which the Premises are located. Sublessee waives any rights or protections it may have under any statute or law of any other state to the fullest extent permitted by law.

17.7. *Venue.* Any cause of action, claim, suit or demand allegedly arising from or related to the terms of this Sublease or the relationship of the parties that is not subject to arbitration under the Franchise Agreement must be brought in the state or federal district court located in the county or district encompassing Sublessor's headquarters. Both parties hereto irrevocably submit themselves to, and consent to, the jurisdiction of said courts. The provisions of this Section will survive the termination of this Sublease. Sublessee is aware of the business purposes and needs underlying the language of this Section, and with a complete understanding thereof, agrees to be bound in the manner set forth.

17.8. **JURY WAIVER ALL PARTIES HEREBY WAIVE ANY AND ALL RIGHTS TO A TRIAL BY JURY IN CONNECTION WITH THE ENFORCEMENT OR INTERPRETATION BY JUDICIAL PROCESS OF ANY PROVISIONS OF THIS SUBLEASE, AND IN CONNECTION WITH ALLEGATIONS OF STATE OF FEDERAL STATUTORY VIOLATIONS, FRAUD, MISREPRESENTATION OR SIMILAR CAUSES OF ACTION OR ANY LEGAL ACTION INITIATED FOR THE RECOVERY OF DAMAGES FOR BREACH OF THIS SUBLEASE.**

[Signature Page Follows]

~~A.~~

IN WITNESS WHEREOF, the parties hereto have duly signed and delivered this Agreement in duplicate on the date first set forth above.

SUBLESSOR: _____

By: _____

Printed Name: _____

Title: _____

Date: _____

SUBLESSEE: _____

By: _____

Printed Name: _____

Title: _____

Date: _____

~~A.~~

Exhibit A
To Sublease Agreement

Master Lease

~~A.~~

Exhibit B
To Sublease Agreement
Term and Security Deposit

Sublease Commencement Date: _____

Termination Date: _____

Security Deposit: \$ _____

~~A.~~

Exhibit C
To Sublease Agreement

Consent to Sublease

The undersigned, as Landlord under that certain Lease dated _____, as amended and assigned from time to time (the “**Master Lease**”) with _____ (“**Sublessor**”), for certain premises located at [INSERT ADDRESS], hereby gives any and all consents which may be necessary under the Master Lease to the foregoing Sublease between Sublessor and _____ (“**Sublessee**”), upon the express understanding and condition that the undersigned neither approves nor disapproves the terms, conditions, and agreements contained in the Sublease and assumes no liability or obligation therefore except that of Landlord.

Dated: _____

Landlord: _____

Signed: _____

Its: _____

Exhibit D
To Sublease Agreement

PERSONAL GUARANTEE AND AGREEMENT TO BE BOUND
PERSONALLY BY THE TERMS AND CONDITIONS
OF THE SUBLEASE AGREEMENT

In consideration of the execution of this Sublease Agreement by _____ as Sublessor, and for other good and valuable consideration, the undersigned, for themselves, their heirs, successors, and assigns, do jointly, individually and severally hereby become surety and guarantor for the payment of all amounts and the performance of the covenants, terms and conditions in this Sublease Agreement, to be paid, kept and performed by the Sublessee.

Further, the undersigned, individually and jointly, hereby agree to be personally bound by each and every condition and term contained in this Sublease Agreement and agree that this Personal Guarantee should be construed as though the undersigned and each of them executed Sublease Agreement containing the identical terms and conditions of this Sublease Agreement.

Each of the undersigned waives: (i) notice of demand for payment of any indebtedness or nonperformance of any obligations hereby guaranteed; (ii) protest and notice of default to any party respecting the indebtedness or nonperformance of any obligations hereby guaranteed; and (iii) any right the undersigned has to require that an action be brought against Sublessee or any other person as a condition of liability.

In addition, the undersigned consents and agrees that: (1) the undersigned's liability will not be contingent or conditioned upon Sublessor's pursuit of any remedies against Sublessee or any other person; and (2) such liability will not be diminished, relieved or otherwise affected by Sublessee's insolvency, bankruptcy or reorganization, the invalidity, illegality or unenforceability of all or any part of the Agreement, or the amendment or extension of the Agreement with or without notice to the undersigned.

It is further understood and agreed by the undersigned that the provisions, covenants and conditions of this Guarantee shall inure to the benefit of the successors and assigns of Sublessor.

PERSONAL GUARANTORS

<u>Individually</u>	<u>Individually</u>
<u>Print Name</u>	<u>Print Name</u>
<u>Address</u>	<u>Address</u>
<u>City</u>	<u>City</u>
<u>State</u>	<u>State</u>
<u>Zip Code</u>	<u>Zip Code</u>
<u>Telephone</u>	<u>Telephone</u>

~~A.~~

Exhibit J to the Disclosure Document

STATE ADDENDA

ILLINOIS ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT

The following applies to franchises and franchisees subject to Illinois statutes and regulations:

Item 5: Due to the financial condition of the Franchisor, the Illinois Attorney General's Office has required a financial assurance. Therefore, we have posted a surety bond which is on file with the Illinois Attorney General's Office. A copy of the surety bond is attached as an exhibit to the Illinois addenda pages.

Illinois law governs the Franchise Agreement.

In conformance with Section 4 of the Illinois Franchise Disclosure Act, 815 ILCS 705/1-44 (West 2016), any provision in a franchise agreement that designates jurisdiction or venue outside the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.

Your rights upon termination and non-renewal are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.

In conformance with Section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.

No disclaimer, questionnaire, clause, or statement signed by a franchisee in connection with the commencement of the franchise relationship shall be construed or interpreted as waiving any claim of fraud in the inducement, whether common law or statutory, or as disclaiming reliance on or the right to rely upon any statement made or information provided by any franchisor, broker or other person acting on behalf of the franchisor that was a material inducement to a franchisee's investment. This provision supersedes any other or inconsistent term of any document executed in connection with the franchise.

**ADDENDUM TO THE FRANCHISE AGREEMENT
REQUIRED FOR ILLINOIS FRANCHISEES**

This Addendum pertains to franchises sold in the State of Illinois and is for the purpose of complying with Illinois statutes and regulations. Notwithstanding anything which may be contained in the body of the Franchise Agreement to the contrary, the Agreement is amended as follows:

1. The following sentence is hereby added to the end of Section 9.A, Initial Franchise Fee:

Due to the financial condition of the Franchisor, the Illinois Attorney General's Office has required a financial assurance. Therefore, we have posted a surety bond which is on file with the Illinois Attorney General's Office. A copy of the surety bond is attached as an exhibit to the Illinois addenda pages.

2. The first sentence of Section 15.I is deleted in its entirety, and the following is substituted:

Subject to Section 12.A, any cause of action, claim, suit or demand allegedly arising from or related to the terms of this Agreement or the relationship of the parties must be brought in the Illinois federal or state court for the Designated Area in which you are located.

3. The Acknowledgment Addendum attached to the Franchise Agreement (and specifically stating that it is not for use in the State of Illinois) is unenforceable under Illinois law because it may have the effect of forcing a franchisee to waive or release certain rights that you as a franchisee have under the Illinois Franchise Disclosure Act, 815 IL § 705.

4. Section 15.H (1) is deleted in its entirety and replaced with the following:

Applicable Law and Waiver. Subject to our rights under federal trademark laws and the parties' rights under the Federal Arbitration Act in accordance with Section 15.01 of this Agreement, the parties' rights under this Agreement, and the relationship between the parties is governed by, and will be interpreted in accordance with, the laws (statutory and otherwise) of Illinois.

5. Section 41 of the Illinois Franchise Disclosure Act provides that any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of the Illinois Franchise Disclosure Act or any other law of the State of Illinois is void. This Section shall not prevent any person from entering into a settlement agreement or executing a general release regarding a potential or actual lawsuit filed under any of the provisions of the Illinois Franchise Disclosure Act, nor shall it prevent the arbitration of any claim pursuant to the provisions of Title 9 of the United States Code.

6. No disclaimer, questionnaire, clause, or statement signed by a franchisee in connection with the commencement of the franchise relationship shall be construed or interpreted as waiving any claim of fraud in the inducement, whether common law or statutory, or as disclaiming reliance on or the right to rely upon any statement made or information provided by any franchisor, broker or other person acting on behalf of the franchisor that was a material inducement to a franchisee's investment. This provision supersedes any other or inconsistent term of any document executed in connection with the franchise.

7. Except as amended herein, the Franchise Agreement will be construed and enforced in accordance with its terms.

Each of the undersigned hereby acknowledges having read and understood this Addendum and consents to be bound by all of its terms.

Franchisee: _____

By: _____

Name: _____

Title: _____

Date: _____

Franchisor: green and the grain franchising LLC

By: _____

Name: Tiffany Hauser

Title: Founder & CEO

Date: _____

**ADDENDUM TO THE AREA DEVELOPMENT AGREEMENT
REQUIRED FOR THE STATE OF ILLINOIS**

This Addendum pertains to franchises sold in the State of Illinois and is for the purpose of complying with Illinois statutes and regulations. Notwithstanding anything which may be contained in the body of the Area Development Agreement to the contrary, the Agreement is amended as follows:

1. The following sentence is hereby added to the end of Section 3.A, Development Fee:

Due to the financial condition of the Franchisor, the Illinois Attorney General's Office has required a financial assurance. Therefore, we have posted a surety bond which is on file with the Illinois Attorney General's Office. A copy of the surety bond is attached as an exhibit to the Illinois addenda pages.

2. The first sentence of Section 10.H is deleted in its entirety, and the following is substituted:

Subject to Section 10.N, any cause of action, claim, suit or demand allegedly arising from or related to the terms of this Agreement or the relationship of the parties must be brought in the Illinois federal or state court for the Designated Area in which you are located.

3. The Acknowledgment Addendum attached to the Area Development Agreement (and specifically stating that it is not for use in the State of Illinois) is unenforceable under Illinois law because it may have the effect of forcing a franchisee to waive or release certain rights that you as a franchisee have under the Illinois Franchise Disclosure Act, 815 IL § 705.

4. Section 10.G (1) is deleted in its entirety and replaced with the following:

Applicable Law and Waiver. Subject to our rights under federal trademark laws and the parties' rights under the Federal Arbitration Act in accordance with Section 15.01 of this Agreement, the parties' rights under this Agreement, and the relationship between the parties is governed by, and will be interpreted in accordance with, the laws (statutory and otherwise) of Illinois.

5. Section 41 of the Illinois Franchise Disclosure Act provides that any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of the Illinois Franchise Disclosure Act or any other law of the State of Illinois is void. This Section shall not prevent any person from entering into a settlement agreement or executing a general release regarding a potential or actual lawsuit filed under any of the provisions of the Illinois Franchise Disclosure Act, nor shall it prevent the arbitration of any claim pursuant to the provisions of Title 9 of the United States Code.

6. No disclaimer, questionnaire, clause, or statement signed by a franchisee in connection with the commencement of the franchise relationship shall be construed or interpreted as waiving any claim of fraud in the inducement, whether common law or statutory, or as disclaiming reliance on or the right to rely upon any statement made or information provided by any franchisor, broker or other person acting on behalf of the franchisor that was a material inducement to a franchisee's investment. This provision supersedes any other or inconsistent term of any document executed in connection with the franchise.

7. Except as amended herein, the Area Development Agreement will be construed and enforced in accordance with its terms.

~~A.~~

Each of the undersigned hereby acknowledges having read and understood this Addendum and consents to be bound by all of its terms.

Franchisee: _____

By: _____

Name: _____

Title: _____

Date: _____

Franchisor: green and the grain franchising LLC

By: _____

Name: Tiffany Hauser

Title: Founder & CEO

Date: _____

ILLINOIS SURETY BOND

SURETY BOND

We, Green and the Grain Franchising LLC, a LLC with principal offices at 1685 Orchard Creek Trail , Orono, MN 55356, as principal, and Nationwide Mutual Insurance Company (name of surety company), a surety company with principal offices located at 1100 Locust Street, Department 2006, Des Moines, IA 50391 (address of Surety) incorporated under the laws of the State of OH and authorized to conduct business in the State of Illinois, as Surety, are indebted to the Administrator, Illinois Attorney General, 500 South Second Street, Springfield, Illinois 62706, Obligee in the sum of Fifty Thousand and no/100 dollars (\$50,000.00) to be paid to the Obligee or its legal representatives, successors, or assigns, for which payment we bind ourselves and our legal representatives and successors, jointly and severally.

WHEREAS, the above-named principal has made application to the Administrator for registration of the offer of its franchises under the Illinois Franchise Disclosure Act and is required pursuant to said law to provide the Administrator with a Surety Bond.

WHEREAS, the Principal proposes to offer in Illinois one franchise within one year from the effective date of the proposed registration under the Illinois Franchise Disclosure Act; and

WHEREAS, the Obligee intends to assign this bond to the respective purchaser of the aforementioned franchise upon sale of the aforementioned franchise to said purchaser.

The conditions of this bond are that if the Principal, its agent or employees shall:

1. Comply with the Illinois Franchise Disclosure Act and all rules and orders promulgated thereunder; and
2. Pay all damages suffered by any person by reason of the violation of the Illinois Franchise Disclosure Act or any rules or orders promulgated thereunder or any acts, rules or orders amendatory thereof and/or supplementary thereto, or hereafter enacted, or by reason of any misrepresentation, deceit, fraud or omission to state a material fact necessary in order to make any statement made in the light of the circumstances under which such statement was made, not misleading, including, but not limited to, the failure to disclose, as required by Illinois Franchise Disclosure Act and the rules and regulations promulgated thereunder, the true financial condition of franchisor; and
3. Fully completes its obligations under the Franchise Agreement and all related Agreements to provide real estate, improvements, equipment, inventory, training and other items included in the franchise offering, then this obligation shall be void; otherwise this obligation will remain in full force and effect.

This bond and obligation hereunder shall be deemed to run continuously and shall remain in full force and effect for four full year after the date of execution of this document.

In the event that any action or proceeding is initiated with respect to this bond, the parties agree that the venue thereof shall be the state or province in which the offer or sale of the franchise occurred.

IN WITNESS WHEREOF, Principal and Surety have executed this instrument at _____
_____ this 13th day of August, 2024.

Green and the Grain Franchising LLC

By:  _____

Its: **Owner** _____

Nationwide Mutual Insurance Company

 _____

Surety

Elizabeth Moore



KNOW ALL MEN BY THESE PRESENTS THAT:

Nationwide Mutual Insurance Company, an Ohio corporation

hereinafter referred to severally as the "Company" and collectively as "the Companies" does hereby make, constitute and appoint:

Elizabeth Moore

each in their individual capacity, its true and lawful attorney-in-fact, with full power and authority to sign, seal, and execute on its behalf any and all bonds and undertakings, and other obligatory instruments of similar nature, in penalties not exceeding the sum of

Fifty Thousand and no/100 dollars (\$50,000.00)

and to bind the Company thereby, as fully and to the same extent as if such instruments were signed by the duly authorized officers of the Company; and all acts of said Attorney pursuant to the authority given are hereby ratified and confirmed.

This power of attorney is made and executed pursuant to and by authority of the following resolution duly adopted by the board of directors of the Company:

"RESOLVED, that the president, or any vice president be, and each hereby is, authorized and empowered to appoint attorneys-in-fact of the Company, and to authorize them to execute and deliver on behalf of the Company any and all bonds, forms, applications, memorandums, undertakings, recognizances, transfers, contracts of indemnity, policies, contracts guaranteeing the fidelity of persons holding positions of public or private trust, and other writings obligatory in nature that the business of the Company may require; and to modify or revoke, with or without cause, any such appointment or authority; provided, however, that the authority granted hereby shall in no way limit the authority of other duly authorized agents to sign and countersign any of said documents on behalf of the Company."

"RESOLVED FURTHER, that such attorneys-in-fact shall have full power and authority to execute and deliver any and all such documents and to bind the Company subject to the terms and limitations of the power of attorney issued to them, and to affix the seal of the Company thereto; provided, however, that said seal shall not be necessary for the validity of any such documents."

This power of attorney is signed and sealed under and by the following bylaws duly adopted by the board of directors of the Company.

Execution of Instruments. Any vice president, any assistant secretary or any assistant treasurer shall have the power and authority to sign or attest all approved documents, instruments, contracts, or other papers in connection with the operation of the business of the company in addition to the chairman of the board, the chief executive officer, president, treasurer or secretary; provided, however, the signature of any of them may be printed, engraved, or stamped on any approved document, contract, instrument, or other papers of the Company.

IN WITNESS WHEREOF, the Company has caused this instrument to be sealed and duly attested by the signature of its officer the 1st day of April, 2024.



Antonio C. Albanese, **Vice President** of Nationwide Mutual Insurance Company

ACKNOWLEDGMENT

STATE OF NEW YORK COUNTY OF KINGS: ss

On this 1st day of April, 2024, before me came the above-named officer for the Company aforesaid, to me personally known to be the officer described in and who executed the preceding instrument, and he acknowledged the execution of the same, and being by me duly sworn, deposes and says, that he is the officer of the Company aforesaid, that the seal affixed hereto is the corporate seal of said Company, and the said corporate seal and his signature were duly affixed and subscribed to said instrument by the authority and direction of said Company.



Sharon Laburda
Notary Public, State of New York
No. 01LA6427697
Qualified in Kings County
Commission Expires January 3, 2026



Notary Public
My Commission Expires
January 3, 2026

CERTIFICATE

I, Lezlie F. Chimienti, Assistant Secretary of the Company, do hereby certify that the foregoing is a full, true and correct copy of the original power of attorney issued by the Company; that the resolution included therein is a true and correct transcript from the minutes of the meetings of the boards of directors and the same has not been revoked or amended in any manner; that said Antonio C. Albanese was on the date of the execution of the foregoing power of attorney the duly elected officer of the Company, and the corporate seal and his signature as officer were duly affixed and subscribed to the said instrument by the authority of said board of directors; and the foregoing power of attorney is still in full force and effect.

IN WITNESS WHEREOF, I have hereunto subscribed my name as Assistant Secretary, and affixed the corporate seal of said Company this 13th day of August, 2024.



Assistant Secretary

**ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT
FOR THE STATE OF MINNESOTA**

The following information applies to franchises and franchisees subject to Minnesota statutes and regulations:

1. Minnesota Statutes, Section 80C.21 and Minnesota Rules 2860.4400(J) prohibit the franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or agreement(s) can abrogate or reduce (1) any of the franchisee's rights as provided for in Minnesota Statutes, Chapter 80C or (2) franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.
2. With respect to franchises governed by Minnesota law, the franchisor will comply with Minnesota Statutes, Section 80C.14, Subd. 3-5, which require (except in certain specified cases) (1) that a franchisee be given 90 days notice of termination (with 60 days to cure) and 180 days notice for non-renewal of the franchise agreement and (2) that consent to the transfer of the franchise will not be unreasonably withheld.
3. The franchisor will protect the franchisee's rights 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.
4. Minnesota considers it unfair to not protect the franchisee's right to use the trademarks. Refer to Minnesota Statutes, Section 80C.12, Subd. 1(g).
5. Minnesota Rules 2860.4400(D) prohibits a franchisor from requiring a franchisee to assent to a general release.
6. The franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. See Minn. Rules 2860.4400J. Also, a court will determine if a bond is required.
7. The Limitations of Claims section must comply with Minnesota Statutes, Section 80C.17, Subd. 5.
8. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

**ADDENDUM TO
FRANCHISE AGREEMENT FOR THE
STATE OF MINNESOTA**

This Addendum shall pertain to franchises sold in the state of Minnesota and shall be for the purpose of complying with Minnesota statutes and regulations. Notwithstanding anything which may be contained in the body of the Franchise Agreement to the contrary, the Agreement shall be amended as follows:

1. The following provision is added at the end of Section 4.B (Renewal) and Section 11.D (Conditions of Transfer) of the Agreement:

“Minnesota Rules 2860.4400(D) prohibits a franchisor from requiring a franchisee to assent to a general release.”

2. The following sentence is added at the end of Section 4.B (Renewal) and Section 11.D (Conditions of Transfer) and Section 13 (Default and Termination) of the Agreement:

“With respect to franchises governed by Minnesota law, the franchisor will comply with Minnesota Statutes, Section 80C.14, Subd. 3-5, which require (except in certain specified cases) (1) that a franchisee be given 90 days notice of termination (with 60 days to cure) and 180 days notice for non-renewal of the franchise agreement and (2) that consent to the transfer of the franchise will not be unreasonably withheld.”

3. The following is added at the end of Article 15 (General Provisions) of the Agreement:

“Minnesota Statutes, Section 80C.21 and Minnesota Rules 2860.4400(J) prohibit the franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or agreement(s) can abrogate or reduce (1) any of the franchisee’s rights as provided for in Minnesota Statutes, Chapter 80C or (2) franchisee’s rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

The franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. See Minn. Rules 2860.4400J. Also, a court will determine if a bond is required.

This section must comply with Minnesota Statutes, Section 80C.17, Subd. 5.”

4. The following is added at the end of Section 3 (Trademark Standards and Requirements) of the Agreement:

“The franchisor will protect the franchisee’s rights 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.

Minnesota considers it unfair to not protect the franchisee’s right to use the trademarks. Refer to Minnesota Statutes, Section 80C.12, Subd. 1(g).”

5. The Franchise Agreement is amended by adding the following language at the end of the document:

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

6. In all other respects, the Franchise Agreement will be construed and enforced according to its terms.

Franchisee: _____

By: _____

Name: _____

Title: _____

Date: _____

Franchisor: green and the grain franchising LLC

By: _____

Name: Tiffany Hauser

Title: Founder & CEO

Date: _____

Exhibit K to the Disclosure Document

STATE EFFECTIVE DATES

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

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

Illinois:	SEE SEPARATE FDD _____, <u>2025</u>
Minnesota:	June 25 _____, <u>2024</u> <u>2025</u>
Wisconsin:	April 29 _____, <u>2024</u> <u>2025</u>

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.

~~A.~~

RECEIPT

Except as noted below, if green and the grain franchising LLC offers you a franchise, we must provide this Disclosure Document to you 14 calendar days before you sign a binding agreement with, or make a payment to, us or an affiliate in connection with the proposed franchise sale.

Iowa and New York law require that green and the grain franchising LLC give you this Disclosure Document at the earlier of the first personal meeting or 10 business days before the execution of any franchise or other agreement or 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 green and the grain franchising LLC does not deliver this Disclosure Document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the appropriate state agency identified on Exhibit A.

The name, principal business address and telephone number of the franchise sellers for this offering are: Tiffany Hauser at 200 South 6th Street, Suite 296, Minneapolis, MN 55402, 612-217-1650 or tiffany@greenandthegrain.com, and _____.

Issuance date: April ~~25~~30, ~~2024~~2025

See Exhibit A for our registered agents authorized to receive service of process.

I have received a disclosure document dated April ~~25~~30, ~~2024~~2025, that included the following Exhibits:

A – State Administrators/Agents for Service of Process	G – Financial Statements
B – Franchise Agreement	H – Form of General Release
C – Area Development Agreement	I – Form of Sale of Assets Purchase Agreement <u>and</u> <u>Form of Sublease</u>
D – List of Franchisees	J – State Addenda
E – List of Franchisees Who Have Left the System	K – State Effective Dates
F – Table of Contents of Operations Manual	

Date: _____
(Do not leave blank)

Signature of Prospective Franchisee

Print Name

Please sign this copy of the receipt and date your signature. KEEP THIS COPY FOR YOUR RECORDS.

Prospective Franchisee's Copy

~~A.~~

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Date: _____
(Do not leave blank)

Signature of Prospective Franchisee

Print Name

You may return the signed receipt either by electronically signing and dating (preferred) or signing, dating and mailing it to green and the grain franchising LLC at 200 South 6th Street, Suite 296, Minneapolis, MN 55402, or by e-mailing a scanned copy of the signed and dated receipt to green and the grain franchising LLC at tiffany@greenandthegrain.com.