

## FRANCHISE DISCLOSURE DOCUMENT



### Advanced Fresh Concepts Franchise Corp.

a California corporation  
19700 Mariner Avenue  
Torrance, California 90503  
Telephone: 310-604-3200  
info@afcsushi.com  
www.afcsushi.com

Advanced Fresh Concepts Franchise Corp. (“AFC”) will grant you a franchise to use our system to offer prepared fresh-cut fruit and vegetables from one or more Freshly Go Counters at a grocery store, retail center or other location that someone else owns (“Freshly Go Counter”).

The total investment necessary to begin operation of a Freshly Go Counter is as follows: (1) if you are a new franchisee, the estimated total investment for one Freshly Go Counter is between \$26,983 and \$124,611. This includes \$20,405 to \$60,626 that must be paid to us. and (2) if you purchase an existing AFC operated location, the estimated total investment for one existing Freshly Go Counter is between \$27,983 and \$134,611. This includes \$21,405 to \$61,626 that must be paid to us.

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

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Vincenzo Calcagni, at 19700 Mariner Avenue, Torrance, California 90503, Telephone: 310-604-3200.

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

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

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

FTC Issuance Date: November 26, 2025, amended May 7, 2026

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

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

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

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

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

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

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

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

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

### Some States Require Registration

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

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 arbitration only in California. Out-of-state arbitration may force you to accept a less favorable settlement for disputes. It may also cost more to arbitrate with the franchisor in California than in your own state.
2. **Inventory/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

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

We are Advanced Fresh Concepts Franchise Corp., a California corporation, incorporated on April 30, 2002. To simplify this Disclosure Document, we refer to ourselves as “AFC,” “Advanced Fresh Concepts,” “we” or “us.” We refer to the person or company that buys a franchise from us as “you.”

Our immediate parent is Advanced Fresh Concepts Corp. (“AFCC”) which granted us a license to use certain trademarks and to grant the use of the trademarks to our franchisees. They were incorporated in California in 1986. We have no other predecessor. We are affiliated with, Advanced Fresh Concepts Pty. Ltd. (“AFCPL”), an Australian entity formed on April 23, 2015 and AFC Distribution Corp. dba Wonderfield Distribution (“AFCDC”), a California corporation incorporated on April 29, 2016.

The business address for us is 19700 Mariner Avenue, Torrance, California 90503, and the business address for AFCC and AFCDC is 19205 South Laurel Park Road, Rancho Dominguez, California 90220. Our phone number is 310-604-3200. Our agent for service of process in California is Incorp Services, Inc. 5716 Corsa Avenue, Suite 110, Westlake Village, California 91362-7354. AFCPL’s address is 12/538 Gardeners Road, Mascot NSW 2020, Australia. Please check Exhibit L for agents in other registration states.

We have offered Freshly Go Counters in the United States since the issuance date of this Disclosure Document. We offer franchise programs for the sale and operation of “Zenshi Counters,” “AFC Food Service Counters,” and “Wild Blue Counters” under a separate Disclosure Document, on terms which may differ materially from the terms of this Disclosure Document. We have offered franchises for Zenshi Counters in the United States since June 2023 and in Canada since December 2024. We have offered franchises for AFC Food Service Counters in the United States since May 2002 and in Canada since September 2009. We have offered franchises for Wild Blue Counters in the United States and Canada since June 2021. As of March 31, 2025, we had 3,572 franchised and 190 company-owned Zenshi Counters; 434 franchised and 52 company-owned AFC Food Service Counters; and 122 franchised and 57 company-owned Wild Blue Counters. We are not in any other line of business and have not offered franchises in any other line of business. On April 23, 2015, AFCPL was created to offer and sell franchises in Australia. We are the master Franchisor of AFCPL in Australia. AFCPL is not in any other business and has not offered franchises in another line of business.

### **Other Parent Companies and Affiliates:**

Our ultimate parent is Zensho Holdings Co., Ltd. (“Zensho Holdings”), a Japan limited liability company formed on June 30, 1982. Zensho Holdings does not operate franchises in any line of business. The business address for Zensho Holdings is JR Shinagawa East Building 2-18-1, Konan, Minato-ku, Tokyo 108-0075. Zensho Holdings is affiliated with Zensho USA Corporation, Zensho Food Singapore Pte. Ltd., Pocino Foods Company, Mauri Wasabi, Inc., Coco’s Japan Co., Ltd., Nakau Co., Ltd. and World Food To Go S.L.

Zensho USA Corporation (“Zensho USA”), AFCC’s immediate parent and also our indirect parent is a Delaware corporation formed on January 5, 2015. Zensho USA is a wholly-owned subsidiary of Zensho Holdings. Zensho USA does not operate franchises in any line of business. The business address for Zensho USA is 27261 Las Ramblas, Suite 340, Mission Viejo, California 92691.

Pocino Foods Company (“Pocino Foods”), a wholly owned subsidiary of Zensho USA is a California corporation formed on January 27, 1965. Pocino Foods is an American food manufacturer specializing in premium pastrami and other deli meats, meatballs, and Mexican and Asian-style meats. AFCDC (discussed below) purchases products directly from Pocino Foods and sells those products to our franchisees that operate “Zenshi Counters,” “AFC Food Service Counters,” and “Wild Blue Counters”. Pocino Foods does not sell products to our franchisees to be used in Freshly Go Counters. Pocino Foods does not operate franchises in any line of business. The business address for Pocino Foods is 14250 Lomitas Avenue, City of Industry, California 91746.

Marui Wasabi, Inc. (“Marui Wasabi”), owned 50% by AFCC is a California corporation formed on August 7, 2000. Marui Wasabi is an importer, manufacturer and distributor of wasabi-based products and other Asian style sauces. AFCC may purchase products directly from Marui Wasabi and sell those products to our franchisees that operate “Zenshi Counters,” “AFC Food Service Counters,” and “Wild Blue Counters” in the future. Marui Wasabi does not sell products to our franchisees to be used in Freshly Go Counters. Marui Wasabi does not operate franchises in any line of business. The business address for Marui Wasabi is 13033 Artic Circle, Santa Fe Springs, California 90670.

Zensho Food Singapore Pte. Ltd. (“Zensho Food”), a Singapore limited liability company formed in 2012, is a franchisee of Long John Silver’s, LLC. As of March 2025, Zensho Food operated 19 Long John Silver’s restaurant locations in Singapore. Long John Silver’s restaurants offer fried seafood and chips in a quick-serve restaurant environment. The business address of Zensho Food is 31 Ubi Road 1, #07-02 Annex Building, Singapore 408694.

Coco’s Japan Co., Ltd. (“Coco’s”), a Japan limited liability company, formed on April 5, 1978, is a franchisor of Coco’s restaurants in Japan. As of March 2025, Coco’s had 77 franchised restaurants in Japan. Coco’s restaurants offer a variety of signature soups, hamburgers, salads and combination dinners, in a full-service family-style environment. The business address of Coco’s is the same as Zensho Holdings. Coco’s has offered franchises since 1984.

Nakau Co., Ltd. (“Nakau”), a Japan limited liability company formed in 1966, is a franchisor of Nakau restaurant locations in Japan. As of March 2025, Nakau had 5 franchised locations in Japan. Since March 2005, Nakau has operated as a subsidiary of Zensho Holdings. Nakau restaurants offer donburi (rice bowls) and Kyoto-style udon noodles, in addition to other items, in a fast-food environment. The business address of Nakau is the same as Zensho Holdings. Nakau has offered franchises since 1989.

YO! Sushi UK Limited, (“YO!”), a UK limited company formed on November 24, 1994, is wholly owned by YO! Sushi Limited, which is ultimately a wholly owned subsidiary of Zensho Holdings. YO! operates a combination of franchised and company owned sushi counters in the United Kingdom under the brand YO! Sushi. As of March 2025, there were 477 franchised locations in the United Kingdom, and 33 corporately owned kiosks. In addition to operating sushi counters, YO! also operates a number of company owned Japanese food restaurants in the United Kingdom, and franchised restaurants which are located across Australia, France, the Netherlands, Norway, Spain, Italy, Turkey and the United Arab Emirates. There are no franchised YO! food restaurants in the United States or Canada. As of March 2025, there were 41 company operated YO! food restaurants in the United Kingdom, and there were 24 franchised restaurants globally. The business address of YO! is Fourth Floor, 69 Wilson Street, London, EC2A 2BB, United Kingdom.

JFE Franchising, Inc. (“JFE”), a Texas corporation formed on August 21, 2013, is wholly owned by Snowfox US Holdco Inc., which is ultimately a wholly owned subsidiary of Zensho Holdings. JFE has offered franchised sushi counters in the United States since October 2013 under the brand Snowfox. As of March 2025, there were 1,463 franchised Snowfox locations in the United States. In addition to operating sushi counters, JFE operates 1,180 franchised fresh cut fruit, vegetable and salad within many of the same locations as the franchised sushi counters. As of March 2025, JFE had 2,743 franchised locations in the United States, and 17 company owned location in Australia. The business address of JFE is 2021 Bingle Road, Houston, Texas, 77055.

Snowfox (Ireland) Limited (“Snowfox Ireland”), an Irish registered limited company formed on June 19, 2023, is wholly owned by Snowfox Midco 1 Limited, ultimately a wholly owned subsidiary of Zensho Holdings. Snowfox Ireland operates franchised sushi counters in the Republic of Ireland under the brand Snowfox. As of March 2025, there was 11 franchised Snowfox location in the Republic of Ireland. The business address of Snowfox Ireland is Beaux Lane House. Mercer Street Lower. Dublin 2, Dublin, Republic of Ireland.

Bento Sushi Franchise Inc (“BSFI”), a Delaware corporation formed on April 12, 2016, is a wholly owned subsidiary of Zensho Holdings, is in the business of selling franchises and developing branded products under the name “BENTO SUSHI.” BSFI’s primary business is offering and selling franchises in the United States. BSFI operates a franchise distribution system under a License Agreement dated April 29, 2016 with Bento Inc., an affiliate of BSFI. As of March 2025, BSFI had 63 franchised locations. The principal place of business of BSFI is 501 Cambria Avenue, Suite 124, Bensalem, PA 19020.

Bento Inc (“BI”), an Ontario business corporation formed on November 20, 2017, is ultimately a wholly owned subsidiary of Zensho Holdings. BI has operated company-owned Bento Sushi outlets, and subcontracts other Bento Sushi outlets in Canada since 1996. These outlets are similar to the franchised outlets offered in this disclosure document. As of March 2025, BI had over 166 company-owned and subcontracted outlets in Canada. In addition, BI operates 1913 commissary, central production kitchens, 954 in Canada and 959 in the United States, servicing over 2,000 locations. The principal place of business of BI is 25 Sims Crescent, Unit 1, Richmond Hill, Ontario, L4B 1C9.

Bento Nouveau Inc (“BNI”), a Delaware corporation formed on October 5, 2005, is ultimately a wholly owned subsidiary of Zensho Holdings. BNI operates in the United States only. It has operated company-owned Bento Sushi outlets that are similar to the franchised outlets offered in this disclosure document since 2005. As of March 2025, BNI had 3 company owned outlets in the United States, primarily on the east coast. The principal place of business of BNI is 25 Sims Crescent, Unit 1, Richmond Hill, Ontario, L4B 1C9.

Bento Sushi Franchise Ltd. (“BSFL”), an Ontario business corporation formed on May 22, 2013, is ultimately a wholly owned subsidiary of Zensho Holdings. BSFL offers franchises for Bento Sushi outlets in Canada, consisting primarily of Sushi Counter front and inline units in malls, hospitals, and universities. BSFL has offered Bento Sushi franchises in Canada since May 2013. As of March 2025, BSFL had 63 franchised units in operation in Canada. BSFL does not operate a business of the type to be operated by you.

Bento Sushi USA, Inc. (“Bento USA”), a Delaware corporation formed on August 19, 2020, is ultimately a wholly owned subsidiary of Zensho Holdings. Bento USA offers franchises for retail sushi businesses in the State of Hawaii under the name and marks “BENTO SUSHI.” Bento USA has offered Bento Sushi franchises since July of 2021. As of March 2025, Bento USA had 40 franchisees in Hawaii and no company-owned locations. The principal place of business of Bento USA is 1011 Centre Road, Suite 310, New Castle County, Wilmington, Delaware 19805.

Lotteria Co., Ltd. (“Lotteria”), a Japanese Corporation formed in 1972, is a wholly owned subsidiary of Zensho Holdings, Ltd. and franchisor of Lotteria hamburger chain locations in Japan. As of March 2025, Lotteria had 73 franchised locations in Japan under the brand Lotteria. Lotteria offers a variety of classic and unique burger options, fries, drinks, and other fast-food items. The business address of Lotteria is JR Shinagawa East Building, 2-18-1 Konan, Minato-ku, Tokyo, Japan. Lotteria has offered franchises since 1972.

World Food To Go S.L. (“World food To Go”), owned 70% by Zensho EU Corporation, which is also a wholly owned subsidiary of Zensho Holdings, is a Spanish corporation formed on March 10, 2015. World Food To Go operates takeout sushi stands in Spain and, through its wholly owned subsidiaries SushiTake S.R.L., SushiTake S.L.U., SushiTake SIA, SushiTake OY and SushiTake AS, it operates sushi stands in Italy, Andorra, Latvia, Finland, and Norway respectively. As of March 2025, there were 93 franchised locations in Spain, 3 franchised location in Italy and 8 franchised locations in Norway. The Business address of World Food To Go is Avda. De las Nieves 11, 28935 Móstoles, Madrid, Spain.

Other than stated above, Zensho Holdings, Zensho USA, Zensho Food, Pocino Foods, Mauri Wasabi, Coco’s, Nakau, YO!, JFE, Snowfox Ireland, BSFI, BI, BNI, BSFL, Bento USA, Lotteria and World food To Go are not in any other line of business and do not currently offer franchises in any other line of business.

## **The Franchised Business**

Our business is granting franchises to let people, like you, operate Freshly Go Counters, which offer prepared fresh-cut fruit and vegetables. Sometimes, due to arrangements with the facility owner, you will operate your Freshly Go Counter under a different name, or a generic name.

Originally, our franchises emphasized sushi and this continues to be an important part of our business. Since approximately September 2005, we broadened our emphasis and now describe ourselves as food service counters. We are not in any other business and except as described below, we haven't offered franchises in any other business.

You will operate a Freshly Go Counter as a department of a retail supermarket or in another kind of location, like a college campus or arena on a full-time basis.

To purchase a Freshly Go Counter, you must sign our form franchise agreement for each location you propose to open.

Pursuant to the Franchise Agreement, customers pay the facility owner for their purchases and sales are recorded in the facility owner's cash registers and then reported to us. The facility owner and we keep a percentage of your gross sales. We then return the remainder to you less amounts we deduct for other charges to you. Your Freshly Go Counter will not use a cash register. Instead, your customers will use the cash registers provided at the facility. (See Items 6 & 11.)

We have agreements to operate Freshly Go Counters as separate departments of supermarkets and other venues. In many instances we perform the agreement by us granting you a franchise, so you can operate the Freshly Go Counter. We enter into agreements with location owners. Entering into a franchise agreement with you to operate at that location enables us to satisfy the agreement. We will tell you available locations when we meet.

We intend to operate Freshly Go Counters that are similar to the ones you will operate. See Exhibit K. We also offer franchise programs for the sale and operation of "Zenshi Counters," "AFC Food Service Counters," and "Wild Blue Counters" under a separate Disclosure Document, on terms which differ materially from the terms of this Disclosure Document. We are not in any other business.

Our affiliate AFCPL offers franchises similar to the ones you will operate outside the United States and Canada. As of March 31, 2025, AFCPL had 223 franchised and 189 company owned locations in Australia. AFCPL is not in any other line of business and does not offer franchises in any other line of business.

Our affiliate AFCDC fulfills and ships franchisee orders, is our logistics provider for product shipments sold to you and sells products to franchisees and third parties. AFCDC is not in any other line of business and does not offer franchises in any line of business.

There is an existing market for fresh-cut fruit and vegetables and other prepared food products at stand-alone food service counters and restaurants, and also at grocery stores. You will sell prepared foods mainly to customers who shop at the grocery store or visit the venue where your Freshly Go Counter is located. Customer traffic will be generated primarily by the facility and its owner. You are only permitted to sell your prepared food products at the Freshly Go Counter(s) we designate. The facility owner has the right to sell competing products at other locations in the facility. The market for fresh-cut fruit and vegetables and other food products is fairly developed and is enjoyed by customers year-round.

You must comply with federal and state laws on operating a restaurant, health, safety and sanitation laws which also include health department inspections, and menu and food labeling laws. This also includes the Hazard Analysis and Critical Control Point (“HACCP”) food safety program adopted by the U.S. Food & Drug Administration, and rules on handling, preparing and serving foods by people with communicable or infectious diseases. Your Freshly Go Counter may also be subject to laws on disposing hazardous wastes. Some states have laws requiring you to employ a person who is certified in food safety. See Exhibit L for state specific laws that may apply to you.

As an employer, you must comply with laws on minimum wages, overtime, maximum working hours, working conditions, unlawful discrimination, restricting employment of children and other labor laws and the Department of Homeland Security’s E-Verify program, if required by the facility owner.

You will compete with quick service restaurants and other food alternatives where your Freshly Go Counter is located. You will also compete with company owned stores (if any are located near you, see Item 20), other Freshly Go Counters, restaurants and people’s other choices for dining and shopping for food.

## **ITEM 2 BUSINESS EXPERIENCE**

### President, Chief Executive Officer and Director: Vincenzo Calcagni

Mr. Vincenzo Calcagni has been our President, Chief Executive Officer, and Director in Torrance, California since May 2025. Mr. Calcagni served as our General Manager of Operations in Torrance, California from October 2022 to May 2025. Mr. Calcagni was unemployed from March 2022 to October 2022. Mr. Calcagni served as Vice President of Operations for Yoshinoya America in Torrance, California from March 2017 to March 2022.

### Treasurer and Director: Noriyuki Honda

Mr. Honda has been our Treasurer and a Director in Torrance, California since April 1, 2026. Mr. Honda served as our Senior Vice President of Product Management & Fruit in Torrance, California from July 2025 to March 2026. Mr. Honda served as Senior Vice President of Product for our affiliate, JFE Franchising, Inc in Houston, Texas from April 2024 to June 2025. Mr. Honda served as our General Manager of Product Management in Torrance, California from June 2022 to March 2024. Mr. Honda served as our General Manager of Research and Development in Torrance, California from August 2021 to June 2022. Mr. Honda served as Chief Operating Officer for Zensho Food Indian Private Limited in Delhi, India from April 2019 to June 2021.

### Corporate Secretary: Luciana O’Brien

Ms. O’Brien has been our Corporate Secretary in Mission Viejo, California since April 1, 2026. Ms. O’Brien has been General Counsel and Corporate Secretary for our affiliate, Zensho USA Corporation, in Mission Viejo, California since June 1, 2015.

### Executive Director of Research and Development: Masahiko Tajima

Mr. Tajima has been our Executive Director of Research and Development in Torrance, California in Torrance, California since May 2025. Mr. Tajima was our General Manager of Research and Development in Torrance, California from June 2022 to May 2025. Mr. Tajima served as our General Manager of Product Development in Torrance, California from January 1, 2021 to June 2022. Mr. Tajima served as our General Manager of Research and Development in Rancho Dominguez, California in Torrance, California from June 1998 to December 2020.

Director of Corporate Training: Gerardo Siordia Posadas

Mr. Posadas has been our Director of Corporate Training in Torrance, California since April 2026. Mr. Posadas served as our Director of Legal and Compliance in Torrance, California from May 2025 to April 2026. Mr. Posadas was our General Manager of Compliance in Torrance, California from July 2020 to May 2025..

Vice President of Fruit Business and Process Improvement: Mario Garcia

Mr. Garcia has been our Vice President of Fruit Business and Process Improvement since December 2025. Mr. Garcia served as Vice President of Operations for Everytable in Los Angeles, California, from March 2023 to December 2025. Mr. Garcia was unemployed from October 2022 to March 2023. Mr. Garcia served as Director of Operations for Yoshinoya, in Los Angeles, California, from March 2016 to October 2022.

Vice President of Business Development & Marketing: Michelle Narain

Ms. Narain has been our Vice President of Business Development & Marketing in Torrance, California since May 2025. Ms. Narain was unemployed from March 2025 to April 2025. Ms. Narain served as Vice President of Sales & Marketing for Sofidel in Horsham, Pennsylvania from November 2024 to February 2025. Ms. Narain served as Vice President of Sales & Marketing for Clearwater in Spokane, Washington from February 2022 to October 2024. Ms. Narain was unemployed in January 2022. Ms. Narain served as Vice President of Private LAbel for Smart & Final in Commerce, California from May 2018 to December 2021.

Senior Vice President of Operations: Eddie Y. Fujita

Mr. Fujita has been our Senior Vice President of Operations in Torrance, California since April 2025. Mr. Fujita was our Deputy General Manager in Torrance, California from February 2021 to March 2025.

Director of Regulatory and Compliance Affairs: Chuong V. Hoang

Mr. Hoang has been the Director of Regulatory and Compliance Affairs in Torrance, California since April 2026. Mr. Hoang served as our Legal Manager in Torrance, California from May 2022 to April 2026. Mr. Hoang served as our Legal Supervisor in Torrance, California from September 2006 to May 2022.

Vice President of Product Management: Sean Acre

Mr. Acre has been our Vice President of Product Management in Torrance, California since August 2025. Mr. Acre served as Operations Manager for Yoshinoya America in Torrance, California from November 2019 to August 2025.

Vice President of Financial Planning & Analysis: Yoshiya Kohda

Mr. Kohda has been our Vice President of Financial Planning & Analysis in Torrance, California since August 2025. Mr. Kohda served as our Vice President of Product Management in Torrance, California from April 2025 to August 2025. Mr. Kohda served as our Deputy General Manager of Product Management in Torrance, California from April 2023 to March 2025. Mr. Kohda served as our Division Manager of Field Operation in Torrance, California from August 2022 to March 2023. Mr. Kohda served as our Regional Manager of Field Operation in Torrance, California from March 2021 to July 2022.

Vice President of Food Safety and Quality Assurance: Lewis Ennist

Mr. Ennist has been our Vice President of Food Safety and Quality Assurance in Torrance, California since January 5, 2026. Mr. Ennist served as Vice President of Regulatory and Compliance for DrinkPAK, LLC in Santa Clarita, California from March 2023 to January 2026. Mr. Ennist served as Vice President of Quality for DrinkPAK, LLC in Santa Clarita, California from January 2020 to March 2023.

**ITEM 3 LITIGATION**

**PENDING LITIGATION:**

**A. Pending Cases We Brought Against Franchisees in Fiscal Year Ending March 2025:**

**None**

**B. Cases Pending Against Us:**

**None**

**CONCLUDED LITIGATION:**

**Claim of P. Mung**

*Pau Sian Mung v. Advanced Fresh Concepts Franchise Corp.* (United States District Court, Northern District of Georgia, Case No. 1:23-cv-04154, removed September 14, 2023 – “District Court Lawsuit”); *Pau Sian Mung v. Advanced Fresh Concepts Franchise Corp.* (Superior Court of Newton County, State of Georgia, Case No. SUCV2023001844, filed August 11, 2023 – “State Court Lawsuit”); and *P. Mung v. Advanced Fresh Concepts Franchise Corp.* (American Arbitration Association, Case No. 01-23-0004-3850, initiated October 5, 2023 – the “Arbitration”). On July 21, 2023, AFC terminated its franchise agreement with Pau Sian Mung (“Claimant”) pursuant to the provisions of the franchise agreement based on Claimant’s unlawful trespass onto another franchise operator’s premises and theft from another franchise operator. On August 11, 2023, Claimant initiated the State Court Lawsuit. On September 14, 2023, AFC removed the State Court Lawsuit to District Court Lawsuit. After AFC filed its motion to dismiss or stay the District Court Lawsuit pending arbitration, Claimant stipulated to a stay of the District Court Lawsuit and the District Court entered an order staying the matter pending an award issued in arbitration. On October 5, 2023, Claimant initiated the Arbitration with the American Arbitration Association (“AAA”). Claimant’s arbitration demand asserted his franchise agreement was wrongfully terminated by AFC and claimed causes of action for breach of contract and breach of the covenant of good faith and fair dealing. Claimant’s arbitration demand sought damages “in excess of \$150,000.” On March 1, 2024, Claimant dismissed without prejudice the District Court Lawsuit against AFC. On March 8, 2024, the Arbitration was dismissed without prejudice by AAA because Claimant failed to pay AAA the deposit amount of \$1,250.00.

**Claim re Pau Sushi Catering, LLC**

*Pau Sushi Catering, LLC v. Advanced Fresh Concepts Food Services Corp.* (American Arbitration Association, Case No. 01-19-0001-4357, filed May 10, 2019). Pau Sushi Catering, LLC (“Claimant”) operated an AFC Sushi Food Service Counter within a Publix Supermarket in the Orlando, Florida, area until July 19, 2018. Claimant’s franchise agreement was terminated when we discovered Claimant’s operations violated our zero tolerance policy for using carbon monoxide treated tuna in products at Publix Supermarket locations. Claimant’s arbitration demand contends the immediate termination amounted to a breach of the franchise agreement by us and that our actions also constituted fraud, negligent misrepresentation, unlawful business practices and racial discrimination, among other claims. Claimant asserted its damages exceeded \$ 500,000. The arbitration was initiated on May 10, 2019. On August 4, 2020, Claimant and AFC agreed in writing to resolve the arbitration for mutual general releases and the dismissal of the arbitration with prejudice. On August 17, 2020, the arbitration was ordered closed based on the August 4, 2020 agreement.

### **Claim of Cherry Lee**

*Cherry Lee v. Soe Tun and Advanced Fresh Concepts Food Services Corp.* (Contra Costa County Superior Court Case No. C18-01063, filed May 23, 2018, dismissed with prejudice on January 7, 2019). Plaintiff was employed as a sushi chef by our franchisee, Soe Tun, between August 2017 and February 2018. On May 23, 2018, Plaintiff initiated this action against our former affiliate, Advanced Fresh Concepts Food Service Corporation (“AFCFSC”) and Soe Tun alleging claims for hostile work environment, retaliation, failure to prevent harassment/retaliation, negligent supervision, sexual battery and a violation of section 226 of the Labor Code. The full scope of the alleged damages was uncertain but included claims for emotional/physical distress and approximately 3 months of lost income of \$1,600 per month. Plaintiff’s principal theory against AFCFSC was based on Soe Tun’s and AFCFSC’s alleged joint employment with Soe Tun of Plaintiff. Soe Tun and AFCFSC answered the complaint and denied the allegations. On December 21, 2018, Plaintiff executed a settlement agreement and agreed to settle her dispute for a total payment of \$5,000.00 in exchange for a dismissal with prejudice of AFCFSC, general release of AFCFSC and all its affiliated entities, including Advanced Fresh Concepts Corp. and an express acknowledgement in writing that the settlement did not constitute any evidence or admission of wrongdoing by AFCFSC. The dismissal with prejudice of AFCFSC was entered on January 7, 2019.

### **Claim of Pilrang Owa**

*Advanced Fresh Concepts Franchise Corp. v. Pilrang Owa d.b.a. Sakura Foods Everett L.L.C.* (American Arbitration Association Case No. 01-16-0002-8871, Los Angeles, California, filed July 19, 2016). We initiated an arbitration proceeding against Pilrang Owa doing business as Sakura Foods Everett L.L.C. (“Owa”) seeking an order finding and declaring Owa owned and operated an AFC Food Service Counter by and through her own, independently run company, Sakura Foods Everett, L.L.C. and therefore was not our employee (“Owa Arbitration”). We did not seek damages with respect to the relief requested, but recovery of all fees and costs incurred for the dispute. Thereafter, Owa filed a counter-claim against us in the arbitration proceeding seeking \$6.8 million dollars in damages. We filed the arbitration demand after learning that Owa filed a motion to amend her complaint in the action entitled *Pilrang Bae Owa v. Fred Meyer Stores, et al.* (Superior Court of Washington for King County, Case No. 16-2-09786-3 SEA, filed April 16, 2016 - the “State Court Action”) to include us as a defendant on the basis that she was allegedly our employee. Owa contended in the State Court Action that we discriminated against and harassed her when conducting inspections of her franchise operation and by sending her notices to cure breaches of the franchise agreement. Owa claimed the discrimination and harassment was based on a protected classification in violation of Washington state laws and, based thereon, sought unspecified amounts of monetary damages. We contended Owa signed a franchise agreement with us whereby she was an independent business owner that operated a Food Service Counter and was not our employee. On August 5, 2016, Fred Meyer Stores removed the State Court Action to the U.S. District Court, Western District of Washington (Case No. 2:16-cv-01236 – the “First District Court Action”). On September 9, 2016, we moved to compel arbitration of Owa’s claims in the First District Court Action. On November 28, 2016, Owa filed a separate virtually identical action in the U.S. District Court, Western District of Washington (Case No. 2:16-cv-01832 – “Second District Court Action”). On December 15, 2016, the court granted our motion to compel resolution of all claims between the parties within the Owa Arbitration, stayed the First District Court Action pending the results of the Owa Arbitration and dismissed the Second District Court Action. On November 28, 2017, the arbitrator issued a comprehensive final award in our favor and against Owa (“Final Award”). The Final Award included an award of attorney’s fees and costs to us in the amount of \$373,126.98. On May 29, 2018, the District Court confirmed the Final Award and entered it as a judgment in our favor. On June 23, 2018, Owa appealed the arbitrator’s ruling to the Ninth Circuit Court of Appeals, Case No. 18-35531. On October 5, 2018, AFC and Owa reached an agreement to settle their dispute and executed a formal settlement agreement on October 16, 2018, whereby Owa would dismiss her appeal with prejudice, AFC would execute a satisfaction of judgment as to the Final Award for filing in the First District Court Action and, except as to the judgment entered in the First District Court Action, the parties would mutually and generally release each other. On November 20, 2018, an order entering

Plaintiff's dismissal of her appeal was entered and AFC conveyed the satisfaction of judgment form to Plaintiff for her filing and use in the First District Court Action with respect to the Final Award.

### **Claim of Zaw Min Oo**

*Z. Oo v. Advanced Fresh Concepts Franchise Corp., et al.* (American Arbitration Association Case No. 01-15-0005-1350, Los Angeles, California, filed September 24, 2015). Claimant Z. Oo initiated an arbitration proceeding against Ryuji Ishii and AFCC alleging damages based on breach of contract for: (i) commission rates that were inaccurate or improperly reduced; (ii) improper establishment of new franchise locations within the vicinity of Claimant's franchise operations; (iii) improper and/or unauthorized deductions from royalty payments; and (iv) improper and/or unauthorized charges for franchise renewals. Claimant sought total damages of \$990,000. On February 24, 2016, Mr. Ishii and AFCC were dismissed and we (Advanced Fresh Concepts Franchise Corp) were substituted into the matter as respondent. We answered the Arbitration Demand denying the allegations, any wrongdoing and any damages sustained by Claimant. On March 8, 2016, we filed a counter-arbitration demand for declaratory relief seeking an order terminating Claimant's franchise operations for his breach of the franchise agreement. We also simultaneously sought a preliminary restraining order suspending all of Claimant's franchise operations pending a final decision on our request for declaratory relief. On April 13, 2016, the Arbitrator issued a preliminary injunction against Claimant, suspending his franchise operations pending resolution of our declaratory relief claim for termination. Claimant then surrendered his operations to us on April 14, 2016. A hearing on the merits was held on April 18-19, 2016. On May 12, 2016, an Award was issued for us and against Claimant with regard to our declaratory relief claim seeking the termination of Claimant's franchise operations. However, the Award also granted Claimant \$280 in damages for tablet charges, \$50 for on-line ordering charges and a nuisance award of \$1,000 for automated tuna shipments. The Arbitrator also awarded Claimant his administration costs for the arbitration in the amount of \$11,200. Finally, the Award found that neither party qualified as a prevailing party, including on our counter-arbitration demand and therefore denied all parties any recovery of attorney's fees and costs.

Other than these actions, no litigation is required to be disclosed in this Item.

### **ITEM 4 BANKRUPTCY**

No bankruptcies are required to be disclosed in this Item.

### **ITEM 5 INITIAL FEES**

#### **Initial Franchise Fee**

You pay us an initial franchise fee of \$5,000 for each Freshly Go Counter you want to open. You pay the initial franchise fee in a lump sum on signing each franchise agreement with us.

The display case is provided by the facility owner. It is refrigerated and holds the fresh-cut fruits and related products that are offered for sale at your Freshly Go Counter. The larger the display case, the greater amount of fresh-cut fruits and vegetables the Freshly Go Counter will have available for sale.

If you are an entity, each of your owners who are individuals must sign a personal guaranty. The guaranty is on the signature page of the franchise agreement.

#### **Training Fee**

You pay us an initial training program fee of \$500 per person (for you and any proposed employee) for our 20-hour training program. Although we do not have cap of how many people can attend the training program, in most cases 1 to 2 people attend the initial training program. Based on the number of people attend the initial training program, you will pay training fees ranging from \$500 to \$1,500. You pay the initial training

fee in full before you start training. The fee is not refundable. If you have previously owned, operated and/or served as a manager for a Freshly Go Counter within the last two (2) years, we may waive the training requirement based on your experience with us.

If you request a physical copy of our Operating Manual you pay us a manual lease fee of up to \$200 for each Freshly Go Counter to be opened before you start training.

If you fail to complete our training program to our satisfaction or if you fail any required drug, tuberculosis or other chemical and disease testing and/or criminal background investigation (described below), we may cancel the franchise agreement.

#### Drug Test, Background Check and Tuberculosis Test

Prior to accepting you as a Freshly Go franchisee, we require you to submit to drug testing, a criminal background check, and/or Tuberculosis testing. Your results must be acceptable to us. You must reimburse us our cost in obtaining these tests and checks, estimated at \$250 to \$1,000.

#### Opening Food Inventory

Prior to opening your business, you must purchase certain opening food inventory from approved suppliers, which include us and/or affiliates. The cost of these items for a new location is \$1,000 to \$10,000.

#### Equipment and Small Wares Purchase

Prior to opening your business, you must purchase certain equipment, small wares, and supplies from approved suppliers, which include us and/or our affiliates. The cost of these items for a new location is \$3,000 to \$7,500.

#### Pricing Labels, Label Machine and Label Printer

Before opening, we require you to purchase a label machine consisting of a tablet and printer and warranty\* ranging from \$999 to \$3,000 for each Freshly Go Counter you propose to open, plus shipping costs ranging from \$10 to \$100. You must also purchase pricing labels which are compatible with the label equipment. The cost of a set of labels is \$320 per box (25 rolls), for an 800-count self-adhesive labels per roll. Based on the number of products sold, the label cost will range from \$320 to \$1,280 over the first 3 months. The cost of the label machine will vary, depending on the type of tablet, printer and warranty you decide to purchase in accordance with the requirements in the manual.

#### Uniforms

Prior to opening your business, you must purchase from us uniforms for your employees. The cost of purchasing uniforms for a new location is \$80 to \$500.

#### Purchase of Existing Location

If you purchase an existing location from us, we will charge you \$1,000 to \$10,000 for the Freshly Go Counter business, assets, equipment and value of the established market of the Freshly Go Counter, as we determine at our sole discretion. You must also pay us \$500 per person for training.

We may finance some of the initial franchise fees and various other expenses that you incur with us. (See Item 10.) None of these fees is refundable. Except as indicated above, these initial fees are uniform to all new franchisees, though we may change them in the future.

**ITEM 6 OTHER FEES (1)**

Name of Fee	Amount	Due Date	Remarks
Compensation to Franchisor (2)(3)(4)	Varies. Typically 15% to 35% of Gross Sales to the store or other facility where you are located, and 5% to 20% of Gross Sales to us. (2)(4)	Monthly	Our (or our parent’s) agreement with the store says they keep a percent of your gross sales (25%, for example). We keep a percent (10%, for example). We return the rest to you (typically, 65%) less amounts we deduct for other charges to you. These percentages can vary, but the amount paid to us will generally not exceed 20% of Gross Sales. See Footnotes 3 & 4.
Technology Fee (3)	Up to \$100 per month, with the right to increase the maximum fee by 10% annually (“Maximum Technology Fee”). Currently \$77 per month.	Monthly	Deducted from your Gross Sales on the first day of the month on which we return Gross Sales to you. See Note 1.  60 days prior notice before we increase or modify the fee currently charge or before imposing an annual increase in the Maximum Technology Fee.
Banners, logo items and displays (3)(5)	Actual cost	After ordered	These are items like umbrellas or carved wood signs. Prices vary depending on the type of item and supplier. You pay us if you buy these optional items from us.
Additional Training (3)	\$500 per person, plus costs of attending	Upon demand	If you elect and request us to train your managers at our headquarters or other location we designate.
Ongoing Training Fee	Then-current fee; currently \$25	Monthly	For use of our mobile application for supplemental training. See Note 1.  60 days prior notice before start collecting or before we increase or modify the fee currently charged.
On-site additional Training (3)	Up to \$500 per person, per day	As incurred	If we go to your site to train you and/or your managers.
Failure to Attend Additional Training (3)	\$250	Payable if you fail to attend required training	If you fail to attend any required training, we may assess this fee and deduct it from commissions payable to you.
Testing and Criminal Background Checks (3)	\$250 - \$1,000	On demand	Prior to accepting you as a Freshly Go Counter franchisee, we require you to submit to drug testing, a criminal background check, and/or Tuberculosis testing. You must reimburse our cost in obtaining these tests and checks

<b>Name of Fee</b>	<b>Amount</b>	<b>Due Date</b>	<b>Remarks</b>
Manuals Lease Fee (3)	Up to \$200 for each Freshly Go Counter you operate	After manuals provided.	If you request a physical copy of our manuals, you pay a lease fee of \$100 for the Operating Manual and \$100 for the Standard Sanitation Operating Procedure and Methods Manual, for each location you operate. The fee is refunded when you return the manuals to us within 30 days of the expiration or termination of your location. Otherwise, there is no refund. If you receive the manuals electronically, you do not pay this fee.
Customer Satisfaction Fee (3)	Up to \$1,000 per complaint	On demand	Charge to compensate us for our efforts in addressing and resolving customer complaints against you or your franchise.
Account Broker Fee	\$100 - \$500 per quarter for each Freshly Go Counter you operate.	Quarterly	If we pay a fee for the right to locate the Freshly Go Counter in the facility or store, you reimburse us for the amounts paid, not to exceed \$500 per quarter for each Freshly Go Counter subject to this fee.
Additional Uniforms (3)	Up to \$350	On demand	If you want to purchase additional uniforms. Cost is for four sets of uniforms.
Default Charge (3)	Up to \$1,000 per default	On request	You pay this fee if you default on your obligations as specified in the operating manuals or franchise agreement. Repeats of the same default may incur doubling of the Default Charge.
Pricing Labels (3)	Our actual cost incurred (estimated to be \$500 per item for which price is changed)	When you decide to charge different prices requiring us to print special price labels	To charge prices that differ from pricing we print on labels, the label machine must be reprogrammed. You pay or reimburse the amount charged to us by the vendor for our computer programming to print labels with pricing you want.
Product Purchases – Ancillary Charges (3)	Actual cost	After shipping	You buy food and other items from us, our parent, our affiliate or authorized suppliers. You also pay freight, and other ancillary charges.
Extended Producer Responsibility Fee (EPR)	Up to \$2000 per month	If and when required by your state’s regulator	Based on the Extended Producer Responsibility (“EPR”) laws in certain states that require collection of this fee, we will require you to reimburse us for our payment of this fee, subject to state law. Only certain states have laws that regulate paper, plastic and packaging, which currently include California, Colorado, Michigan, Oregon and Maine.

Name of Fee	Amount	Due Date	Remarks
Reimbursement for Employee Wages Paid (3)	Actual cost	If and when required by the facility owner.	If the facility owner, due to labor contracts or otherwise, requires your Freshly Go Counter employees to be employed directly by the facility owner, and we are asked to reimburse the facility owner for these employment costs, we will then deduct such payments from the amounts due to you.
Transfer Fee (3)	<p>\$10,000, if transfer requested within first year of operation; or \$3,000, if transfer requested after first year of operation until the end of franchise agreement term, and, in each case, our out-of-pocket costs and expenses (including attorneys' fees).</p> <p>You deposit the transfer fee with us when you request our consent to the proposed transfer.</p>	When you ask us to consent.	Amount is charged to transferor per outlet transferred. The transfer fee is not refundable, whether or not the transfer is completed
Transfer to Entity Fee (for individuals wishing to transfer their interest in the franchise agreement to a newly formed entity controlled by them) (3)	No charge for first request to transfer to entity. \$250 for each subsequent request.	When you desire to transfer your interest in this agreement to an entity you control.	You must pay us this fee each time you seek our consent to you transferring your interest in the franchise agreement to another entity controlled by you.
Renewal Fee (3)	\$10,000	When you renew your agreement for another term.	You pay this fee to renew your agreement for another term.
Audit (3)(6)	Cost of audit, if discrepancy of 1% or more, but no less than \$500	When we request, following the audit	You pay this if an audit by us indicates a discrepancy in your books or under-reporting of sales by 1% or more for any period.
Management Fee (3)	Then-current per diem fee, plus travel, meals, lodging and incidental expenses of our personnel; currently \$500 per person per day.	As incurred or upon our determination	If we are requested or we determine we need to operate your Freshly Go Counter due to default or breach, or upon the death or permanent disability of one of your owners and you do not immediately appoint a new Acting Principal.
Direct Deposit Fee (3)	\$5 per month	On demand	We make all payments to you via direct deposit. You will receive monthly statements via email or you may access the monthly statements online using the AFC Connect portal. In rare circumstances, we may need to send your commissions via a manual check. In those circumstances, we will

Name of Fee	Amount	Due Date	Remarks
			send these via UPS at a cost of up to \$25 per month or at your option via regular mail at no additional cost.
Shipping Administrative Fee (3)	Up to 2 ½% of total purchase price	On demand	We charge this fee to defer our administrative and other costs of shipping products to your Freshly Go Counter.
Insurance (3)(7)	Varies	When we request.	If you don't get insurance we require, then we can get it for you (though we don't have to) and you must pay for the insurance or reimburse us or we can deduct the cost from amounts we owe you.
Indemnification (3)	Actual cost	On demand.	You indemnify us concerning your Freshly Go Counter and all government imposed taxes, fees, charges, fines, and penalties imposed on your operations.
Expenses Caused by Breach (3)	Actual cost	On demand	You must pay us all expenses we incur due to your breach or default, including attorney's fees.
Request for Approval of New Product, Supplier or Vendor (3)(8)	\$1,000, plus our out of pocket investigation expenses	If requested	If you request to sell a non-approved product, or use a non-approved supplier or vendor, you pay our investigation expenses and a fee of \$1,000.
Mailing and Reproduction Costs (3)	Varies	On demand	If we send you materials such as manuals or marketing materials for your location, we may charge you a reproduction, service and handling charge up to \$100 per shipment.
Warranty Service for Labeling Machine (3)	Varies, currently \$99 for the first two years or \$199 for the first three years	On demand	To renew your labeling machine warranty after the first two or three years of operation, respectively.
Lab Test (3)	Up to \$500 per sample tested	On demand	If we order a lab test to examine food in your facility, you must pay up to \$500 for each sample tested.
Early Termination Fee (3)	\$10,000 if terminated within first year of operation, plus additional expenses incurred  \$3,000 if terminated after first year of operation, plus additional expenses incurred	On demand	If you abandon any location or if your franchise agreement is terminated before the end of the term, or if you ask to exit the system early and we agree, we can assess this fee against you.
Advertising Cooperative Fee	Varies	On demand	If an advertising cooperative is formed in your area, you must participate in and contribute to the cooperative according to its procedures.
Advertising Contribution Fee	Actual costs	When we request, following initiation of the campaign	If we conduct any regional or national advertising campaigns, any geotargeted marketing campaigns, or national news and weather campaigns

Name of Fee	Amount	Due Date	Remarks
			for your brand, we can bill you your pro-rata share of such advertising. We may absorb some of the cost, but have no obligation to do so.
Administrative Fee (3)	Up to \$100 per garnishment/levy request	On demand	Reimbursement for our costs and expenses for complying with tax levies and wage garnishments issued against you or your owners.
Promissory Note Payments (if applicable)	Actual costs	Monthly	Payable if you buy an existing location from us and request financing. See Item 10.
Late Fee under Promissory Note	1% of delinquent amount (or highest rate allowed by law, whichever is lower, which is currently 10% annually in California)	On demand	Payable if you are late in paying monthly Promissory Note Payments more than 10 days.
Third Party Audits and Charges	Actual costs as incurred	10 days after notice	Payable if we are charged by third parties for audits, inspections, fines and/or charges imposed or levied against the Freshly Go Counter, including food safety, facility audits and customer service.
Third-Party Delivery Fee (3)	Varies, 0% to 6.5% of Gross Sales of delivered food	Monthly	<p>Our (or our parent's) agreement with the store or other facility may allow that they keep a percent of Gross Sales to reimburse the store or facility for third-party delivery fees they incur for delivery of your products, such as through Grubhub and DoorDash. If a Third-Party Delivery Fee is assessed for food ordered from you, it will be deducted from the amount returned to you as follows:</p> <ol style="list-style-type: none"> <li>1. The full Third-Party Delivery Fee will be deducted from the amount paid to you; or</li> <li>2. At our discretion, we can agree to share the cost of the Third-Party Delivery Fee with you; or</li> <li>3. Alternatively, the store or facility may directly charge you for the Third Party Delivery Fee.</li> </ol> <p>See Footnote 3.</p>
Local Store Marketing Expense	Varies, 0% to 0.25% of Gross Sales to the store or other facility where you are located	Monthly	Payable if the store or other facility charges us for local marketing initiatives for the Freshly Go Counter, such as on-site advertisements, coupon

Name of Fee	Amount	Due Date	Remarks
			offers, social media, mailers and other advertising programs.  See Footnote 3.
Relocation Fee	The difference between the franchise fee applicable for your new location and the franchise fee you initially paid	Upon request	Payable only if your new location is in a higher category than your initial location.
Interest on Late Payments	Late fee equal to the greater of \$250 or 10% of the amount due; plus interest at the rate of 12% on the unpaid amount, or the highest amount allowed by law	Upon demand	Payable only if your payment to us is past due
Insufficient Funds Fee	10% of the check, electronic funds transfer, or other payment due	Upon demand	Payable only if your payment to us is declined due to insufficient funds.
Pricing Label Change	Our cost of changing the pricing, estimated at \$500 per product, plus the cost of the labels themselves	As requested	If you desire to charge prices that are different from the pricing incorporated into our standard labels, we must reprogram and reprint the labels. You pay for our administrative cost and our cost incurred to vendors to print labels with the pricing requested.
Repair or Replacement Charges	\$30 to \$300	As incurred	This charge is payable in the event we repair or replace your tablet, labeling machine, or software.
Inspection Fee	\$1,000 per unit, plus costs of inspecting your Freshly Go Counter	Upon demand	If we, , our agent or designee inspect your location and identify a health violation, you must pay for the inspection and costs of remediation.

Footnotes:

- (1) All fees are imposed by and are payable to us, our affiliate or to AFCC. Fees are uniformly imposed. All fees are non-refundable. If you are an entity, each of your owners who are individuals must sign a personal guaranty. The guaranty is on the signature page of the franchise agreement. As of March 2025, there were no purchasing or advertising cooperatives. Accordingly, franchisor owned outlets did not have voting power on any fees imposed by such cooperatives.
- (2) “Gross Sales” means all sales and revenues whatsoever derived from your business, in any form, except that sales tax, credits or refunds are not part of Gross Sales.
- (3) Payable by deduction from our payments to you. The deduction appears on a monthly statement.
- (4) You do not receive direct payment from your sales. All sales will be through registers owned or operated by the facility owner. The facility owner forwards payments to us, less any amount to be retained by them under their agreement with us. We retain a compensation fee together with other charges owed to us or AFCC. We return the rest to you. These amounts may vary according to the facility. The amounts are typically 80% to 45% paid to you (less amounts you owe us), 15% to 35% to the facility owner and 5% to 20% to us (plus any amounts you owe us.) If we negotiate a different amount to the facility owner then the percentage to you and us may be different. More often, if different, you will receive a higher

percentage, but not always. When the percentage to you is lower, it is usually a location we expect to have a higher volume of sales. As an example, at a prominent university the facility owner retains 30%. We retain 6% and the operator receives 64%, but it is a higher volume location. We will pay you your percentage usually within 30 days after receiving the sales report and payment for the applicable period from the facility owner. Our sole responsibility is to remit to you the agreed commission percentage on amounts actually received from the facility owner. We have no responsibility under any circumstances to pay any commission to you on amounts not received from the facility owner. If we pay your commission in any given month before receiving payment from the facility owner and the facility owner does not pay us as required, you must reimburse us the commissions paid to you. You must also reimburse us any amounts paid to you, if we discover such amounts were paid in error, for example, if the facility owner requests a refund due to overpayment in any given period or if we otherwise overpay you. We can withhold any overpayment from future payments due to you.

- (5) Your cost may vary because there are different suppliers of logo items and banners and costs depend on the particular marketing tools selected. Other items could include umbrellas and/or carved wooden signs. Typically, prices are in the range of \$250 to \$1,000.
- (6) “Discrepancy” means any discrepancy between data reported by the facility owner and you. The data reported by the facility owner will control. “Underreporting” means there were sales not included in your sales report to us.
- (7) If we choose, we can arrange to get insurance on your behalf, although we have no obligation to do so. If we do, you reimburse us the amount paid on your behalf.
- (8) If you want to offer something we haven’t approved or buy from a supplier we haven’t approved, we can charge you or the supplier for expenses we incur in our investigation. The fee will depend on the extent of the investigation needed. You must notify us in writing and provide us samples and other information we need to check out the product or supplier. See Item 8.

**ITEM 7 ESTIMATED INITIAL INVESTMENT**

**YOUR ESTIMATED INITIAL INVESTMENT**

**ESTIMATED INITIAL INVESTMENT FOR ONE NEW FRESHLY GO COUNTER LOCATED IN A GROCERY STORE OR OTHER LOCATION OWNED BY A THIRD PARTY(1)**

<b>Item</b>	<b>Amount</b>	<b>Method of Payment</b>	<b>When Due</b>	<b>To Whom Paid</b>
Initial Fee (1)	\$5,000	Cash on signing.	On signing franchise agreement.	AFC
Tuberculosis, Drug Testing and Criminal Background Checks, Credit and Background Check Fee (2)	\$250 - \$1,000	Cash	Prior to opening	AFC
Training Fee (3)	\$500 - \$1,500	Cash	Start of training.	AFC
Travel and Living Expenses while Training (4)	\$2,000 - \$10,000	As incurred.	During training.	Airline, hotel, restaurant

<b>Item</b>	<b>Amount</b>	<b>Method of Payment</b>	<b>When Due</b>	<b>To Whom Paid</b>
Operating Manual/SSOP Fee (5)	\$0 - \$200 (\$100 per each physical manual)	Cash	Start of training (for new franchisees) and when opening another location (for existing franchisees), if you request a physical copy of our manuals.	AFC
Food Manager Examination & Certification (6)	\$75 - \$500 per certification	Cash	Before opening	Third party provider or government agency
Purchase of already existing AFC operated Freshly Go Counter from us (7)	\$1,000 - \$10,000	Cash.	On closing if you buy an existing location from us.	AFC
Opening Food Inventory (8)	\$1,000 - \$10,000	Cash	Before opening	Our affiliate
Equipment and Small Wares Purchase Price (9)	\$3,000 - \$7,500	Cash	Before opening	Our affiliate or approved supplier
Pricing Labels and Computer System and Label Printer Purchase Price (10)	\$2,329 - \$5,380	Cash on purchase	Before opening for business	AFC or approved suppliers
Insurance (per location) (11)	\$68 - \$4,800	Cash	When incurred.	Insurance company/AFC if we obtain the insurance on your behalf
Uniforms (12)	\$80 - \$500	Cash	Before opening.	AFC
Licenses & Permits (13)	\$200 - \$3,000	Cash	Before opening.	Government Agencies/AFC if we assist in obtaining these for you
Technology Fee (3 months)	\$231	Cash	\$50 due Monthly	AFC
Additional Funds -3 months (14)	\$12,000 - \$70,000	As incurred	As incurred	employees, suppliers, utilities and AFC
Professional Advisor (15)	\$250 - \$5,000	Cash	When incurred before opening.	Your Professional Advisors
Total for a new Freshly Go Counter franchise (16)	\$26,983 - \$124,611 (if you do not purchase an existing Freshly Go Counter from us) \$27,983 - \$134,611 if you purchase an existing Freshly Go Counter from us (see FN 6)			

Footnotes:

(1) This table provides estimates for one Freshly Go Counter located inside a grocery store or similar location. This table estimates your initial investment from the period before your Freshly Go Counter opens for business, until about 3 months of operations. We used the experience of our affiliate, JFE in making these estimates. These are only estimates. Unless indicated otherwise, all amounts payable are non-refundable. See item 10 for financing we provide.

We charge an initial fee for each Freshly Go Counter operated under the franchise agreement. You pay the initial franchise fee in a lump sum on signing each franchise agreement.

(2) You pay us the credit and background check fee when you provide us your completed application to become a franchisee. We do not charge this fee if you are an existing franchisee opening an additional location. Whenever we or the facility owner requests, you and your specified personnel must undergo drug, tuberculosis and other chemical and disease testing and/or criminal background investigation. The low estimate assumes a criminal background check for one person only. The high estimate assumes we or the facility owner require drug, tuberculosis and other chemical and disease testing as well as a criminal background investigation on two persons (you and one helper). If you fail any required drug, tuberculosis or other chemical and disease testing (which we or the facility owner requires) or any criminal background investigation we may cancel the franchise agreement and keep the fees paid to us.

(3) You pay us when training starts. If the franchisee is an entity, each of the franchisee's principal owners must attend our training. Principal owner means any individual who owns directly or indirectly 30% or more of the entity. If you (or your principal owner(s)) do not complete training to our satisfaction we may cancel the franchise agreement and keep the fees paid to us. There is no training fee for an existing previously trained franchisee adding an additional franchised location. The training fee includes the purchase price of 2 sets of uniforms. The low estimate assumes only one person receives training. The high estimate assumes three persons receive training.

(4) Expenses to travel to location of training, which may be, in our discretion in California, and for hotel and meals during our training program. There is no training fee for an existing franchisee adding an additional location to their existing agreement. This estimate assumes you spend \$400 to \$1,000 for round trip airfare per person, 10 to 25 nights in a hotel at \$100 - \$150 per person per night, and \$200 - \$1,000 per person for meals. The low estimate assumes only you are trained in our 10 day training program and that you already have a food manager certificate. The high estimate assumes you and a manager are trained in the 10 day program, 2 day food certification training.

(5) We charge a manual lease fee for each physical operating manual you request that we provide to you. Currently, these are our Confidential Operation's Manual, and Standard Sanitation Operating Procedures and Methods Manual, (if applicable to your franchise). You will pay this fee, if you request to receive one physical set of manuals for any Freshly Go Counter you operate. If you paid the manual lease fee, it will be refunded to you when you return the physical manuals to us on termination or expiration of your agreement. If you choose to receive the manuals electronically instead of our physical version, you will not be required to pay this fee.

(6) We and many jurisdictions require you to have a food safety certificate to operate a business serving food to the public. Every Freshly Go Counter must have at least one ServSafe® Food Protection Manager certified person onsite during all operating hours.

(7) If you purchase an existing Freshly Go Counter from us or our parent, we will charge you our estimate of the fair market value of the Freshly Go Counter, taking into account the revenue, assets, equipment

and value of the established market of the Freshly Go Counter sold to you. You will either sign our form of Asset Purchase Agreement attached as Exhibit F, if the sale includes the assets and equipment of the Freshly Go Counter, or our form of Freshly Go Counter Transfer Agreement, attached as Exhibit G, if the sale does not include the sale of assets and equipment of the Freshly Go Counter.

(8) Estimated cost for opening food inventory. We try to have the opening food inventory at your location when you arrive to start the business.

(9) We finance certain expenses for equipment and small wares such as thermometers, labels and uniforms. See Item 10 for additional details.

(10) Estimated cost for Tablet and printer to print price and ingredient labels for the products you sell and an inventory scanner to track your daily inventory of products made at your food service center. The cost of the label machine will vary, depending on the type of tablet and printer you decide to purchase in accordance with the requirements in the manual. The low estimate assumes you already have the printer and scanner needed at your location. The high estimate assumes you are required to purchase a Tablet, printer and inventory scanner. This estimate includes the estimated cost of purchasing a computer system with Internet capabilities.

(11) Estimated one year premium for required insurance. Insurance premiums may vary based on sales. If we pay on your behalf, you reimburse us.

(12) Estimated cost for four uniforms, including a hat, a coat and an apron beyond those you receive at the initial training. Low estimate assumes you choose not to purchase additional uniforms. The high estimate assumes you purchase these additional uniforms.

(13) Estimated costs for retail food license and business license which typically must be obtained from the City, County and/or State. At our election, we have the right, but no obligation, to obtain any required licenses and permits in your name. You grant us a power of attorney to apply for any required licenses, permits and any renewals of these for your food service counter. You reimburse us for any costs and fees incurred by us in applying for these licenses and/or permits on your behalf.

(14) We recommend that you have some additional funds for opening cash and expenses to cover entity formation costs, three months of operations, employee salaries (including yourself), supplies, administrative costs and funds of on-going inventory purchases for the first 3 months of operations at \$3,000 to \$7,500 per month. This estimate includes the Direct Deposit Fee of \$5 per month.

(15) Estimated charges for you to consult with independent professional advisors like a lawyer and CPA.

(16) A new franchisee will not achieve the low estimate of zero in any category where zero is indicated, except possibly training fee for managers (if no managers are trained), additional uniforms (if no additional uniforms are purchased), and manual lease fee (if no physical manual is requested) (see footnotes 4 and 16). The estimated range for a new franchisee is based on the low estimates from these footnotes, and a high that is the sum of the high estimates in each category.

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

Your Freshly Go Counter will be at a location you and we choose. It will be a grocery store or other location whose owner has an agreement with us or our parent for us to place a Freshly Go Counter there.

You must purchase or use certain goods, services, supplies, equipment, inventory, insurance, and other items related to operating your Freshly Go Counter only from our approved suppliers, which may be us or an affiliate. You may only use those fixtures, furnishings, equipment, and signs that are approved in writing by us. We may require you to purchase interior signage and display equipment only from us or our approved supplier. We may add designated suppliers or products by notice to you through additions to the manuals.

We have developed some proprietary food products, food preparation procedures, sauces, spices, and recipes. To protect our trade secrets and maintain quality control, we can require you to buy these proprietary items only from us or from suppliers we designate. You are required to purchase fresh fruit, fruit products, non-fruit products, cooler items, dry foods, and nonfood products such as labels, uniforms, small wares, equipment, and NSF approved carriers from our approved suppliers. You must comply with any source restrictions imposed by the facility owner to maintain quality control or an identifiable source for products in the event of product recalls.

We do not require you to buy or use electronic cash registers. All food purchases are normally handled through supermarket cash registers or the registers of the facility where your franchise is located. You are required to purchase a computer system with Internet connectivity to permit you to submit purchase orders online and to obtain information on new products, product specifications or other information.

We typically provide the initial inventory and equipment to the Freshly Go Counter before you arrive to start operating. As a result, you will obtain these items from us. This helps us get your Freshly Go Counter ready and lets you start operating sooner. You must keep all equipment in good repair.

You must lease or purchase from us or another approved supplier, a label printing system designated by us to print labels for your products.

We have a list of approved suppliers for food products and other items you need to operate the Freshly Go Counter. The list identifies manufacturers, brands, suppliers, transportation companies, and items and services we approve. We can revise the list from time to time. Other than our parent AFCC, our affiliate AFCDC and us, we do not have any suppliers in which any of our officers own an interest.

We have the sole right to develop new items for sale at your Freshly Go Counter. You must not develop, offer or sell cut fruit and vegetables or other food items to the public without our prior written approval or sell any non-approved item from your Freshly Go Counter.

If you want to offer something we haven't approved, or buy from a supplier we haven't approved, you must tell us in writing and provide us samples and other information we need to check out the product or supplier. We expect to complete our review of a proposed new supplier within 60 days, however this could take longer depending on our and the supplier's availability, and the extent of inquiry needed. Our approval may be conditioned on things like whether the supplier meets our standards, has a good reputation, has satisfactory financial condition, can provide service at a level we require, and is willing to agree to restrictions to protect our intellectual property rights. We can charge you or the supplier to investigate the supplier. Later, we can revoke any approval we've given. We permit franchisees to contract with suppliers who have been approved by us and who meet our criteria. We can issue written specifications and standards to franchisees and approved suppliers. We have the right to modify our specifications and standards on written notice.

You must purchase the insurance coverage we specify from carriers satisfactory to us, and containing terms we require. As of the effective date of this Disclosure Document, we require the following insurance:

(a) Commercial General Liability coverage covering the premises and your operations for bodily injury and property damage liability including contractual liability, personal injury and product liability coverage in amounts not less than \$1,000,000 per occurrence and \$2,000,000 aggregate;

(b) Worker’s Compensation Insurance in statutory amounts as required in the state(s) where your operations are conducted, including a Voluntary Worker’s Compensation endorsement extending coverage to all employees exempted from coverage due to numerical employment requirements of the state;

(c) Employer’s Liability Insurance with limits of \$1,000,000 per occurrence;

(d) Unemployment Insurance covering your employees;

(e) Property Insurance in an amount adequate to replace contents in the event of an insured loss;

(f) Business Income Insurance with limits adequate to insure profits and continuing business expenses for one year;

(g) State disability insurance for your employees (as required by law); and

(h) Automobile liability insurance including coverage for autos owned, leased, hired or borrowed by you or your owners, with limits of at least five hundred thousand dollars (\$500,000) per occurrence of bodily injury and property damage combined, and any other or increased amounts of insurance that we may require from time to time for each vehicle used by you (whether principally or occasionally) in connection with the franchised business (for example, to drive to the franchised location or otherwise). See Franchise Agreement Section 12.1.

You must use only goods and services that comply with our standards. We don’t have any other required specifications, designated suppliers or approved supplies. Except as disclosed in this Item, we do not currently have any arrangements to derive revenue from your purchases or leases from third parties. We could make such arrangements in the future.

We or our affiliates derive revenue from your purchases from us, our affiliates and/or our approved suppliers. The revenue equals the amount we charge you or the supplier for the items. Your purchases from us, our affiliates and/or our approved suppliers will be 85% or more of the purchases you will make to start the business; and nearly 95% or more of the purchases you will make on an ongoing basis to operate the business. The main item we expect that you will buy from others is produce. We had no Freshly Go franchisees as of March 31, 2025, so neither we nor our affiliates derived any revenue from required purchases by Freshly Go franchisees.

There aren’t any purchase or distribution cooperatives and we do not negotiate terms from any suppliers to supply direct to franchisees. There are no material benefits to you based on buying from particular 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	Sections In Agreement	Items In Disclosure Document
a. Site selection and acquisition/lease	Fran. Agmt. Secs. 1, 3.1-3.4 Asset Purchase Agmt. Freshly Go Counter Transfer Agmt.	7, 8, 11, 17

<b>Obligation</b>	<b>Sections In Agreement</b>	<b>Items In Disclosure Document</b>
b. Pre-opening purchases/ leases	Fran. Agmt. Secs. 11.5, 11.11, 11.12, 11.15, 11.18, 11.19, 11.20, 12.1	5, 8
c. Site development and other pre-opening requirements	Fran. Agmt. Secs. 3.1-3.4	5, 8, 11, 12
d. Initial and ongoing training	Fran. Agmt. Secs. 11.26, 11.27, 11.28	11
e. Opening	Fran. Agmt. Secs. 2	11
f. Fees	Fran. Agmt. Secs. 4.5, 9, 11.26-11.30, 13.2, 14.9;	5, 6
g. Compliance with standards and policies/Operating Manual	Fran. Agmt. Secs. 1, 5, 6.1-6.7, 7.1-7.2, 11.1 - 11.28, 11.30	11
h. Trademarks and proprietary information	Fran. Agmt. Secs. 4.1-4.5, 6.1-6.7, 16.9	13, 14
i. Restrictions on products/services offered	Fran. Agmt. Secs. 7.2, 11.1-11.25	16
j. Warranty and customer service requirements	Fran. Agmt. Secs. 9.2, 11.2, 11.6, 11.7, 11.22	11
k. Territorial development and sales quotas	Not Applicable	12
l. Ongoing product/service purchases	Fran. Agmt. Secs. 11.4-11.6, 11.8-11.13, 11.14, 11.15	8, 10
m. Maintenance, appearance, and remodeling requirements	Fran. Agmt. Secs. 7.1-7.2, 11.1-11.3	8, 17
n. Insurance	Fran. Agmt. Secs. 12.1-12.5	7, 8
o. Advertising	Fran. Agmt. Sec. 8 and 9	11, 12
p. Indemnification	Fran. Agmt. Sec. 12.6 Asset Sale Agmt. Sec. 8.2 Freshly Go Counter Transfer Agmt. Sec. 5	6
q. Owner's participation/ management/staffing	Fran. Agmt. Sec. 11.17, 11.28	15
r. Records/reports	Fran. Agmt. Secs. 10.1-10.4, 11.1	6
s. Inspections/audits	Fran. Agmt. Secs. 4.5, 10.4	6
t. Transfer	Fran. Agmt. Secs. 14	6,17
u. Renewal	Fran. Agmt. Sec. 13	17
v. Post-termination obligations	Fran. Agmt. Secs. 15.6-15.7	17
w. Non-competition covenants	Fran. Agmt. Secs. 6.3-6.7	17

Obligation	Sections In Agreement	Items In Disclosure Document
x. Dispute resolution	Fran. Agmt. Sec. 16.8 General Release Sec. 9 Asset Sale and Purchase Agmt. Sec. 10.3 Freshly Go Counter Transfer Agmt. Sec. 10.	17
y. Risk Management	Fran. Agmt. Secs. 12.1-12.6	6
z. Nature of Business	Fran. Agmt. Sec. 12.7	1
aa. Restriction on Communication	Fran. Agmt. Sec. 16.5	15
bb. Personal Guaranty	Signature Page of Franchise Agreement	5, 6
cc. Tuberculosis, Drug Testing and Criminal Background Checks	Franchise Agmt. Sec. 11.30	5, 6, 7
dd. Cross Default	Franchise Agmt. Sec. 15.3	17

## ITEM 10 FINANCING

We can finance certain expenses you incur in operating your Freshly Go Counter, at our discretion, in circumstances when the commission payable to you is less than the balance owed to us. You can pay us over a period of months by deductions from commissions we pay you. We do not offer other direct or indirect financing. We do not finance any debt to a third party. We do not guarantee your note, lease or obligation.

### Summary of Financing Offered

Item Financed (Source)	Amount Financed	Down Payment	Term	APR%	Weekly Payment	Prepay Penalty	Security Required (2)	Liability on Default	Loss of Legal Right on Default
Initial Franchise Fee (Note 1)	\$1,500-\$2,500	\$2,500	10 weeks	No interest	\$150 - \$500	None	None	Individual liability	Not applicable
Equipment and Small Wares	\$1,500 - \$7,500	None required	10 weeks	No interest	\$150 - \$750	None	None	Individual liability	Not applicable
Purchase Price Financing of Existing Freshly Go Counter(3)	\$1,000 - \$10,000	Varies, but usually equals first installment due	0-12 months	No interest	Varies(3)	None	None(3)	Individual liability	Not applicable

#### Footnotes:

You will sign the standard Promissory Note that is attached to his Disclosure Document as Exhibit H. We do not require any parties who do not have ownership interest in the franchise to sign the Promissory Note. We lump all expenses together and deduct in one lump sum from weekly commissions we pay you.

If you purchase a Freshly Go Counter business from us and ask us to finance part of your purchase price, you will sign a promissory note. If you fail to make payments, we can deduct payments from commissions due to you.

The Promissory Note provides a late payment penalty of the lower of 1% per month or highest rate allowed by law of the amount overdue and acceleration of the entire amount due if you are more than 10 days late

making a payment. If you don't comply with the Promissory Note or any of the other agreements with us we can accelerate the entire amount remaining due without notice.

You waive all rights to presentment, protest and demand, diligence in collection and notice of protest, presentment, demand, dishonor and nonpayment of the Promissory Note and any release or discharge arising from any extension of time, discharge of any party liable for payment of the Promissory Note, or other cause of release or discharge other than actual payment in full of the Promissory Note.

We don't have any intent to sell, assign or discount to a third party all or part of the Promissory Note; however, we reserve the right to do so.

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

**Except as listed below, AFC is not required to provide you any assistance.**

Pre-Opening Services. Before you open your Freshly Go Counter for business, we will provide you the following services:

We will provide you (or your principal owners) training described in the table, below, unless you already received our training. You must complete a food safety certification program, at your own expense. We may exempt you from some or all of our training sessions if we determine, at our sole discretion, that you are already experienced in these subjects. You (or your principal owners) must complete this training to our satisfaction before starting operations. If you (or your principal owners) fail to complete training to our satisfaction, we may cancel the franchise agreement and keep all amounts paid to us. We may also exempt you from some or all training (at our sole discretion) if you or your affiliate currently owns or operates a Freshly Go Counter or the Franchise Agreement is executed as a renewal Franchise Agreement (Fran. Agmt Sec. 11.26).

**TRAINING PROGRAM<sup>1,2,3</sup>**

<b>Subject</b>	<b>Hours of on the Job Training</b>	<b>Location</b>
<b>Introduction, Compliance, and Labeling</b>	2	In your proposed Freshly Go Counter or other location we choose.
<b>Sanitation and Logs</b>	4	In your proposed Freshly Go Counter or other location we choose.
<b>Fruit Preparation, Quality, and Evaluation</b>	6	In your proposed Freshly Go Counter or other location we choose.
<b>Fruit-Related Products, Product Demonstration, and Sampling Programs</b>	4	In your proposed Freshly Go Counter or other location we choose.
<b>Franchise Operation</b>	4	In your proposed Freshly Go Counter or other location we choose.
<b>TOTALS</b>	<b>20 Hours</b>	

- (1) The Freshly Go Counter initial training totals 20 hours.
- (2) We will offer the training program weekly or as needed.
- (3) We use the following Instructional Materials: Confidential Operation's Manual and Standard Sanitation Operating Procedures and Methods Manual, and recipe/merchandising guides for our franchise.

(4) Continuous Training: We use the Attensi training platform to provide ongoing, on-demand training content and refreshers for franchisees and their teams.

We charge \$500 per person per day for initial training. If we exempt you from all training, we will waive the training fee. You pay your own travel and living expenses during training. We reserve the right to waive the training requirement in our absolute discretion where we are satisfied that you have sufficient skill, knowledge and experience with both the operational requirements and our prescribed and preferred procedures. On the job training will be conducted at your proposed Freshly Go Counter or another location that we select.

Our trainers are various individuals who work in various departments such as operations, product, and compliance, and each trainer teaches in his or her area of expertise. As of the date of this Disclosure Document, these include: Gerardo Siordia Posada, who has 6 years' experience with us, is our Director of Corporate Training; Lucien Fray, who has less than 1 year of experience with us, but has over 5 years of experience with our affiliates, is our lead instructor for franchise management, operations, compliance, and customer service; Nelson Lee, who has 6 years of experience with us, is our food preparation, product development, and sampling programs instructor; and Raymond Kuah, who has 4 years of experience with us, is our store openings, on-the-job training, merchandising, and quality control instructor. Continuous, on-demand refreshers are provided through the Attensi training platform.

To help compare the store's reported sales and reduce or avoid discrepancies, during training we instruct you on keeping a log of your sales; and comparing your log to the sales reports we send you, which are based on information reported to us by the facility owner. If there is a discrepancy, you must tell us within 30 days. We can then contact the facility owner to alert them and attempt to reconcile the discrepancy. (Fran. Agmt § 10.3).

2. We will identify a grocery store or other venue where your Freshly Go Counter will be located and we will have worked with them on the build-out of the Freshly Go Counter. (Fran. Agmt. Sec. 3.1). Locations are established based on our parent's or our written agreement with a grocery store chain or venue owner, to place Freshly Go Counters at their locations. We are not required to show you the agreement. Our agreement with the facility owner may be month-to-month and can be terminated by the facility owner on short notice. We consult with you on which of the available locations to assign to you before you sign the franchise agreement. If you purchase an existing Freshly Go Counter from us or our parent, we will charge you our estimate of the fair market value of the Freshly Go Counter, taking into account the revenue, assets, equipment and value of the established market of the Freshly Go Counter sold to you.

You must select a location before signing the franchise agreement. If you and we cannot agree on a location, then we will not enter into the franchise agreement. You are responsible to obtain all required licenses and permits to operate your location and to hire and train employees. You must provide copies of your licenses and permits to us. If the facility owner, due to labor contracts or otherwise, requires your Freshly Go Counter employees to be employed directly by the facility owner, and we are asked to reimburse the facility owner for these employment costs, we will then deduct such payments from the amounts due to you under your Franchise Agreement. We can assist you obtain health permits on request. We will train those employees you select at our then standard rates.

3. We will loan you an electronic copy of our Confidential Operating Manual and SSOP Manual or you can request a physical copy of our Confidential Operating Manual and SSOP Manual and pay us the Manual Lease Fee. (Fran. Agmt. Sec. 5.1.). The table of contents of our operating manuals are Exhibit I to this Disclosure Document. As the date of this Disclosure Document our Standard Operating Manual contained a total of 53 pages and our Standard Sanitation Operating Procedure and Methods Manual had a total of 22 pages.

4. You must purchase from us and/or our approved suppliers any required equipment, signs, fixtures, opening inventory and supplies not provided by the owner of the facility where you will operate. We will provide written specifications to you about these requirements on written request. You are responsible to install these items, unless the installation will be done by the facility owner. We will deliver initial inventory and equipment to the Freshly Go Counter. You pay us or our affiliate for these. You must keep all equipment, signs and fixtures in good repair.

If we agree to grant you a franchise, then typically you will start operating your Freshly Go Counter within 3-10 days after you complete training. The main factors to this timing are whether the location is already built out by the facility owner, equipped and ready to operate, time for you to return to where the franchise will be located, and your desire and readiness to start. If there is a delay by the facility owner in building the location, or delay by you and us in choosing a location, it could be 30-60 days or longer before you start operating the Freshly Go Counter.

Post-Opening Services. After your Freshly Go Counter opens, we will provide you the following services:

1. If you ask, or we decide that additional on-site training is needed, we'll charge you \$500 per additional day. Our decision will be based on our evaluation of your need for additional assistance. We decide in consultation with you. (Fran. Agmt. Sec. 11.27.)

We will provide ongoing research and development seeking to identify new products that you may sell at your Freshly Go Counter. (Fran. Agmt. Sec. 11.6.) We will tell you about identified new products that you must offer or sell.

2. We will identify suggested and approved suppliers for products you will use in your Freshly Go Counter. For some items we may be the only approved supplier. We plan to identify any approved supplier in writing. (Fran. Agmt. Sec. 11.10)

3. We (or independent third party inspectors) will periodically inspect your Freshly Go Counter and tell you of operations we think you need to address or improve. (Fran. Agmt. Secs. 4.5, 11.2)

4. We may periodically provide additional training on new products or operation. We can require you and your manager to attend. We can charge you our current training fees for each person for whom we provide such additional training. You are responsible for all travel and living expenses incurred to attend any training programs. (Fran. Agmt. Sec. 11.28.)

5. We may recommend resale prices or pricing schedules to you and may provide pricing labels conforming to these recommendations. You have the right to determine prices that you charge for products sold from your Freshly Go Counter. If you want to charge a price or prices that differ from a price or price schedule recommended by us, then you must pay or reimburse any additional reasonable costs that we incur to prepare price labels containing the pricing determined by you. When allowed by law, we can specify maximum and minimum prices for products sold at your Freshly Go Counter. (Fran. Agmt. Sec. 11.25.)

If you must stop operating at a location because the owner of the location no longer wants a Freshly Go Counter there, or objects to you as the operator there, without your fault, we will try to find another location in the area for you to relocate to. There could be delay in getting another location, relocation may not be possible before expiration of the term of your agreement, or at all and your new location may not be comparable to the old. Additionally, any relocation, will involve a substantial interruption in operating your Freshly Go Counter until a new location is identified and prepared. You do not have to pay another franchise fee but you could lose expenses incurred from the original location. Conditions and results of the new location may differ from the prior location. If we cannot get a new location there is still no refund of any fees. (Fran. Agmt. Sec. 3.2).

If you ask, we will give you a list of our franchises in an area to help you comply with the restriction on competing that continues in effect after you are no longer our franchisee. (Fran. Agmt. Sec. 6.4(E)). On request, we will also assist you with any operational problems you encounter.

### Advertising

We encourage you to advertise your Freshly Go Counter. You must submit proposed advertising to us and use the materials only after you get our consent. You can't use any materials without first getting our written consent. We can restrict where you can advertise and how you advertise. You may not advertise on the Internet or use other electronic media without obtaining our prior written consent. Your advertising must include trademark, copyright and independent ownership notices that we request. (Fran. Agmt. Sec. 8.1 and 8.2). There is no franchisor sponsored or operated franchise advertising program or fund at this time. We have no obligation to spend any amount on advertising in the area or territory where your Freshly Go Counter is located.

We can designate a geographic area as an advertising cooperative that you must participate in. You'll participate and contribute to the cooperative according to its procedures. We can set the amount you and other franchisees contribute to any advertising fund operated by the cooperative. There is no requirement for franchisor owned outlets to contribute to the fund, although we anticipate that they will do so according to guidelines we establish. The cooperative will operate according to governing documents that we prepare or consent to. (Fran. Agmt. Sec. 8.4). If and when formed, these will be available to you for review. We can decide who administers the cooperative. There are no current requirements for cooperatives to prepare financial statements. We have the power to form, change, dissolve or merge cooperatives, at our discretion. (Fran. Agmt. Sec. 8.4).

There are no current advertising councils composed of franchisees that advise us on advertising policies.

We can conduct regional or national advertising campaigns, geotargeted marketing campaigns, or national news and weather campaigns (the "Advertising Campaigns"). We can bill you your pro-rata share of such advertising. We may absorb some of the cost for such advertising, but are not obligated to do so. We undertake no obligation, in administering such Advertising Campaigns, to make expenditures for your Freshly Go Counter that are equivalent or proportionate to your contribution, or to ensure that any particular franchisee benefits directly or pro rata from marketing or promotion conducted with the Advertising Campaigns. Freshly Go Counters operated by us or our affiliates may, but are not required to, contribute to the Advertising Campaigns. If they do, they may not be required to contribute in the same percentage as you and may stop contributing at any time without notice to you. We will prepare an annual unaudited accounting of the expenditures of the Advertising Campaigns which will be provided to you upon your written request. (Fran. Agmt. Sec. 8.6 and 9.18).

### Computer Equipment and Registers

We do not require you to buy or use electronic cash registers. All food purchases are normally handled through supermarket cash registers or the registers of the facility where your franchise is located.

We require you to purchase a computer system with Internet connectivity to permit you to submit purchase orders online and to obtain information on new products, product specifications and other information from us. We do not have specific brand or other computer system specifications. We estimate the cost of purchasing a computer system with Internet capabilities is about \$1,000. You are solely responsible for your computer system, including maintaining and repairing it when necessary. The Franchise Agreement does not impose any obligation on you to purchase maintenance, update, upgrade or support contracts for your computer system. We do not currently require you to provide us independent access to the information generated or

stored on your computer system, but may require you to do so in the future on written notice. We do not impose any upgrade or update obligations for your computer, but you must keep your computer current. You are also required to obtain and provide us an email address to which we may send written communications and sales reports pertaining to your location.

Prior to opening your business, you must purchase designated pricing label equipment, consisting of a tablet, printer and warranty ("Tablet System") from us or our approved supplier. The purchase price of the Tablet System ranges from \$999 to \$3,000, plus shipping costs ranging from \$10 to \$100. You must also purchase pricing labels which are compatible with the Tablet System. The cost of a set of labels is \$320 per box (25 rolls), for an 800-count-self adhesive labels per roll. This cost is subject to change. None of these costs are refundable. If we repair or replace your tablet, labeling machine, or software, you must pay our repair or replacement charge for the items replaced. We may require you to upgrade and/or update the Tablet System and to provide us with independent access to the information generated or stored on your tablet, including inventory tracking logs. You must keep the Tablet System current. We may, in the future, develop or designate computer application software for use with the Tablet System for performing various functions for the Freshly Go Counter.

## **ITEM 12 TERRITORY**

We grant you a franchise for one location in a grocery store or other venue. The location will be specified in your franchise agreement. You do not receive any minimum territory. If on signing the franchise agreement or thereafter we agree that you may operate more than one location, you will sign a separate franchise agreement for each additional location to be opened and pay the applicable fee. We assess whether to grant you the right to operate another location, based on the following factors: availability of another location; the additional location is in a non-competing store; the new location is relatively near your existing location; in our judgment, you are financially able to operate multiple locations; in our judgment you are capable of operating and managing another franchise location; and you have qualified managers to assist you operate multiple locations.

You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control. We can grant franchises or licenses to others to operate Freshly Go Counters anywhere, regardless of how close they are to your Freshly Go Counter. We can sell products and other items to anyone and anywhere (even in the facilities where you operate), including, but not limited to, pre-packaged products and central kitchen products identified by our marks or other marks, whether or not such marks are authorized for your use, as well as other products or services under the marks and other trademarks and service marks. We may also sell and distribute products through different distribution channels, such as via the Internet, telemarketing, catalog sales, other direct marketing sales and other means. We are not required to compensate you for any sales we make through these methods. You can operate only at your grocery store (or other type of facility) location and you must comply with the store's (or other type of facility's) rules, policies and guidelines. If required by the facility owner, you must sign any code of conduct or equivalent document required by the facility owner.

Our affiliate, JFE, grants franchises or licenses to others to operate businesses similar to our Freshly Go Counters in the United States. There is no territorial restriction on their operations and they can compete with you even in the same facility where you operate.

Other franchisees and we can solicit and advertise anywhere, including in the area where your Freshly Go Counter is located.

We can impose geographic and/or other restrictions on advertising that you conduct or propose to conduct.

You must only sell products to end customers who are physically present at your Freshly Go Counter. You may not engage in the resale of any product or supply at wholesale, retail or through other means without our written consent. You are not permitted to sell any product using other channels of distribution (such as the Internet, catalog sales or telemarketing).

If the location where you operate closes or objects to you operating there or otherwise becomes unavailable without your fault, we will try to help arrange for you to operate a Freshly Go Counter at another location in the same general area. There is no assurance we will be able to do so. The facility you relocate to may be month-to-month and can be terminated by the facility owner on short notice. You release us from any loss of right or consent to operate at the location and agree not to hold us liable for any such event occurring during or after the term of the agreement.

We can grant franchises to others using our trademarks and system, at any location. We can also sell through company owned outlets.


Other than JFE, neither we nor our affiliates have any current plans to operate or franchise a business under a different trademark that sells goods or services similar to those to be sold at your Freshly Go Counter, but reserve the right to do so.

**ITEM 13 TRADEMARKS**

We let you use the Freshly Go trademark and our logo that includes the words Freshly Go. The logo is on the cover of this Disclosure Document. We also claim rights in the trade dress used in our display cases.

Our corporate parent, AFCC has applied to register the following trademarks on the Principal Register of the U.S. Trademark Office which we let you use:

Mark	Serial No.	Goods/ Services	Application Date
FreshlyGo	99339571	Preserved, frozen, dried and cooked fruits and vegetables; Fruit-based snack food; Nut-based snack foods; Potato-based snack foods; Processed, edible seaweed; Processed vegetables and fruits; Soy-based snack foods; Vegetable-based snack foods; Arrangements of cut fruit; Sliced fruits; Fruit salads and vegetable salads; Dried fruit mixes; Fruit-based food snacks also containing nuts	August 15, 2025

Mark	Serial No.	Goods/ Services	Application Date
	99339571	Preserved, frozen, dried and cooked fruits and vegetables; Fruit-based snack food; Nut-based snack foods; Potato-based snack foods; Processed, edible seaweed; Processed vegetables and fruits; Soy-based snack foods; Vegetable-based snack foods; Arrangements of cut fruit; Sliced fruits; Fruit salads and vegetable salads; Dried fruit mixes; Fruit-based food snacks also containing nuts	August 15, 2025

The trademarks in the table immediately above are not yet registered. Therefore, these trademarks do not have as many legal benefits and rights as a federally registered trademark would have. If our right to use the trademarks is challenged, you may have to change to an alternative trademark, which may increase your expenses.

AFCC also claims common law rights to all trade and service marks we license to you. AFCC intends to file all required affidavits of use and, when registered, affidavits to keep these registrations in effect.

We have a license from AFCC that lets us use and franchise you to use the Freshly Go word mark and logo. The agreement does not have a specific term; however, AFCC can terminate the license at any time. Termination forces us to stop granting new franchises under the Freshly Go marks, but does not affect franchises granted before termination. Because AFCC is our owner we do not expect the agreement to be terminated at any time that would be disruptive to us. Other than AFCC’s right to terminate the license agreement as stated above, no agreement limits our right to use or license the use of the marks that are material to the franchise.

There are no currently effective material determinations of the Patent and Trademark Office, Trademark Trial and Appeal Board, trademark administrator of any state or any court regarding our principal trademarks. In some locations, your use of our trademarks will be limited by our agreement with the store.

You must tell us in writing if someone claims you are infringing a trademark, if you find out anyone else may be infringing our trademarks or claims rights to our marks or to a confusingly similar mark.

If you used our trademarks according to the Franchise Agreement, then we’ll do what we think is appropriate to defend and indemnify you against someone else’s claim that you infringed. We can defend or settle the claim using counsel we choose. You must cooperate with us. If someone else is infringing, then we will decide what we want to do about it. You can’t make any claim on them. We have the right to control all administrative proceedings or litigation involving our marks.

If we say so, you must change or stop using our marks, or switch to a different mark, or use different marks. You must use the marks in the way we say to. We don’t have to pay your expenses and you can’t make any claim against us for changing or stopping your use of the marks.

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

No patents are material to the franchise. You will learn information that we consider confidential and trade secret. This includes recipes, operating procedures and contents of training, and information on how we operate. The Franchise Agreement has provisions requiring you to keep all of this confidential.

We claim copyrights in our Confidential Operation's Manual and Standard Sanitation Operating Procedure and Methods Manual and other written materials we provide to you. You will receive one set of electronic manuals for each location you operate, unless you request a physical copy of the manuals. You must return the physical manuals and other confidential information to us when your franchise agreement ends and destroy any electronic version of the manuals and other confidential information you received from us. (Fran. Agmt. Sec. 5.2.) When you return the physical manuals within 30 days of expiration or termination of the franchise agreement, we will refund to you the manual lease fees you paid (if you received a physical copy). (Fran. Agmt. Sec. 5.1).

There are no current determinations by the U.S. Copyright Office or any court regarding the copyright(s). We are not aware of any infringement of our copyrights.

You must tell us in writing if someone claims you are infringing our copyright(s), or if you find out anyone else may be infringing the copyright(s). The agreement does not specifically require us to defend and indemnify you against claims of copyright infringement. However, as our policy, if you use the manuals and other copyrights according to the Franchise Agreement, then we'll generally do what we think is appropriate to defend and indemnify you against someone else's claim that you infringed. If we choose to provide a defense, we will defend or settle the claim using counsel we choose. You must cooperate with us. If someone else is infringing, then we will decide what we want to do about it. You can't make any claim on them. We have the right to control all litigation involving our copyrights.

If we say so, you must stop using our copyrights, or use other copyrighted works we prepare. You must use our copyrights in the way we say to. We don't have to pay your expenses and you can't make any claim against us for changing or stopping use of the subject matter covered by our copyrights.

We also claim proprietary rights in our product recipes, methods of product preparation and operating procedures (Fran. Agmt. Sec. 6.1.) You must keep our secrets confidential while you are a franchisee and afterward, and you must not make any copies of them. You cannot use our secrets in any activity other than operating your franchise. You must use reasonable procedures that we request to help protect our secrets. (Fran. Agmt. Sec. 6.2.)

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

You or your principal owner (if you are an entity) must either directly or through a manager, devote your full time to managing the Freshly Go Counter.

If a location is operated by a manager, you are still required to be personally and actively involved in operations and remain fully responsible for each location including supervising your employees.

You must abide by lawful requests of the business owner or manager of the premises regarding any employee or prospective employee. To protect the franchise system, before hiring a manager, you must require the manager to sign a confidentiality and non-disclosure agreement in a form satisfactory to us requiring the manager to protect our trade secrets and any other item we specify in writing from time to time. You must also provide adequate training to the manager before start of employment. There is no requirement for the manager to own any equity interest in you (if you are an entity, such as a corporation or limited liability company).

To promote a consistent customer experience with the franchise system, you must also ensure that each Freshly Go Counter you operate is adequately staffed and that your display cases are adequately stocked during business hours. You must comply with the operating hours set forth in the Manuals, unless required otherwise by the facility. You will not have control over the operating hours, closures, customer traffic, advertising or other aspects of the facility or store where your Freshly Go Counter is located.

You must not interfere with our relationship with the store where you are located. You must at all times act professionally and respectfully in dealing with customers, clients, the facility’s personnel and our employees.

If you are an entity, we can require each of your owners and officers to sign a guaranty (the last pages of the Franchise Agreement) in which he/she/they assume and agree to discharge all obligations of the “Franchisee” under the Agreements. In certain states we may require you to enter into your Franchise Agreement as an entity.

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

You must offer and sell only items that we approve for sale at your Freshly Go Counter. If you want to offer other items, you must first get our written consent. We don’t have to consent.

You must offer the full range of menu items that we designate. If you wish to remove any item from your menu, you must first get our approval in writing. We can add additional items to the menu from time to time and remove items from our menu. There is no limit on our right to make changes. We have the sole right to develop new items for sale at your Freshly Go Counter. You must not develop, offer or sell any non-approved item from your Freshly Go Counter.

You are not restricted with regard to customers you may sell products to. However, you must conduct your business only from the grocery store or other location where you are located. We can restrict where and how you advertise.

You must only sell products to customers who are physically present at your Freshly Go Counter. You must not engage in the resale of any product or supply at wholesale, retail or through other means without our written consent. You may not use any other channels of distribution such as the Internet, catalog sales or telemarketing to conduct sales.

**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	Sections In Franchise Agreement	Summary
a. Length of Franchise Term	Franchise Agmt. Section 2	Term of your agreement with us is five years. It could end earlier if the store or facility where you are located ends their agreement that permits our franchise to be there. If not terminated earlier, and if you meet all conditions, the term is renewable for an additional five years.

Provision	Sections In Franchise Agreement	Summary
b. Renewal or extension of the term	Franchise Agmt. Sections 13.1-13.3	If you meet conditions, you can renew for an additional 5 years, as we determine. This is subject to our agreement with the store or facility owner where you are located.
c. Requirements for you to renew or extend	Franchise Agmt. Sections 13.1-13.3	Conditions to renew for an additional term are: (a) compliance with all agreements with us; (b) ability to keep your location; (c) provide 180 to 360 days written notice of desire to renew; (d) sign our then current form of Agreement at least 30 days before the expiration date; (e) compliance with our then current qualifications and training; (f) bring your Freshly Go Counter into updated full compliance; and (g) pay the \$10,000 renewal fee.  You may be asked to sign agreements that contain materially different terms and conditions than your current agreements.
d. Termination by you	Franchise Agmt. Section 2	You can apply to us to terminate the Franchise Agreement early if you want, effective 90 days after written notice, or any earlier time that we agree in writing. We will accept or reject your request to terminate early within 30 days of your written request. Our agreement can be conditioned on you paying the early termination fee discussed in Item 6. If we fail to respond within the 30 day period, your request to terminate early will be deemed rejected (subject to state law).
e. Termination by us without cause	Franchise Agmt. Section 3.3	We cannot terminate without cause, except that we can terminate any time if the facility where you are located ends their agreement with us.
f. Termination by us with cause	Franchise Agmt. Sections 15.1-15.3	We may terminate if you default on any of your obligations. A default of one agreement with us, will at our election also constitute a default of every other agreement between you and us (subject to state law).
g. "Cause" defined – defaults which can be cured	Franchise Agmt. Section 15.2	You have 15 days to cure any curable defaults except where law requires longer. If you fail to cure in 15 days, we may terminate your franchise. Curable defaults are defaults not listed below in box h (subject to state law).
h. "Cause" defined – defaults which cannot be cured:	Franchise Agmt. Section 15.1	Except as prevented by law, non-curable defaults include: bankruptcy or insolvency <sup>1</sup> ; voluntary or involuntary dissolution; levy against your assets; abandonment; loss of location; any complaint or dissatisfaction by owner or store manager of facility where franchise is located or objection by the facility owner or store manager to the continued operation of the Freshly Go Counter; conviction of felony or criminal misconduct; threat to public health or safety and/or failure to cure health and safety violations within 24 hours of notice; unlawful act, harassment or discrimination; unapproved transfer/assignment; breach of confidentiality or transfer restriction provisions of the franchise agreement; false statements in franchise

Provision	Sections In Franchise Agreement	Summary
		application or conduct which reflects materially and unfavorably on the operation and reputation of the franchise or franchise system; maintaining false books or records; submitting a false report; failure to discharge employee for embezzlement; interference with our other contractual relations; repeated failure to comply with Franchise Agreement; failure to cure misuse of Marks within 48 hours of notice; failure to satisfactorily complete our initial training program or to pass any required criminal background check and/or drug, tuberculosis or other chemical and disease testing; acts of dishonesty and/or moral turpitude (subject to state law).
i. Your obligations on termination/non-renewal	Franchise Agmt. Section 15.6	Obligations include: pay all amounts due to us and third parties including any expenses incurred because of your default; de-identification, no use of Marks; assign location to us and vacate premises; cancel assumed names; return manuals, customer lists, items showing our Marks and any other property of ours; return all property of the facility owner; pay expenses we incur; assign phone numbers; revise all websites and social media pages under your control to remove references to the Freshly Go Counter and our Marks and system; at our request, assign to us all domains and social media accounts owned by you relating to the Freshly Go Counter; cooperate with us; and sign all documents we request to terminate your franchise; not destroy, damage, hide or take any equipment or inventory from the Freshly Go Counter without our written consent.
j. Assignment of contract by AFC	Franchise Agmt. Section 14.1	There is no restriction on our right to assign.
k. "Transfer" by you – defined	Franchise Agmt. Sections 14.2, 14.5	Includes transfer or assignment of Agreement or assets or ownership change, but excluding transfer of ownership from you individually to your entity.
l. AFC's approval of your transfer	Franchise Agmt. Sections 14.2, 14.5 and 14.9	We have the right to approve all transfers but will not unreasonably withhold approval. We have the right to withhold consent and probably will withhold consent to any transfer proposed to be entered into within 2 years of the date of the franchise agreement for the location proposed to be transferred.
m. Conditions for AFC's approval of transfer	Franchise Agmt. Section 14.9	You offer us right of first refusal, pay all amounts owing to us and any of our affiliates, pay transfer fee, sign general release and not take any security interest in assets of the business; terms of sale are not unduly burdensome to the new franchisee; new franchisee qualifies and cooperates with us, undergoes training, and signs current form of franchise agreement; owner of location where Freshly Go Counter is located consents; transaction closes within 90 days of us not exercising right of first refusal.

<b>Provision</b>	<b>Sections In Franchise Agreement</b>	<b>Summary</b>
n. AFC's right of first refusal to buy your business	Franchise Agmt. Sections 14.6-14.7	We can match any offer for your business or offer of any sale.
o. AFC's option to buy your business	Franchise Agmt. Sections 14.6-14.7, 15.7	We have option to buy your business under our right of first refusal and on expiration or termination of your agreement. We also have the option to purchase any non-expired approved perishable inventory at your Freshly Go Counter at the time of expiration or termination of your agreement.
p. Your death or disability	Franchise Agmt. Sections 14.10, 14.11 and 14.12	Surviving heirs may operate the business if they can qualify within 180 days, or they may assign to an approved buyer. If we operate the business, we get reimbursed for our expenses and we get a management fee of \$450 per day.
q. Non-competition covenants during term of franchise	Franchise Agmt. Section 6.4	You must deal exclusively with us. No involvement with competing business (subject to state law).
r. Non-competition covenants after franchise is terminated or expires	Franchise Agmt. Sections 6.4	No competing business for 2 years within 5 miles in a major city, 10 miles in a metropolitan area other than a major city, and 15 miles in a rural area, of any Freshly Go Counter associated with us. A "major city" means any of the top 25 cities in the U.S. measured by population; a "metropolitan city" means any city other than a major city where the population density is greater than 1,000 people per square mile; and a "rural area" means an area whose population density is 1,000 people per square miles or less. (subject to state law).
s. Modification of the agreement	Franchise Agmt. Section 16.4	No modification except in writing signed by you and us. Manuals may change, including Operating Manuals.
t. Integration/merger clause	Franchise Agmt. Section 16.3	Only the terms of the Franchise Agreement or other applicable agreement are binding (subject to state law). Other promises and representations are not enforceable. Nothing in the agreement is intended to disclaim our representations made in the franchise disclosure document.
u. Dispute resolution by arbitration or mediation	Franchise Agmt. Section 16.8	Except for certain claims, all disputes must be arbitrated in Los Angeles, California, according to the rules of the American Arbitration Association (subject to state law). Failure to appear may cause a judgment of money to be awarded.
v. Choice of forum	Franchise Agmt. Sections 16.8	An action for a restraining order, injunctive or equitable relief may be brought in any court. All other claims must be arbitrated in Los Angeles, California, subject to state law.

<b>Provision</b>	<b>Sections In Franchise Agreement</b>	<b>Summary</b>
w. Choice of law	Franchise Agmt. Section 16.7	California law applies, except that if any provision of the Agreement would not be enforceable under California law, and if the Freshly Go Counter is located outside of California and such provision would be enforceable under the laws of the state in which the Freshly Go Counter is located, then such provision will be interpreted and construed under the laws of the state where the Freshly Go Counter is located.

See also state specific addenda attached to this Disclosure Document as Exhibit L.

**This table lists certain important provisions of the General Release. You should read these provisions in the agreement attached to this Disclosure Document.**

<b>Provision</b>	<b>Sections In General Release</b>	<b>Summary</b>
a. Length of Franchise Term	Not Applicable	Not Applicable
b. Renewal or extension of the term	Not Applicable	Not Applicable
c. Requirements for you to renew or extend	Not Applicable	Not Applicable
d. Termination by you	Not Applicable	Not Applicable (subject to state law)
e. Termination by us without cause	Not Applicable	Not Applicable
f. Termination by us with cause	Not Applicable	Not Applicable (subject to state law)
g. "Cause" defined – defaults which can be cured	Not Applicable	Not Applicable (subject to state law)
h. "Cause" defined – defaults which cannot be cured:	Not Applicable	Not Applicable (subject to state law)
i. Your obligations on termination/non-renewal	Not Applicable	Not Applicable
j. Assignment of contract by AFC	Not Applicable	Not Applicable
k. "Transfer" by you – defined	Not Applicable	Not Applicable
l. AFC's approval of your transfer	Not Applicable	Not Applicable
m. Conditions for AFC's approval of transfer	Not Applicable	Not Applicable
n. AFC's right of first refusal to buy your business	Not Applicable	Not Applicable
o. AFC's option to buy your business	Not Applicable	Not Applicable
p. Your death or disability	General Release Section 8.4	The General Release is binding on and inures to the benefit of the parties and their respective heirs, successors and permitted assigns.
q. Non-competition covenants during term of franchise	Not Applicable	Not Applicable (subject to state law)

<b>Provision</b>	<b>Sections In General Release</b>	<b>Summary</b>
r. Non-competition covenants after franchise is terminated or expires	Not Applicable	Not Applicable (subject to state law)
s. Modification of the agreement	General Release Section 8.1	The General Release cannot be modified, altered or otherwise amended except by an agreement in writing.
t. Integration/merger clause	General Release Section 8.2	Only the terms of the Release Agreement is binding (subject to state law). Other promises and representations are not enforceable.
u. Dispute resolution by arbitration or mediation	General Release Sections 6 and 8.8	All disputes must be arbitrated in Los Angeles, California, according to the rules of the American Arbitration Association (subject to state law). Failure to appear may cause a judgment of money to be awarded.
v. Choice of forum	General Release Sections 8.7 and 8.8	All claims, except as precluded by applicable law, must be arbitrated in Los Angeles, California and are subject to state law.
w. Choice of law	General Release Section 8.7	California law applies, except that if any provision of the Agreement would not be enforceable under California law, and if the Freshly Go Counter is located outside of California and such provision would be enforceable under the laws of the state in which the Freshly Go Counter is located, then such provision will be interpreted and construed under the laws of the state where the Freshly Go Counter is located.

**This table lists certain important provisions of the Asset Sale and Purchase Agreement. You should read these provisions in the agreement attached to this Disclosure Document.**

<b>Provision</b>	<b>Sections In Asset Sale and Purchase Agreement</b>	<b>Summary</b>
a. Length of Franchise Term	Not Applicable	Not Applicable
b. Renewal or extension of the term	Not Applicable	Not Applicable
c. Requirements for you to renew or extend	Not Applicable	Not Applicable
d. Termination by you	Secs. 6 & 9.1	You can terminate the Asset Purchase Agreement if the parties do not comply with the Bulk Sales Laws and this requirement has not been waived by you (subject to state law).
e. Termination by us without cause	Sec. 2.1	If the parties are not able to close the sale by the agreed on date we can terminate the Agreement.
f. Termination by us with cause	Secs. 7 & 9.1	We can terminate the Asset Purchase Agreement if your representations and warranties in the Agreement are incorrect, if you have not complied with all requirements and conditions of the Agreement, if you fail to provide information we require prior to closing, or if there are any actions or proceedings pertaining to the transactions contemplated by the agreement, and not waived by us (subject to state law).

<b>Provision</b>	<b>Sections In Asset Sale and Purchase Agreement</b>	<b>Summary</b>
g. "Cause" defined – defaults which can be cured	Not Applicable	Not Applicable (subject to state law)
h. "Cause" defined – defaults which cannot be cured:	Not Applicable	Not Applicable (subject to state law)
i. Your obligations on termination/non-renewal	Not Applicable	Not Applicable
j. Assignment of contract by AFC	Not Applicable	Not Applicable
k. "Transfer" by you – defined	Not Applicable	Not Applicable
l. AFC's approval of your transfer	Not Applicable	Not Applicable
m. Conditions for AFC's approval of transfer	Not Applicable	Not Applicable
n. AFC's right of first refusal to buy your business	Not Applicable	Not Applicable
o. AFC's option to buy your business	Not Applicable	Not Applicable
p. Your death or disability	Not Applicable	Not Applicable
q. Non-competition covenants during term of franchise	Not Applicable	Not Applicable (subject to state law)
r. Non-competition covenants after franchise is terminated or expires	Not Applicable	Not Applicable (subject to state law)
s. Modification of the agreement	Sec. 10.9	No modification except in writing signed by you and us.
t. Integration/merger clause	Sec. 10.5	Only terms of the Agreement and Exhibits are binding, subject to state law. Other promises and representations are not enforceable. Nothing in the agreement is intended to disclaim our representations made in the franchise disclosure document.
u. Dispute resolution by arbitration or mediation	Sec. 10.3	All disputes must be arbitrated in Los Angeles, California, according to the rules of the American Arbitration Association (subject to state law).
v. Choice of forum	Sec. 10.3	Arbitration to be held in Los Angeles, California, subject to state law
w. Choice of law	Sec. 10.4	California law applies, subject to state law.

**This table lists certain important provisions of the Freshly Go Counter Transfer Agreement. You should read these provisions in the agreement attached to this Disclosure Document.**

<b>Provision</b>	<b>Sections In Freshly Go Counter Transfer Agreement</b>	<b>Summary</b>
a. Length of Franchise Term	Not Applicable	Not Applicable
b. Renewal or extension of the term	Not Applicable	Not Applicable
c. Requirements for you to renew or extend	Not Applicable	Not Applicable
d. Termination by you	Not Applicable	Not Applicable (subject to state law)
e. Termination by us without cause	Not Applicable	Not Applicable
f. Termination by us with cause	Not Applicable	Not Applicable (subject to state law)

<b>Provision</b>	<b>Sections In Freshly Go Counter Transfer Agreement</b>	<b>Summary</b>
g. "Cause" defined – defaults which can be cured	Not Applicable	Not Applicable (subject to state law)
h. "Cause" defined – defaults which cannot be cured:	Not Applicable	Not Applicable (subject to state law)
i. Your obligations on termination/non-renewal	Not Applicable	Not Applicable
j. Assignment of contract by AFC	Not Applicable	Not Applicable
k. "Transfer" by you – defined	Not Applicable	Not Applicable
l. AFC's approval of your transfer	Not Applicable	Not Applicable
m. Conditions for AFC's approval of transfer	Not Applicable	Not Applicable
n. AFC's right of first refusal to buy your business	Not Applicable	Not Applicable
o. AFC's option to buy your business	Not Applicable	Not Applicable
p. Your death or disability	Not Applicable	Not Applicable
q. Non-competition covenants during term of franchise	Not Applicable	Not Applicable (subject to state law)
r. Non-competition covenants after franchise is terminated or expires	Not Applicable	Not Applicable (subject to state law)
s. Modification of the agreement	Sec. 13	No modification except in writing signed by you and us.
t. Integration/merger clause	Sec. 13	Only terms of the Agreement are binding. Other promises and representations are not enforceable (subject to state law). Nothing in the agreement is intended to disclaim our representations made in the franchise disclosure document.
u. Dispute resolution by arbitration or mediation	Sec. 10	All disputes must be arbitrated in Los Angeles, California, according to the rules of the American Arbitration Association (subject to state law).
v. Choice of forum	Sec. 10	Arbitration to be held in Los Angeles, California (subject to state law).
w. Choice of law	Sec. 9	California law applies (subject to state law).

**This table lists certain important provisions of the Promissory Note. You should read these provisions in the agreement attached to this Disclosure Document.**

<b>Provision</b>	<b>Sections In Promissory Note</b>	<b>Summary</b>
a. Length of Note Term	Sec. 1	The repayment term varies. You may pay off the Note earlier than its term.
b. Renewal or extension of the term	Not Applicable	Not Applicable
c. Requirements for you to renew or extend	Not Applicable	Not Applicable
d. Termination by you	Sec. 2	The Note is pre-payable on 30 days' notice(subject to state law).
e. Termination by us without cause	Not Applicable	Not Applicable

<b>Provision</b>	<b>Sections In Promissory Note</b>	<b>Summary</b>
f. Termination by us with cause	Not Applicable	Not Applicable (subject to state law)
g. "Cause" defined – defaults which can be cured	Sec. 4	Failure to make any payment within 10 days after due date (subject to state law).
h. "Cause" defined – defaults which cannot be cured:	Sec. 4	Non-curable defaults are listed in the Franchise Agreement and in the Franchise Agreement chart above (subject to state law).
i. Your obligations on termination/non-renewal	Sec. 4	You must immediately pay remaining balance.
j. Assignment of contract by AFC	Sec. 13	No restrictions on our right to assign.
k. "Transfer" by you – defined	Sec. 13	You may not transfer or assign your obligations under the Note.
l. AFC's approval of your transfer	Sec. 13	You may not transfer or assign your obligations under the Note.
m. Conditions for AFC's approval of transfer	Sec. 13	You may not transfer or assign your obligations under the Note.
n. AFC's right of first refusal to buy your business	Not Applicable	Not Applicable
o. AFC's option to buy your business	Not Applicable	Not Applicable
p. Your death or disability	Not Applicable	Not Applicable
q. Non-competition covenants during term of franchise	Not Applicable	Not Applicable (subject to state law)
r. Non-competition covenants after franchise is terminated or expires	Not Applicable	Not Applicable (subject to state law)
s. Modification of the Note	Sec. 14	The Note cannot be modified or amended unless both parties agree in writing.
t. Integration/merger clause	Sec. 15	Only the terms of the Note are binding (subject to state law). You can't claim there are any other promises.
u. Dispute resolution by arbitration or mediation	Not Applicable	Not Applicable (subject to state law).
v. Choice of forum	Sec. 12	Litigation may be brought in Los Angeles, California (subject to state law). We are not precluded from bringing an action in another court.
w. Choice of law	Sec. 9	California law applies (subject to state law).
x. Acceleration	Sec. 4	If you fail to pay any installment within 10 days after its due date, or if you are in default under any of your other agreements with us, we can accelerate the Note and require you to pay entire unpaid balance and interest.

## ITEM 18 PUBLIC FIGURES

We do not use any public figure to promote the 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.

We do not make any representations about a franchisee’s future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor’s management by contacting Vincenzo Calcagni, 19700 Mariner Avenue, Torrance, California 90503, Telephone: (310) 604-3200, the Federal Trade Commission, and the appropriate state regulatory agencies.

**ITEM 20 OUTLETS AND FRANCHISEE INFORMATION**

**Table No. 1  
Systemwide Outlet Summary  
Freshly Go Counters  
for the years ended March 31 2023, 2024, and 2025**

<b>Outlet Type</b>	<b>Year</b>	<b>Outlets at the Start of the Year</b>	<b>Outlets and the End of the Year</b>	<b>Net Change</b>
<b>Franchised</b>	2023	0	0	0
	2024	0	0	0
	2025	0	0	0
<b>Company Owned</b>	2023	0	0	0
	2024	0	0	0
	2025	0	0	0
<b>Total Outlets</b>	<b>2023</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>2024</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>2025</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Table No. 2  
Transfers of Outlets from Franchisees to New Owners (other than the franchisor)  
Freshly Go Counters  
For the years ended March 31 2023, 2024, and 2025**

<b>State</b>	<b>Year</b>	<b>Number of Transfers</b>
<b>All States</b>	2023	0
	2024	0
	2025	0
<b>TOTALS:</b>	<b>2023</b>	<b>0</b>
	<b>2024</b>	<b>0</b>
	<b>2025</b>	<b>0</b>

**Table No. 3**  
**Status of Franchised Outlets**  
**Freshly Go Counters**  
**For years ended March 31 2023, 2024, and 2025 <sup>1</sup>**

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non – Renewals	Reacquired by Franchisor	Ceased Operations / Other Reasons	Outlets at End of Year
All States	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	0	0	0	0	0	0
TOTALS:	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	0	0	0	0	0	0

1. Our fiscal year end is March 31.

**Table No. 4**  
**Status of Company-Owned Outlets**  
**Freshly Go Counters**  
**For the years ended March 31 2023, 2024, and 2025<sup>1</sup>**

State	Year	Outlets at Start of Year	Outlets Opened <sup>1</sup>	Outlets Reacquired From Franchisees	Outlets Closed <sup>2</sup>	Outlets Sold To Franchisee	Outlets at End of the Year
Arizona	2023	0	0	0	0	0	0
	2024	0	0	0	0	0	0
	2025	0	0	0	0	0	0
California	2023	0	0	0	0	0	0
	2024	0	0	0	0	0	0
	2025	0	0	0	0	0	0
TOTALS:	2023	0	0	0	0	0	0
	2024	0	0	0	0	0	0
	2025	0	0	0	0	0	0

1. Our fiscal year end is March 31.

**Table No. 5**  
**Freshly Go Counters**  
**Projected Openings as of March 31, 2025**

State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlet in the Next Fiscal Year	Projected New Company-Owned Outlets in the Next Fiscal Year
Alabama	0	0	0
Arizona	0	0	48
California	0	0	156
Colorado	0	0	34
Florida	0	0	58

<b>State</b>	<b>Franchise Agreements Signed But Outlet Not Opened</b>	<b>Projected New Franchised Outlet in the Next Fiscal Year</b>	<b>Projected New Company-Owned Outlets in the Next Fiscal Year</b>
<b>Georgia</b>	0	0	17
<b>Idaho</b>	0	0	0
<b>Illinois</b>	0	0	0
<b>Indiana</b>	0	0	0
<b>Kentucky</b>	0	0	0
<b>Massachusetts</b>	0	0	0
<b>Nevada</b>	0	0	17
<b>New Mexico</b>	0	0	19
<b>New York</b>	0	0	0
<b>North Carolina</b>	0	0	0
<b>Oregon</b>	0	0	0
<b>Oklahoma</b>	0	0	11
<b>South Carolina</b>	0	0	0
<b>Tennessee</b>	0	0	10
<b>Texas</b>	0	0	60
<b>Vermont</b>	0	0	0
<b>Virginia</b>	0	0	0
<b>Washington</b>	0	0	0
<b>West Virginia</b>	0	0	0
<b>TOTALS</b>	0	0	430

Attached to this Disclosure Document as Exhibit J is a list of the names, addresses and phone numbers of all our existing U.S. franchisees as of March 31, 2025. Also enclosed as Exhibit J is a list of U.S. franchisees terminated, cancelled or not renewed or who otherwise voluntarily or involuntarily ceased to do business in the year ending March 31, 2025 or who have not communicated with us in the 10 weeks preceding the issuance date. 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 signed one confidentiality agreement with the estate of a former franchisee. In some instances, current, and former franchisees sign provisions restricting their ability to speak openly about their experience with us. You may wish to speak with current and former franchisees, but be aware not all such franchisees will be able to communicate with you.

There are no trademark-specific franchisee organizations associated with the franchise system being offered which we have created, sponsored or endorsed. There are no independent franchisee organizations that have asked to be included in this disclosure document.

## **ITEM 21 FINANCIAL STATEMENTS**

Attached to this Disclosure Document as Exhibit A are our interim unaudited financial statements as of October 31, 2025 and our audited financial statements for fiscal years ending March 31, 2025, March 31, 2024 and March 31, 2023. Our fiscal year end is March 31<sup>st</sup>.

**ITEM 22      CONTRACTS**

Attached as Exhibits B, C, D, E, F, G, H and M is our Franchise Application, Franchise Agreement, General Release, Assignment of Franchise Agreement and Franchisor Consent, Asset Sale and Purchase Agreement, Freshly Go Counter Transfer Agreement, Promissory Note and Confidentiality Agreement. Attached as Exhibit L are the State Specific Addenda which you may need to sign.

**ITEM 23      RECEIPTS**

The Receipts to this Disclosure Document are attached as the last pages under Exhibit O, as separate and detachable pages (one to be signed by you and returned to us and the other to be kept by you).

**EXHIBIT A**  
**FINANCIAL STATEMENTS**

ADVANCED FRESH CONCEPTS FRANCHISE CORP.  
UNAUDITED INTERIM FINANCIAL STATEMENTS FOR  
THE PERIOD APRIL 1, 2025 THROUGH OCTOBER 31, 2025

THESE FINANCIAL STATEMENTS ARE PREPARED WITHOUT AN AUDIT. PROSPECTIVE FRANCHISEES OR SELLERS OF FRANCHISES SHOULD BE ADVISED THAT NO CERTIFIED PUBLIC ACCOUNTANT HAD AUDITED THESE FIGURES OR EXPRESSED HIS/HER OPINION WITH REGARD TO THE CONTENT OR FORM.

ADVANCED FRESH CONCEPTS FRANCHISE CORP.  
UNAUDITED INTERIM FINANCIAL STATEMENTS  
AS OF OCTOBER 31, 2025

**Advanced Fresh Concepts Franchise Corp.**  
**Financial Statements**  
**October 31, 2025**

Internally Prepared

**Advanced Fresh Concepts Franchise Corp.**  
**Balance Sheet**  
**October 31, 2025**

**Assets**

Current assets	
Cash and cash equivalents	\$ 11,332,324
Accounts receivable, net of allowance for credit losses of \$437,870	61,253,970
Due from related parties	42,910,511
Inventory	2,075,496
Prepaid expenses and other assets	491,665
Loans receivable - franchisees	451,715
Prepaid income taxes	<u>2,133,822</u>
Total current assets	120,649,502
Equipment, net	4,209,578
Software, net	849,779
Operating lease right-of-use assets	62,032
Deposits and other asset	74,078
Deferred taxes	<u>4,521,279</u>
Total assets	<u>\$ 130,366,249</u>

**Liabilities and Stockholder's Equity**

Current liabilities	
Accounts payable	\$ 38,043,199
Due to related parties	26,104,249
Accrued expenses and other liabilities	4,319,603
Income taxes payable	4,021,675
Operating lease liabilities, current portion	33,959
Current portion of deferred revenue	<u>4,109,522</u>
Total current liabilities	76,632,207
Operating lease liabilities, noncurrent portion	28,073
Deferred revenues, net of current portion	<u>8,316,733</u>
Total liabilities	<u>84,977,013</u>
Stockholder's equity	
Common stock, no par value, authorized 100,000 shares, issued and outstanding 5,000 shares	500,000
Retained earnings	45,649,367
Accumulated other comprehensive loss	<u>(760,131)</u>
Total stockholder's equity	<u>45,389,236</u>
Total liabilities and stockholder's equity	<u>\$ 130,366,249</u>

**Advanced Fresh Concepts Franchise Corp.**  
**Statement of Comprehensive Income**  
**For the period October 31, 2025**

**Revenues**

Franchise revenue	\$ 253,894,707
Retail revenue	23,593,751
Product revenue	4,020,638
Total revenues	<u>281,509,096</u>

**Costs and expenses**

Direct contract costs	33,468,760
Operating expenses	239,120,091
Total costs and expenses	<u>272,588,851</u>
Income from operations	<u>8,920,245</u>

**Other income**

Interest income	858,796
Net other income	<u>858,796</u>
Income before provision for income taxes	9,779,041
Provision for income taxes	<u>1,525,150</u>
Net income	8,253,891

**Other comprehensive income**

Foreign currency translation adjustment	175,207
Total comprehensive income	<u>\$ 8,429,098</u>

**Advanced Fresh Concepts Franchise Corp.  
Statement of Changes in Stockholder's Equity  
For the period October 31, 2025**

	Common Stock		Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total
	Shares	Amount			
<b>Balance at March 31, 2025</b>	5,000	\$ 500,000	\$ 47,395,476	\$ (935,338)	\$ 46,960,138
Net income	-	-	8,253,891	-	8,253,891
Other comprehensive income	-	-	-	175,207	175,207
Dividend paid	-	-	(10,000,000)	-	(10,000,000)
<b>Balance at October 31, 2025</b>	5,000	500,000	45,649,367	(760,131)	45,389,236

**AUDITED FINANCIAL STATEMENTS  
FOR THE YEARS ENDED MARCH 31,  
2025, MARCH 31, 2024, AND MARCH 31,  
2023**

**ADVANCED FRESH CONCEPTS FRANCHISE CORP.**  
**FINANCIAL REPORT**  
**MARCH 31, 2025**

**ADVANCED FRESH CONCEPTS FRANCHISE CORP.**  
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## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Advanced Fresh Concepts Franchise Corp.

### **Opinion**

We have audited the financial statements of Advanced Fresh Concepts Franchise Corp. (the "Company"), which comprise the balance sheets as of March 31, 2025 and 2024, the related statements of comprehensive income, changes in stockholder's equity, and cash flows for each of the three years in the period ended March 31, 2025, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of March 31, 2025 and 2024, and the results of its operations and its cash flows for each of the three years in the period ended March 31, 2025 in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

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

### **Emphasis of Matter**

As disclosed in Notes 2, 5 and 8 to the financial statements, the Company and the results of its operations are dependent on transactions with the parent company and affiliates. Accordingly, the accompanying financial statements may not be indicative of the financial position or results of operations that would have occurred had the Company operated without such affiliation. Our opinion is not modified with respect to this matter.

### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

*Singer Lewak LLP*

July 10, 2025

# ADVANCED FRESH CONCEPTS FRANCHISE CORP.

## BALANCE SHEETS

March 31, 2025 and 2024

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	<b>ASSETS</b>	
	<u>2025</u>	<u>2024</u>
<b>Current assets</b>		
Cash and cash equivalents	\$ 20,077,954	\$ 8,594,494
Accounts receivable, net of allowance for credit losses of \$437,870 and \$320,362, respectively	77,796,423	73,555,878
Due from related parties	9,161,337	38,867,212
Inventory	2,401,630	1,579,277
Prepaid expenses and other assets	1,362,314	1,570,012
Loans receivable – franchisees	481,923	424,984
Prepaid income taxes	<u>1,588,626</u>	<u>1,502,136</u>
 Total current assets	 112,870,207	 126,093,993
 <b>Equipment, net</b>	 4,427,185	 4,559,272
<b>Operating lease right-of-use assets</b>	92,813	150,631
<b>Deposits and other asset</b>	70,291	68,203
<b>Deferred taxes</b>	<u>4,521,279</u>	<u>4,397,348</u>
 <b>Total assets</b>	 <b><u>\$ 121,981,775</u></b>	 <b><u>\$ 135,269,447</u></b>

(Continued)

See notes to financial statements.

# ADVANCED FRESH CONCEPTS FRANCHISE CORP.

## BALANCE SHEETS

March 31, 2025 and 2024

### LIABILITIES AND STOCKHOLDER'S EQUITY

	2025	2024
<b>Current liabilities</b>		
Accounts payable	\$ 45,283,375	\$ 44,181,823
Due to related party	8,962,550	19,299,097
Accrued expenses and other liabilities	5,106,455	4,457,895
Income taxes payable	2,738,133	3,491,089
Operating lease liabilities, current portion	45,464	57,818
Current portion of deferred revenue	4,159,193	3,868,534
	<u>66,295,170</u>	<u>75,356,256</u>
<b>Operating lease liabilities, noncurrent portion</b>	47,349	92,813
<b>Deferred revenue, net of current portion</b>	<u>8,679,118</u>	<u>8,530,460</u>
	<u>75,021,637</u>	<u>83,979,529</u>
<b>Stockholder's equity</b>		
Common stock, no par value, authorized 100,000 shares, issued and outstanding 5,000 shares	500,000	500,000
Retained earnings	47,395,476	51,425,672
Accumulated other comprehensive loss	<u>(935,338)</u>	<u>(635,754)</u>
	<u>46,960,138</u>	<u>51,289,918</u>
<b>Total liabilities and stockholder's equity</b>	<b><u>\$ 121,981,775</u></b>	<b><u>\$ 135,269,447</u></b>

(Concluded)

See notes to financial statements.

# ADVANCED FRESH CONCEPTS FRANCHISE CORP.

## STATEMENTS OF COMPREHENSIVE INCOME Years Ended March 31, 2025, 2024 and 2023

	2025	2024	2023
<b>Revenues</b>			
Franchise revenue	\$ 408,637,052	\$ 410,865,584	\$ 405,225,599
Product revenue	250,728,389	240,193,646	219,136,610
Retail revenue	35,442,056	26,501,503	23,894,287
<b>Total revenues</b>	<b>694,807,497</b>	<b>677,560,733</b>	<b>648,256,496</b>
<b>Costs and expenses</b>			
Direct contract costs	266,105,960	250,609,777	228,685,015
Operating expenses	415,230,839	409,950,618	402,034,468
<b>Total costs and expenses</b>	<b>681,336,799</b>	<b>660,560,395</b>	<b>630,719,483</b>
<b>Income from operations</b>	<b>13,470,698</b>	<b>17,000,338</b>	<b>17,537,013</b>
<b>Financial income (expense)</b>			
Interest income	1,141,054	1,249,392	1,736,974
Interest expense	-	(3,561)	(596)
<b>Net financial income</b>	<b>1,141,054</b>	<b>1,245,831</b>	<b>1,736,378</b>
<b>Income before provision for income taxes</b>	<b>14,611,752</b>	<b>18,246,169</b>	<b>19,273,391</b>
<b>Provision for income taxes</b>	<b>3,641,948</b>	<b>4,550,885</b>	<b>4,410,321</b>
<b>Net income</b>	<b>10,969,804</b>	<b>13,695,284</b>	<b>14,863,070</b>
<b>Other comprehensive loss</b>			
Foreign currency translation adjustment	(299,584)	(5,950)	(366,744)
<b>Total comprehensive income</b>	<b>\$ 10,670,220</b>	<b>\$ 13,689,334</b>	<b>\$ 14,496,326</b>

See notes to financial statements.

**ADVANCED FRESH CONCEPTS FRANCHISE CORP.**  
**STATEMENTS OF CHANGES IN STOCKHOLDER'S EQUITY**  
**Years Ended March 31, 2025, 2024 and 2023**

	Common Stock		Retained Earnings	Accumulated Other Comprehensive Loss	Total
	Shares	Amount			
<b>Balance at March 31, 2022</b>	5,000	\$ 500,000	\$ 37,867,318	\$ (263,060)	\$ 38,104,258
Net income	-	-	14,863,070	-	14,863,070
Other comprehensive loss	-	-	-	(366,744)	(366,744)
Dividend paid	-	-	(10,000,000)	-	(10,000,000)
<b>Balance at March 31, 2023</b>	5,000	500,000	42,730,388	(629,804)	42,600,584
Net income	-	-	13,695,284	-	13,695,284
Other comprehensive loss	-	-	-	(5,950)	(5,950)
Dividend paid	-	-	(5,000,000)	-	(5,000,000)
<b>Balance at March 31, 2024</b>	5,000	500,000	51,425,672	(635,754)	51,289,918
Net income	-	-	10,969,804	-	10,969,804
Other comprehensive loss	-	-	-	(299,584)	(299,584)
Dividend paid	-	-	(15,000,000)	-	(15,000,000)
<b>Balance at March 31, 2025</b>	<b>5,000</b>	<b>\$ 500,000</b>	<b>\$ 47,395,476</b>	<b>\$ (935,338)</b>	<b>\$ 46,960,138</b>

See notes to financial statements.

# ADVANCED FRESH CONCEPTS FRANCHISE CORP.

## STATEMENTS OF CASH FLOWS

Years Ended March 31, 2025, 2024 and 2023

	2025	2024	2023
<b>Cash flows from operating activities</b>			
Net income	\$ 10,969,804	\$ 13,695,284	\$ 14,863,070
Adjustments to reconcile net income to net cash from operating activities:			
Deferred taxes	(12,668)	(451,070)	(447,775)
Depreciation expense	935,405	830,411	633,067
Bad debt expense	610,422	437,481	233,100
Noncash lease expense	57,818	56,723	50,189
Gain on disposition of equipment	(112,718)	(169,932)	(61,632)
Changes in operating assets and liabilities:			
Accounts receivable	(4,945,860)	(11,813,102)	(1,958,997)
Due from related parties	29,742,761	309,943	4,511,313
Inventory	(823,476)	(32,206)	(360,722)
Prepaid expenses and other assets	149,662	(108,835)	(129,245)
Prepaid income taxes	(88,564)	84,166	(212,681)
Deposits and other asset	(2,088)	(953)	(43,445)
Accounts payable	1,162,306	3,032,703	(6,998,380)
Due to related party	(10,334,374)	716,320	1,375,047
Accrued expenses and other liabilities	650,855	363,939	1,115,912
Income taxes payable	(752,956)	28,982	(108,801)
Operating lease liabilities	(57,818)	(56,723)	(50,189)
Deferred revenue	444,068	1,158,890	994,586
Net cash provided by operating activities	27,592,579	8,082,021	13,404,417
<b>Cash flows from investing activities</b>			
Purchases of equipment and for construction in progress	(895,856)	(2,462,809)	(1,748,785)
Proceeds from sales of equipment	202,187	182,355	175,883
Net cash used in investing activities	(693,669)	(2,280,454)	(1,572,902)
<b>Cash flows from financing activities</b>			
Principal payments on finance lease	-	(1,746)	(3,941)
Dividends paid	(15,000,000)	(5,000,000)	(10,000,000)
Net cash used in financing activities	(15,000,000)	(5,001,746)	(10,003,941)
<b>Effect of exchange rate changes on cash and cash equivalents</b>	(415,450)	(4,130)	(505,866)
<b>Net increase in cash and cash equivalents</b>	11,483,460	795,691	1,321,708
<b>Cash and cash equivalents – beginning of year</b>	8,594,494	7,798,803	6,477,095
<b>Cash and cash equivalents – end of year</b>	<b>\$ 20,077,954</b>	<b>\$ 8,594,494</b>	<b>\$ 7,798,803</b>

(Continued)

See notes to financial statements.

# ADVANCED FRESH CONCEPTS FRANCHISE CORP.

## STATEMENTS OF CASH FLOWS Years Ended March 31, 2025, 2024 and 2023

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	<u>2025</u>	<u>2024</u>	<u>2023</u>
<b>Supplemental disclosure of cash flow information:</b>			
Cash paid for interest	<u>\$ -</u>	<u>\$ 3,561</u>	<u>\$ 596</u>
Cash paid for income taxes	<u>\$ 4,938,168</u>	<u>\$ 5,270,688</u>	<u>\$ 5,244,059</u>

(Concluded)

See notes to financial statements.

# ADVANCED FRESH CONCEPTS FRANCHISE CORP.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Organization

Advanced Fresh Concepts Franchise Corp. (the “Company”) was incorporated on April 30, 2002 in California. The Company is a wholly owned subsidiary of Advanced Fresh Concepts Corp. (the “Parent Company”). The principal business of the Company is to authorize and manage franchises for the operation of food service counters, primarily offering sushi, within supermarkets and other locations (collectively, the “facility owners”) pursuant to a certain system that was developed by the Parent Company. The food service counters began as outlets serving sushi and expanded into offering other Asian cuisine. While the Company primarily operates in the United States, beginning in September 2009, the Company initiated operations in Canada. In November 2018, the Parent Company was acquired by Zensho Holdings Co., Ltd. (“Zensho Holdings”) to become the ultimate parent of the Company. In April 2019, Zensho Holdings transferred its ownership in the Parent Company to Zensho USA Corporation, a wholly owned subsidiary of Zensho Holdings.

#### Basis of Accounting

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

#### Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP 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 may differ from those estimates.

#### Cash and Cash Equivalents

Cash and cash equivalents include all cash balances and highly liquid investments with purchased maturities of three months or less.

#### Accounts Receivable

Accounts receivable represents the Company’s unconditional rights to considerations in exchange of goods and services transferred from franchise operations, sales of food and related products at the food service counter and product sales made to franchisees. Receivables are collectible from the facility owners and franchisees based on agreed payment terms. Amounts due from facility owners are dependent on the payment cycle which is generally on a weekly or monthly basis while payments on franchisee accounts are generally received on a monthly basis. Accounts receivable, net, opening balance at April 1, 2023 amounted to \$62,185,623.

The Company records accounts receivable at amortized cost less an allowance for credit losses. The Company measures its allowance for credit losses using an expected credit loss model utilizing a loss rate methodology which considers historical loss rates on its trade accounts receivable balances, adjusted for current economic and business conditions, and anticipated future economic events that may affect a customer’s ability to pay.

**ADVANCED FRESH CONCEPTS FRANCHISE CORP.**  
**NOTES TO FINANCIAL STATEMENTS**

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**NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Accounts Receivable (Continued)

Accounts receivable are written off when deemed uncollectible. Recoveries of accounts receivable previously written off are recorded when received.

Inventory

Inventory is stated at the lower of cost (first-in, first-out basis) or net realizable value.

Equipment

Equipment is stated at cost. Depreciation of equipment is calculated by using the straight-line method over the estimated useful lives of the respective assets, as follows:

Vehicles	5 to 6 years
Computer equipment	3 to 5 years
Furniture and fixtures	5 to 7 years

Impairment of Long-lived Assets

Impairment losses are recorded on long-lived assets when events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable. When required, impairment losses on assets to be held and used are recognized based on the excess of each asset's carrying amount over the estimated fair value of the asset.

Revenue Recognition

Revenue is measured based on a transaction price specified in a contract with a customer. The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring products and services to the customer. The Company excludes sales, use, and similar taxes from the measurement of the transaction price. The Company does not have significant variable consideration in its contracts.

The Company recognizes revenue when it satisfies a performance obligation by transferring control over a product or service to a customer either at a point in time or over time. Total approximate revenue recognized over time and at a point in time was as follows for the years ended March 31, 2025, 2024 and 2023:

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Revenue recognized at a point in time	\$ 689,037,687	\$ 672,532,519	\$ 643,583,805
Revenue recognized over time	<u>5,769,810</u>	<u>5,028,214</u>	<u>4,672,691</u>
<b>Total</b>	<b><u>\$ 694,807,497</u></b>	<b><u>\$ 677,560,733</u></b>	<b><u>\$ 648,256,496</u></b>

# ADVANCED FRESH CONCEPTS FRANCHISE CORP.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Revenue Recognition (Continued)

The following is a description of the principal activities from which the Company generates its revenue, and the nature and timing of satisfaction of each performance obligation.

#### *Franchise Revenue*

The Company enters into a franchise agreement with franchisees and assesses the contract term as the period in which the parties to the contract have presently enforceable rights and obligations. The contract term is in line with the stated term in the contract at all times.

The specified promises that are licensed to the franchisee are the franchise rights, which include use of the name, trademarks, and proprietary methods. The franchisee is granted the right to operate at the facility pursuant to the Company's license agreements with the facility owners.

The Company also provides certain pre-opening services to franchisees such as training and orientation, systems implementation, and the design of a quality control program. These services are highly interrelated and not considered distinct from the franchise right.

Upfront payments related to franchise fees and pre-opening services are initially recorded in deferred revenue and revenue is recognized over the contract term. The Company believes that the impact of the financing component on upfront payment related to initial franchise fee is not significant at the contract level.

Related to the grant of a franchise right, the Company receives a sales-based royalty which is determined by the gross sales from franchised stores, less any commissions attributable to the franchisees. Revenue from sales-based royalties is recognized as the related sales occur at the franchised stores.

Revenue from services related to the franchise operations after the contract commencement such as laboratory, inspection, and web/data services, is recognized when the service is performed based on a stand-alone selling price.

#### *Product Revenue*

The Company sells food and supplies to franchisees through the online purchase order system that dictates the price, quantity of goods, payment terms, delivery terms, and other terms and conditions of the transaction.

Product revenue is recognized when food and supplies are shipped (for shipments from a related party's warehouse) or when products are delivered (for shipments from a third-party vendor) which indicates the transfer of control from the Company to the franchisee.

As a practical expedient, shipping and handling costs associated with outbound freight after control over a product has transferred to a customer are accounted for as a fulfillment cost and are included under direct contract costs in the statement of comprehensive income.

**ADVANCED FRESH CONCEPTS FRANCHISE CORP.**  
**NOTES TO FINANCIAL STATEMENTS**

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**NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Revenue Recognition (Continued)

*Retail Revenue*

The Company generates revenue from the sale of food and related products to end customers, at its company-managed stores.

Company-managed store revenue is recognized when the sale is consummated, and control is transferred at the food service counter.

Costs and Expenses

Direct costs of sales and servicing of contracts with customers are recorded as direct contract costs as they are incurred. Direct costs also include costs incurred for shipping and handling of food and related products to franchisees. Operating expenses such as selling, general and administrative costs are charged in the statement of comprehensive income when incurred.

Advertising Costs

Advertising costs included in operating expenses are expensed as incurred. Advertising expense amounted to \$4,746,188, \$3,736,836, and \$2,712,419 for the years ended March 31, 2025, 2024 and 2023, respectively.

Leases

The Company determines if an arrangement is or contains a lease at inception, which is the date on which the terms of the contract are agreed to, and the agreement creates enforceable rights and obligations. A contract is or contains a lease when (i) explicitly or implicitly identified assets have been deployed in the contract and (ii) the Company obtains substantially all of the economic benefits from the use of that underlying asset and directs how and for what purpose the asset is used during the term of the contract. The Company also considers whether its service arrangements include the right to control the use of an asset.

The Company recognizes leases on its balance sheet as a right-of-use asset representing the right to use an underlying asset and a lease liability representing the obligation to make lease payments over the lease term, measured on a discounted basis. Leases are classified as either finance leases or operating leases based on certain criteria. Classification of the lease affects the pattern of expense recognition in the statement of comprehensive income.

**ADVANCED FRESH CONCEPTS FRANCHISE CORP.**  
**NOTES TO FINANCIAL STATEMENTS**

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**NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Leases (Continued)

The Company made an accounting policy election available under Topic 842 not to recognize right-of-use assets and lease liabilities for leases with a term of 12 months or less. For all other leases, right-of-use assets and lease liabilities are measured based on the present value of future lease payments over the lease term at the commencement date of the lease. The right-of-use assets also include any initial direct costs incurred and lease payments made at or before the commencement date and are reduced by any lease incentives. To determine the present value of lease payments, the Company made an accounting policy election available to non-public companies to utilize a risk-free borrowing rate, which is aligned with the lease term at the lease commencement date.

The Company has made an accounting policy election to account for lease and non-lease components in their contracts as a single lease component for all asset classes.

Income Taxes

The Company is treated as a C corporation for federal and state income tax purposes. Income taxes are provided for the tax effects of transactions reported in the financial statements and consist of taxes currently due plus deferred taxes which relate to the temporary differences between financial and tax reporting.

The deferred tax assets and liabilities represent the future tax return consequences of those differences, which will either be taxable or deductible when the assets and liabilities are recovered and settled, respectively. Management records a valuation allowance to reduce its deferred taxes to the amount it believes is more likely than not to be realized. The amount of the deferred tax assets considered realizable, however, could be reduced in the near term if estimates of future income are reduced.

The Company recognizes the effect of income tax positions only if those positions are more likely than not of being sustained. The Company classifies interest and penalties related to unrecognized tax benefits, if incurred, as a component of income tax expense. To date, there have been no unrecognized tax positions.

Foreign Currency Transactions/Translation

The functional currency for the Company's Canadian operations is the applicable local currency which is the Canadian dollar. The translation of the applicable foreign currency into U.S. dollars is performed for balance sheet accounts using the current exchange rate in effect at the balance sheet date and for revenue and expense accounts using a weighted-average exchange rate during the period. The gains or losses, net of applicable income taxes, resulting from such translation are included as a component of stockholder's equity and classified as other comprehensive income or loss. Gains and losses resulting from foreign currency transactions are recorded in the statement of comprehensive income.

**ADVANCED FRESH CONCEPTS FRANCHISE CORP.**  
**NOTES TO FINANCIAL STATEMENTS**

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**NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Recently Adopted Accounting Pronouncements

In March 2023, the FASB issued ASU 2023-01, *Leases (Topic 842): Common-Control Arrangements*, related to the accounting for leases between entities under common control. This ASU provides a practical expedient for private companies to consider only the written terms and conditions of a common-control arrangement for determination of whether a lease exists and the subsequent accounting for the lease. In addition, the ASU amends the accounting for leasehold improvements in common-control arrangements by requiring a lessee in a common-control lease arrangement to amortize leasehold improvements that it owns over the improvements' useful life to the common control group, regardless of the lease term, if the lessee continues to control the use of the underlying asset through a lease. The amendments in this ASU are effective for fiscal years beginning after December 15, 2023, including interim periods within those fiscal years. The Company adopted ASU 2023-01 on April 1, 2024. The adoption of this standard did not have a significant impact on the Company's financial statements.

Recent Accounting Pronouncements

In December 2023, the FASB issued ASU No. 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures*, which requires that an entity, on an annual basis, discloses additional income tax information, primarily related to the rate reconciliation and income taxes paid. The amendment in the ASU is intended to enhance the transparency and decision usefulness of income tax disclosures. The provisions of this standard are effective for annual periods beginning after December 15, 2025. The Company is currently evaluating the impact of this new guidance on its financial statements.

**ADVANCED FRESH CONCEPTS FRANCHISE CORP.**  
**NOTES TO FINANCIAL STATEMENTS**

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**NOTE 2 – RELATED PARTY TRANSACTIONS**

In recognition of certain benefits and services the Parent Company has provided the Company, the Company paid the Parent Company amounts totaling \$14,611,753, \$18,246,168, and \$19,273,390 for the years ended March 31, 2025, 2024, and 2023, respectively. On July 1, 2024, the Company, declared dividends of \$3,000 per share of outstanding stock of 5,000 shares to the Parent Company; dividends paid amounted to \$15,000,000. On June 29, 2023, the Company, declared dividends of \$1,000 per share of outstanding common stock of 5,000 shares to the Parent Company; dividends paid amounted to \$5,000,000. On September 15, 2022, the Company declared dividends of \$2,000 per share of outstanding common stock of 5,000 shares to the Parent Company; dividends paid amounted to \$10,000,000.

On July 1, 2016, the Company entered into an “Agreement for Franchise Operations” with Advanced Fresh Concepts Pty Ltd (“AFCPL”), a wholly owned Australian subsidiary of the Parent Company. Pursuant to the agreement, the Company granted AFCPL certain rights and privileges related to the franchising of food service counter operations in Australia and New Zealand. In recognition of the rights and privileges conveyed and administrative expenses not directly reimbursed, the Company will receive an annual service fee from AFCPL as stipulated in the agreement. The initial term is for five years, absent notification by either party, will renew for an additional five-year period. Service fee income related to this agreement amounted to \$2,012,829, \$2,376,942, and \$2,887,446 for the years ended March 31, 2025, 2024, and 2023, respectively.

Effective July 1, 2016, the Company began purchasing substantially all of their products from AFC Distribution Corp., a wholly owned subsidiary of the Parent Company. Prior to this, the Company had purchased most of their products from the Parent Company.

**ADVANCED FRESH CONCEPTS FRANCHISE CORP.**  
**NOTES TO FINANCIAL STATEMENTS**

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**NOTE 2 – RELATED PARTY TRANSACTIONS (Continued)**

The following is a summary of significant transactions and balances with the Parent Company and affiliates as of and for the years ended March 31, 2025, 2024, and 2023:

	2025	2024	2023
Due from Parent Company (see Note 5)	\$ 7,148,508	\$ 36,490,270	\$ 36,289,288
Due from affiliates	2,012,829	2,376,942	2,887,446
Due to affiliate	8,962,550	19,299,097	18,582,630
Purchases	242,834,229	229,046,919	206,428,162
Service fee expense	14,611,753	18,246,168	19,273,390
Service fee/management fee income	2,012,829	2,376,942	2,887,446
Dividend	15,000,000	5,000,000	10,000,000

**NOTE 3 – CONCENTRATION OF CREDIT RISK AND OTHER RISKS**

Risks

The Company maintains its cash accounts in two banks located in California and two banks in Canada. Management believes that the Company is not exposed to any significant risk related to cash and cash equivalents because of the high quality of the financial institutions where cash and cash equivalents are deposited.

For the year ended March 31, 2025, sales processed by the top two supermarket chains represented approximately 44% of total facility owner gross sales; as of March 31, 2025, approximately 31% of the accounts receivable from facility owners are associated with two supermarket chains.

For the year ended March 31, 2024, sales processed by the top two supermarket chains represented approximately 43% of total facility owner gross sales; as of March 31, 2024, approximately 37% of the accounts receivable from facility owners are associated with three supermarket chains.

For the year ended March 31, 2023, sales processed by the top two supermarket chains represented approximately 42% of total facility owner gross sales; as of March 31, 2023, approximately 30% of the accounts receivable from facility owners are associated with these two supermarket chains.

**ADVANCED FRESH CONCEPTS FRANCHISE CORP.**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 4 – EQUIPMENT**

At March 31, 2025 and 2024, equipment is summarized by major classifications as follows:

	2025	2024
Vehicles	\$ 3,055,402	\$ 3,376,436
Computer equipment	1,773,660	1,662,574
Furniture and fixtures	628,485	797,339
	5,457,547	5,836,349
Accumulated depreciation	(2,620,379)	(2,564,023)
	2,837,168	3,272,326
Construction in progress	1,590,017	1,286,946
	<b>\$ 4,427,185</b>	<b>\$ 4,559,272</b>

**NOTE 5 – INCOME TAXES**

The Company is included in the consolidated income tax returns of the Parent Company as a member of an affiliate group for U.S. federal and certain state income taxes. For financial reporting purposes, the provision for income taxes is computed as if the Company were filing on a separate return basis. The Parent Company pays federal and certain state income taxes on behalf of the Company. Federal income tax payable is determined based on the consolidated taxable income and allocated based on the individual taxable income of the members of the group. State income tax payable is calculated based on standalone taxable income for each state that the Company files a separate income tax return and combined taxable income of the group for each state a consolidated income tax return is filed with the payable amount allocated according to the filing requirement of each member of the group.

Outstanding income tax balances related to the Company's share in income tax liability that have been offset against due from Parent Company as of March 31, 2025 and 2024 amounted to \$3,100,968 and \$3,287,547, respectively. The components of the provision for income taxes for the years ended March 31, 2025, 2024, and 2023 are as follows:

	2025	2024	2023
Current taxes:			
Federal	\$ 2,715,944	\$ 3,556,076	\$ 3,316,665
State	760,033	1,321,642	1,356,769
Foreign	178,639	124,237	184,662
	3,654,616	5,001,955	4,858,096
Deferred taxes:			
Federal	(125,465)	(253,801)	(267,895)
State	112,797	(197,269)	(179,880)
	(12,668)	(451,070)	(447,775)
	<b>\$ 3,641,948</b>	<b>\$ 4,550,885</b>	<b>\$ 4,410,321</b>

**ADVANCED FRESH CONCEPTS FRANCHISE CORP.**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 5 – INCOME TAXES (Continued)**

The provisions for income taxes for the years ended March 31, 2025, 2024, and 2023 are different from the amounts computed by applying the statutory U.S. federal income tax rate to net income before income taxes primarily due to state/foreign income taxes, foreign-derived intangible income deduction, foreign tax credits and certain non-deductible items.

The components of the Company's deferred tax assets and liabilities at March 31, 2025 and 2024 are stated below:

	2025	2024
Deferred tax assets:		
Accrued vacation	\$ 277,000	\$ 264,000
Accrued bonus	218,000	297,000
Allowance for doubtful accounts	126,000	95,000
State taxes	-	36,348
Deferred revenue	3,684,000	3,669,000
Lease liabilities	27,000	45,000
Foreign tax credits	240,000	188,000
Translation adjustments	368,000	258,000
Total deferred tax assets	4,940,000	4,852,348
Deferred tax liabilities:		
Right-of-use assets	(27,000)	(45,000)
Research and development	(41,000)	(24,000)
State taxes	(36,721)	-
Equipment basis	(314,000)	(386,000)
Total deferred tax liabilities	(418,721)	(455,000)
Net deferred tax assets	<b>\$ 4,521,279</b>	<b>\$ 4,397,348</b>

As of March 31, 2025, the Company had foreign tax credit carryforwards for U.S. federal tax purposes of \$240,000 which expire in tax years 2033 to 2034.

The Company believes that its deferred tax assets are more likely than not to be realizable based on estimates of future taxable income.

**NOTE 6 – FACILITY LICENSING CHARGES**

The Company enters into license agreements with facility owners which allow the Company or franchisees to operate food service counters as separate departments within supermarkets and other venues. As provided in the license agreements, the facility owners are entitled to receive consideration equivalent to a certain percentage of gross sales collected at franchised stores and company-managed stores. Facility licensing charges constitute a cost of the Company in granting the franchise rights to franchisees and the cost of selling food and related products at the company-managed stores.

**ADVANCED FRESH CONCEPTS FRANCHISE CORP.**  
**NOTES TO FINANCIAL STATEMENTS**

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**NOTE 6 – FACILITY LICENSING CHARGES (Continued)**

Total gross sales at franchised stores and company-managed stores collected by facility owners amounted to \$1,196,589,998, \$1,207,837,708, and \$1,213,324,433 for the years ended March 31, 2025, 2024, and 2023, respectively.

The facility licensing charges presented under operating expenses in the statement of comprehensive income amounted to \$314,732,074, \$318,498,056, and \$320,391,751 for the years ended March 31, 2025, 2024, and 2023, respectively.

**NOTE 7 – FRANCHISE OPERATIONS**

The Company executes franchise agreements that set the terms of its arrangement with each franchisee for five years. If fully compliant with all requirements, a franchisee may generally renew their agreement upon the expiration of the agreement, which is usually for another period of five years.

Franchise revenue for the years ended March 31, 2025, 2024 and 2023 is as follows:

	2025	2024	2023
Sales-based royalty	\$ 398,436,714	\$ 400,795,516	\$ 396,642,891
Franchise fees	5,939,521	5,351,042	4,863,067
Others	4,260,817	4,719,026	3,719,641
	<b>\$ 408,637,052</b>	<b>\$ 410,865,584</b>	<b>\$ 405,225,599</b>

Others consist of mainly training fee and additional services that are being provided to franchisees.

As of March 31, 2025, the number of franchisees in the United States and Canada amounted to approximately 3,146 and 60, respectively. The number of franchisee-operated locations in the United States and Canada approximated 4,128 and 64, respectively.

As of March 31, 2024, the number of franchisees in the United States and Canada amounted to approximately 3,206 and 70, respectively. The number of franchisee-operated locations in the United States and Canada approximated 4,200 and 81, respectively.

In certain instances, the Company may temporarily operate a food service counter until a franchisee is found. The number of company-managed locations as of March 31, 2025 and 2024, is approximately 302 (United States – 299; Canada – 3) and 241 (United States – 238; Canada – 3), respectively.

**ADVANCED FRESH CONCEPTS FRANCHISE CORP.**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 7 – FRANCHISE OPERATIONS (Continued)**

As provided in the franchise agreement, franchisees are entitled to receive commissions based on a certain percentage of gross sales from franchised stores as agreed by the Company and the franchisee. These franchisee commissions amounted to \$762,711,228, \$780,540,690, and \$792,787,254 for the years ended March 31, 2025, 2024, and 2023, respectively. Amounts owed by the franchisees for food purchases, related products, and other charges are deducted from their commission.

**NOTE 8 – 401(K) SAVINGS PLAN**

The Company belongs to the AFC 401(k) Retirement Plan (the “Plan”) in which eligible employees of the Company can participate. The Plan is currently sponsored by the Parent Company. Under the Plan, eligible participants can elect to defer up to 90% of their wages, subject to statutory limitations. The Plan allowed for a matching contribution equal to 50% (25% prior to July 1, 2022) of the first 6% contributed by the employees. Employees are eligible to participate if the employee has one year of service with 1,000 hours of service completed. The Company’s contributions totaled \$320,509, \$222,222, and \$172,656 for the years ended March 31, 2025, 2024, and 2023, respectively.

**NOTE 9 – LEASES**

The Company leases central kitchen space and copy machines under operating lease agreements that expire in August 2025 to February 2028. The central kitchen space leases include an option to extend the lease term. The Company considers such an extension option in determining the lease term, when it is reasonably certain to exercise the extension option. As of March 31, 2025, all central kitchen space leases are considered short-term leases.

The Company had a vehicle lease classified as a finance lease with an interest rate of 0.73% which expired in August 2023. At March 31, 2023, this finance lease was included in other assets and amounted to \$1,692.

Operating lease cost is recognized on a straight-line basis over the lease term. The components of lease expense are as follows for the years ended March 31, 2025, 2024 and 2023:

	2025	2024	2023
Operating lease cost	\$ 63,170	\$ 62,633	\$ 52,848
Variable lease cost	29,946	18,865	-
Finance lease cost – amortization of right of use assets	-	423	5,075
Finance lease cost – interest on lease liabilities	-	34	596
Short-term lease cost	333,810	368,964	205,146
	<b>\$ 426,926</b>	<b>\$ 450,919</b>	<b>\$ 263,665</b>

**ADVANCED FRESH CONCEPTS FRANCHISE CORP.**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 9 – LEASES (Continued)**

Supplemental cash flow information related to leases is as follows for the years ended March 31, 2025, 2024 and 2023:

	2025	2024	2023
Cash paid for amounts included in measurement of lease liabilities:			
Operating cash outflows – payments on operating leases	\$ 57,818	\$ 56,723	\$ 50,189
Operating cash outflows – payments on finance leases	-	34	596
Financing cash outflows – payments on finance leases	-	1,746	3,941
Right-of-use assets obtained in exchange for lease obligations:			
Operating lease	-	127,292	-

As of March 31, 2025, 2024 and 2023, the lease term and discount rate for leases are as follows:

	2025	2024	2023
Weighted-average remaining lease term:			
Operating lease	2.19 years	2.95 years	2.26 years
Finance lease	-	-	0.37 years
Weighted-average discount rate:			
Operating lease	4.15%	3.93%	2.52%
Finance lease	-	-	0.73%

Future undiscounted cash flows for each of the next five years and thereafter and a reconciliation to the operating lease liabilities recognized on the balance sheet are as follows as of March 31, 2025:

Years Ending March 31,			
2026		\$	48,428
2027			34,764
2028			14,174
Total lease payments			97,366
Less imputed interest			(4,553)
<b>Total present value of lease liabilities</b>		<b>\$</b>	<b><u>92,813</u></b>

**ADVANCED FRESH CONCEPTS FRANCHISE CORP.**  
**NOTES TO FINANCIAL STATEMENTS**

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**NOTE 10 – CONTINGENCIES**

The Company is exposed to various asserted and unasserted legal claims, actions and complaints in the ordinary course of business including disputes regarding franchise agreement provisions or terminations, unfair business practices, product quality and trademark infringement. It is the opinion of management that the resolution of such claims will not have a material adverse effect on the financial position or results of operations of the Company.

**NOTE 11 – SUBSEQUENT EVENTS**

The Company has evaluated subsequent events through July 10, 2025, the date on which the financial statements were available to be issued.

**EXHIBIT B**

**FRANCHISE APPLICATION**



**Advanced Fresh Concepts Franchise Corp.**

Fax: 310-604-6449 Franchise Application Form Attn: \_\_\_\_\_

AFCFC welcomes and considers applicants for franchises without regard to race, color, religion, ancestry, national origin, age, disability, medical condition, genetic information, marital status, sexual orientation or other protected characteristics. AFCFC is an Equal Opportunity Franchisor.

Application # \_\_\_\_\_ Date of Application: \_\_\_\_\_

**Applicant Information**

Name \_\_\_\_\_  
 (Print) Last First Middle Other name SSN or any other identifying number

Current Address \_\_\_\_\_

\_\_\_\_\_ City State Zip Code

Physical U.S. Residence, if different from above \_\_\_\_\_

\_\_\_\_\_ City State Zip Code

Home Phone ( ) \_\_\_\_\_ Work Phone ( ) \_\_\_\_\_

Mobile ( ) \_\_\_\_\_ E Mail \_\_\_\_\_

Where did you hear about us? \_\_\_\_\_

**Location**

**Potential Franchisee**

Location Preference \_\_\_\_\_  
 Anywhere Location 1 Location 2 Location 3



Education			
	Print the name and city of each school	Graduated Yes or No	Degree Awarded
High School			
College			
Vocational			

**Employment Record**

Are you currently working as a chef or helper at a Freshly Go Counter? Yes  No    
 If yes, where and who is your employer? \_\_\_\_\_

Have you ever worked at a Freshly Go Counter before? Yes  No    
 If yes, when and where? \_\_\_\_\_

Have you ever worked at any food service counter before?    
 Yes  No   
 If yes, when and where? \_\_\_\_\_

Have you ever worked at a food service establishment before? Yes  No    
 If yes, when and where? \_\_\_\_\_  
 (Continued on other side)

**Are you now employed?** Yes  No

Can we contact your **present** employers for references? Yes  No  \_\_\_\_\_  
 (Sign Here)

If you checked no, please explain \_\_\_\_\_

Can we contact your **former** employer(s) for references? Yes  No  \_\_\_\_\_  
 (Sign Here)

If you checked no, please explain \_\_\_\_\_

**List present and all former Employers or Personal Business (use additional sheets if necessary)**

Dates Employed	Employer Name, Address and Phone #		Position	Reason for leaving

**Other Information**

Have you ever been convicted of a criminal offense (felony or misdemeanor)? Yes  No   
 (Convictions for marijuana-related offenses that are more than two years old need not be listed.)

If yes, state nature of the crime(s), when and where convicted, and disposition of the case? \_\_\_\_\_

A conviction does not automatically disqualify you from consideration for a Freshly Go franchise.

Are you legally eligible to work in the United States? Yes  No   
Proof of Eligibility documentation must be provided before signing a franchise agreement as required by law.

Are you at least 18 years of age? Yes  No

Are you now or have you been subject to any judgments, liens or garnishments within the last 5 years? Yes  No

**Real Estate Investments** (list all real estate held)

Description or street address of property \_\_\_\_\_

Date of purchase \_\_\_\_\_ Cost \_\_\_\_\_

Monthly/Mortgage Payment \_\_\_\_\_ Balance \_\_\_\_\_

**Emergency Contact**

	Name	Address & Phone Number	Relationship
I			
II			

**Name of friends and relatives who are employed by or are franchisees for AFC or AFCFC.**

	Name	Relationship	Address & Phone No.
I			
II			

**Name of family or friends who are currently operating other Food Service Businesses.**

	Name	Relationship	Address & Phone numbers
I			
II			

**Personal, and Professional References**

	Name	Phone	Address
I			
II			

**Please read carefully and sign:**

By signing below, I certify, represent and warrant that:

1. The undersigned personally completed this application;
2. The information provided in this application and any accompanying resume or documentation, is all true and correct;
3. I understand that any omission or false or misleading information on this application or in any document produced by me in connection with this application may disqualify me from further consideration and may lead to immediate termination of my franchise when discovered later, regardless of the time elapsed before discovery;
4. I authorize the investigation of all information, references, work records, education and all other matters related to my suitability to be a franchise owner. I further authorize the references listed above to disclose to AFCFC any and all letters, reports, and other information related to my work records, without providing me prior notice of such disclosure. I hereby release AFCFC, my former employers, and all other persons, corporations, partnerships, and associations from any and all claims, demands and/or liabilities arising out of or in any way related to such investigation or disclosure. I authorize AFCFC to conduct a background check on me and have signed the Disclosure and Authorization for Business Relationship form.
5. No representative of AFCFC has any authority to enter into any agreement for any specified period of time, or to make any agreement contrary to the foregoing, unless it is in writing and signed by an authorized company representative. No representative of AFCFC is authorized to provide me information or make any representation to me about actual or potential sales, profits or earnings. However, we may provide actual sales information for a specific outlet being offered to you for purchase.
6. The information contained in this application is not confidential. I authorize AFCFC to provide this Application or any of its contents to the owner or management of any location(s) where it is possible I may operate a Freshly Go Counter.
7. I understand this is an Application, not an agreement. There is no promise to consider this Application or to grant me a franchise.

**Applicant's Signature** \_\_\_\_\_ **Date** \_\_\_\_\_

**For Office use only**

Interviewer	Action Taken	Position/Dept.	Starting Date	Store
Location				

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**EXHIBIT C**

**FRANCHISE AGREEMENT**

## FRANCHISE AGREEMENT

This Franchise Agreement (this "Agreement") is made and entered into on \_\_\_\_\_, 20\_\_ between Advanced Fresh Concepts Franchise Corp. a California corporation whose address is 19700 Mariner Avenue, Torrance, California 90503 ("Franchisor"), and \_\_\_\_\_ whose address is \_\_\_\_\_ ("Franchisee"), with reference to the following facts:

### RECITALS

Franchisor owns and is also a licensee of certain other intellectual property from its parent, Advanced Fresh Concepts Corp. ("AFCC"), comprised of trademarks, know-how, trade secrets and other intangible property all comprising a system (the "AFC System") for developing and operating food service counters in grocery stores, retail stores and other locations. Franchisee desires to be granted a franchise to establish and operate a Freshly Go food service counter(s) using the AFC System. Franchisor is willing to grant a franchise to Franchisee on the terms in this Agreement. Accordingly, the parties now agree as follows:

### AGREEMENT

#### 1. Appointment.

Franchisor grants to Franchisee, and Franchisee accepts, the right to operate one Freshly Go Counter at the following location: \_\_\_\_\_ (the "Food Service Counter"), using the AFC System as it may be modified or further developed by Franchisor, all according to the terms in this Agreement. Franchisee shall use Franchisee's best efforts to develop and expand the market for the goods and services offered by the Food Service Counter and shall cooperate with Franchisor in accomplishing the purposes of this Agreement.

#### 2. Term.

The term of this Agreement shall be five years starting on the date stated in the introductory paragraph of this Agreement and ending on the fifth anniversary of that date. Regardless of the term, this Agreement shall terminate earlier on the date this Agreement is terminated as provided in Sections 15.1 through 15.5. Further, at any time during the five-year term, Franchisee may apply to Franchisor in writing to terminate this Agreement early, with the termination to be effective on the 90th day following delivery of written notice, or such earlier time as the parties mutually agree in writing. Franchisor shall have 30 days to accept Franchisee's early termination request. Franchisor's failure to accept Franchisee's request within such 30-day period shall be deemed Franchisor's election to reject Franchisee's early termination request. Franchisor may condition its consent to early termination on Franchisee paying Franchisor an early termination fee, as described in Section 9.11.

#### 3. Location.

3.1. Location. Franchisee shall operate the Food Service Counter only at the location identified in Article 1 of this Agreement.

3.2. Relocation. In the event of the loss of the right or consent to operate at Franchisee's location, or the location owner's or manager's objection to Franchisee, without fault of Franchisee, Franchisor shall attempt to identify a new location for Franchisee, and shall consent to relocation of the Food Service Counter to an alternate location and site acceptable to Franchisor. Any such relocation shall be at Franchisee's sole

expense. Franchisee acknowledges that relocation may not be possible before expiration of the term of this Agreement, or at all; that any new location may not be comparable to the old; and that relocation, if possible, could involve a substantial interruption in operating the Food Service Counter until a new location is identified and prepared. Franchisee releases Franchisor and its affiliates, and each of their respective officers, directors, agents and employees from any loss of right or consent to operate at the location, and further agrees not to hold Franchisor liable for any such event during the term of this Agreement or thereafter.

3.3. Acknowledgment. Franchisee acknowledges that the right to locate the Food Service Counter at a particular location, may be derived from an agreement between Franchisor (or an entity affiliated with Franchisor, such as Advanced Fresh Concepts Corp.) and the owner or lessee of the location where the Food Service Counter is located; that the agreement may be modified or terminable by the owner and/or manager of the location at any time and on short notice; and/or the owner or facility manager may object to Franchisee operating there; and that modification, termination or objection by the owner or facility manager may therefore result in the need for relocation and resulting disruption and interruption to Franchisee or adjustment to the franchise operations (such as if the facility owner requests that the operations be converted from a full time location to a self-service, or part time location, and vice versa). Franchisee also acknowledges that the owner or facility manager may require changes to the type of food products offered at the Food Service Counter and other changes. Franchisee acknowledges that the choice of location, types of food offered at the location, and right to continue operating at the location is subject to the location owner's and/or manager's consent.

3.4. No Exclusivity. This Agreement does not include any territory or marketing exclusivity. Franchisor shall have the right to operate or grant franchises or licenses to others to operate food service counters under the "Freshly Go" marks or any other mark anywhere, regardless of how close they are to the Food Service Counter that Franchisee operates; to sell products and other items to anyone and anywhere (even in the facilities where Franchisee operates), including, but not limited to pre-packaged products and central kitchen products identified by the Marks (as defined below) or other marks, whether or not such marks are authorized for use by Franchisee, as well as other products or services under the Marks and other trademarks and service marks. Furthermore, Franchisor shall have the right to use other channels of distribution, such as the Internet, telemarketing, catalog sales, other direct marketing sales and other means to advertise, sell and distribute products to anyone and anywhere; and other Freshly Go Counters (regardless of who owns or operates them) may advertise to and solicit prospective customers regardless of geographic location. Franchisor shall have no obligation to compensate Franchisee for any sales made through these methods or any other methods.

3.5. Restrictions on Distribution Methods. Franchisee shall only sell products to end customers who are physically present at Franchisee's Food Service Counter. Franchisee shall not engage in the resale of any product or supply at wholesale, retail or otherwise without Franchisor's express written consent. Franchisee shall not use any other channels of distribution such as the Internet, catalog sales, telemarketing or otherwise to conduct sales.

#### **4. Trademarks.**

4.1. Ownership. Franchisee acknowledges that Franchisee owns no right, title, interest or goodwill in the trademarks "Freshly Go," the Freshly Go logo or any other marks or trade dress that Franchisor adopts and permits Franchisee to use from time to time (collectively, the "Marks"); that as between Franchisee and Franchisor all right, title and interest in and to the Marks shall be deemed to be owned by Franchisor; that all usage of the Marks and goodwill established by that use is exclusively for Franchisor's benefit; and that this Agreement does not confer any goodwill or other interests in the Marks on Franchisee.

4.2. Use. Franchisee shall not use any Mark or portion of any Mark as part of the name of any business entity. Franchisee shall not use any Mark in selling any unauthorized product or service or in any

manner not expressly authorized in writing by Franchisor. Franchisee shall not establish an email address or an Internet web site or the like using any domain name containing the words “Freshly Go” or any variation without Franchisor’s prior written consent. Franchisee shall only use the Marks associated with the Food Service Counter concept Franchisee is permitted to operate. Franchisee shall give notices of trademark and service mark registration that Franchisor specifies and obtain fictitious or assumed name registrations as may be required by applicable law. Franchisee shall restrict use of the Marks as may be required by each owner of the facility where the Food Service Counter is located.

4.3. Notice. Franchisee shall notify Franchisor immediately of any claim or demand arising from any attempt by any other person or entity to use the Marks or any similar marks or if Franchisee discovers anyone else is infringing the Marks. Franchisor shall have the sole right and obligation to decide what action, if any, to take with regard to any such matter and Franchisee shall cooperate with Franchisor and execute any and all documents and take all actions that Franchisor requests with regard to the matter.

4.4. Change. If it becomes advisable at any time, in Franchisor’s sole discretion, for Franchisor to modify or discontinue use of any Mark, and/or use one or more additional or substitute trade names, trademarks, service marks or other commercial symbols, Franchisee shall comply with Franchisor’s directions to do so at Franchisee’s cost and expense.

4.5. Inspection. To preserve the validity and integrity of the Marks and to assist Franchisor in steps seeking to assure that Franchisee operates according to this Agreement and uses the Marks properly in operating the Food Service Counter, Franchisor or its agents shall have the right to enter and inspect the Food Service Counter, and to interview customers, suppliers or others, at all reasonable times. Franchisee shall fully cooperate with Franchisor in any inspection or visit Franchisor conducts and shall provide Franchisor’s personnel full access to the Food Service Counter for this purpose. Any obstruction, interference or prohibition by Franchisee of Franchisor’s right to inspect the Food Service Counter, including, without limitation, to investigate threats or dangers to public health and safety, shall constitute a material breach of this Agreement. If Franchisor or Franchisor’s agent or designee inspects the Food Service Counter and identifies a health and safety violation, Franchisee shall pay Franchisor’s then current inspection fee for the inspection and costs of remediation. If Franchisor, in its sole discretion, determines that a lab test is required to test the quality, safety and freshness of the foods sold at any Food Service Counter operated by Franchisee, Franchisor shall have the right to assess Franchisee a lab fee of up to \$500 for each sample tested.

4.6 Location Exceptions. Franchisee acknowledges that at certain locations, Franchisee may not be able to use the Marks due to agreements with the facility owner. Franchisee shall abide by such requirements.

## **5. Confidential Operations Manuals.**

5.1. Loan of Operations Manuals. Franchisor shall loan to Franchisee during the term of this Agreement one electronic copy of Franchisor’s confidential Operations Manual and one electronic copy of Franchisor’s Standard Sanitation Operating Procedure and Methods Manual (collectively the “Manuals”) for the Food Service Counter operated by Franchisee. The Manuals shall contain mandatory and suggested specifications, standards, operating procedures and rules prescribed from time to time by Franchisor for Food Service Counters. Franchisor shall have the right to modify the Manuals from time to time. Franchisee shall comply with the Manuals, as modified by Franchisor. If Franchisee elects to obtain a physical copy of the Manuals, Franchisee shall pay Franchisor’s then current manual lease fee for each physical Manual received from Franchisor. The manual lease fee paid by Franchisee shall be refunded to Franchisee when Franchisee returns the physical Manuals to Franchisor within 30 days of termination or expiration of this Agreement. For purpose of clarification, there shall be no refund if Franchisee fails to return the physical Manual(s) or returns any physical manual more than 30 days after expiration or termination of this Agreement.

5.2. Ownership. The Manuals shall be at all times the sole property of Franchisor. Franchisee shall return the physical Manuals immediately on expiration or termination of this Agreement and destroy any electronic version of the manuals and other confidential information Franchisee received from Franchisor. Franchisee shall not make and shall not let Franchisee's personnel make any copy of all or part of the physical or electronic Manuals.

5.3. Confidentiality. Franchisee acknowledges that the Manuals contains confidential information and that its loss or disclosure would cause substantial damage to Franchisor. Franchisee shall protect the Manuals as a trade secret of Franchisor.

## **6. Confidential Information.**

6.1. Secrets. Franchisee acknowledges that Franchisor's product recipes, methods of preparing the products, and operating procedures for a Food Service Counter are valuable and secret in the sense that they are not generally known to competitors of Franchisor. Other information that Franchisor designates as confidential shall be deemed confidential for this Agreement, except information that Franchisee proves he or it knew before disclosure from Franchisor; or lawfully entered the public domain, through publication by others.

6.2. Protection. Franchisee shall maintain the confidentiality of all trade secrets during and after the term of this Agreement. Franchisee shall not use this information in any other business or in any manner not specifically authorized or approved in writing by Franchisor. Franchisee shall reveal the trade secrets to employees only to the extent they need the information to perform their jobs. Franchisee shall use reasonable precautions to require employees to keep the information confidential; and shall take any additional steps to protect confidentiality that Franchisor requests from time to time.

6.3. Acknowledgments. Franchisee acknowledges that (a) the trade secrets also include information that cannot be removed from Franchisee's knowledge and memory and that would inevitably be used and disclosed if Franchisee held interests in any competitive business; (b) Franchisor could not protect the trade secrets against unauthorized use or disclosure, could not readily assure compliance with Sections 6.1 through 6.2 if Franchisee held interests in any competitive business; and that (c) involvement by Franchisee in any competitive business would create a high level of temptation and opportunity to use Franchisor's trade secrets.

6.4. Exclusive Dealing. Franchisee acknowledges that Franchisor enters into this Agreement in consideration of, and reliance on Franchisee's agreement to deal exclusively with Franchisor and to refrain from using any of Franchisor's trade secrets in any activity competitive with Franchisor, and to refrain from transferring the goodwill associated with the Marks to any other business. Therefore, during the term of this Agreement, Franchisee and, collectively and individually all directors, officers and holders of any direct or indirect beneficial ownership interest of five percent (5%) or more of the securities or other equity interests of Franchisee, or of any corporation, limited liability company, partnership or other form of entity affiliated with or directly or indirectly controlling or controlled by Franchisee, and each relative of each such person who is an individual, including each such person's mother, father, husband, wife, brother, sister, son or daughter (collectively "Covered Persons"), shall not have any interest as an owner, investor, partner, lender, director, officer, member, manager, employee, consultant, representative or agent or in any other capacity in any business selling fresh-cut fruit and vegetables or any other retail food business without Franchisor's prior written consent. For 2 years after this Agreement expires without renewal or terminates, Franchisee and all Covered Persons shall not have any interest as an owner, investor, partner, lender, director, officer, member, manager, employee, consultant, representative or agent or in any other capacity in any business selling fresh-cut fruit and vegetables or other food items developed or sold in the AFC System without Franchisor's prior written consent within:

A. 5 miles of any food service counter operated by Franchisor or by any franchisee or licensee or other affiliate of Franchisor in a major city (as defined below);

B. 10 miles of any food service counter operated by Franchisor or by any franchisee or licensee or other affiliate of Franchisor in a metropolitan area (as defined below);

C. 15 miles of any food service counter operated by Franchisor or by any franchisee or licensee or other affiliate of Franchisor in a rural area (as defined below).

D. For this Agreement, a “major city” means any of the top 25 cities in the U.S. measured by population; a “metropolitan city” means any city other than a major city where the population density is greater than 1,000 people per square mile; and a “rural area” means an area whose population density is 1,000 people per square miles or less. These figures shall be measured at the time of expiration or termination.

E. On written request from Franchisee, Franchisor will provide Franchisee a list of locations within a reasonable geographic area, to assist Franchisee in complying with this obligation.

6.5. Exceptions. The restrictions in Section 6.1 through 6.4 shall not apply to ownership of (a) securities listed on a stock exchange or traded on the over the counter market that represent two percent (2%) or less of the number of shares of the class of securities issued and outstanding; or (b) other food service counters that Franchisee has an interest in pursuant to a written agreement with Franchisor.

6.6. Separate Covenants. Each of the covenants in Sections 6.1 through 6.4 and each portion thereof, shall be construed as independent of any other covenant or provision. If all or any portion of a covenant is unenforceable due to its scope in terms of geography, duration, or activity covered or otherwise, but could be enforced if reduced in scope, then the parties agree to be bound by any lesser covenant subsumed within the terms of such covenant imposing the maximum duty permitted by law, as if the resulting covenant were separately stated in and made a part of the applicable provision within Sections 6.1 through 6.4.

## 7. System Changes.

7.1. Changes by Franchisor. Franchisee acknowledges that periodically Franchisor may modify any aspect of the AFC System, including, but not limited to, as required by law. Franchisor reserves the right to expand food offerings available at the Food Service Counter, including hot foods and other food types. Franchisor shall communicate modifications through the Manuals or other ways. Franchisee shall comply with all modifications that Franchisor makes from time to time, at Franchisee’s expense.

7.2. No Changes by Franchisee; Improvements to the AFC System. Franchisee shall not modify or deviate from any aspect of the AFC System without Franchisor’s prior written consent. Franchisee shall notify Franchisor in writing of any proposed improvement to the AFC System (“Improvement”) and provide to Franchisor such information as Franchisor requests regarding the Improvement. Any Improvement to the AFC System made by Franchisee for any purpose will be deemed to be a “work made for hire” under U.S. copyright law for the benefit of Franchisor, and therefore, Franchisor shall own the intellectual property rights in and to the improvements and may use the same for any and all purposes. To the extent any Improvement does not qualify as a work made for hire, Franchisee hereby assigns those Improvements to Franchisor for no additional consideration and with no further action required. Franchisee shall sign all further assignments or instruments, as Franchisor may request to effectuate the parties’ agreement hereunder. If Franchisee should fail to do so, Franchisee hereby appoints Franchisor as Franchisee’s attorney-in-fact with full power and authority for the sole purpose of executing and filing all assignments and other instruments necessary to obtain title to the Improvements in the name of Franchisor. This appointment shall be deemed to be coupled with an interest and shall continue in full force and effect following the termination or expiration of this Agreement.

Franchisor shall have the right to incorporate the Improvements into the AFC System and into any other businesses in which Franchisor or its Affiliates have an interest without compensation to Franchisee. If the foregoing provisions of this Section 7.2 are found to be invalid or otherwise unenforceable, Franchisee hereby grants Franchisor a worldwide, perpetual, non-exclusive, fully paid license to use and sublicense the use of the Improvement to the extent Franchisor's use or sublicense would, absent this Agreement, directly or indirectly infringe Franchisee's rights therein.

## **8. Advertising.**

8.1. Approval. Franchisee shall submit to Franchisor for prior approval, all advertising and promotion that Franchisee proposes to use, whether for print, broadcast, electronic or other media (including on the Internet), as well as novelty items, signs and containers. Franchisee shall use those materials only after receiving Franchisor's written consent, and shall not use any material without first obtaining Franchisor's written consent. Franchisor may withhold or later revoke consent, or may condition consent on modifications or other restrictions. Delay by Franchisor to require compliance or cure does not waive Franchisor's rights under this Section 8.1.

8.2. Advertising Restrictions. Franchisor shall have the right to impose geographic and/or other restrictions on advertising that Franchisee conducts or proposes to conduct. Franchisee shall include trademark and copyright notices and notices of independent ownership in advertising as Franchisor requests from time to time.

8.3. Phone Directory. Franchisor shall have the right to require Franchisee to maintain a listing in local telephone directories, according to standards set by Franchisor.

8.4. Cooperative Advertising. Franchisor reserves the right, in the future, to designate a geographic region that includes Franchisee's Food Service Counter and at least one other Freshly Go food service counter as a local, regional or national cooperative area, for the purpose of developing a cooperative program. Franchisee shall participate in and contribute its share to the cooperative designated by Franchisor, as determined according to the cooperative's operating procedures. The cooperative shall operate according to written governing documents prepared by or consented to by Franchisor. Franchisor shall have the right to veto any decision of the cooperative. Franchisor shall have the power to form, change, dissolve or merge cooperatives, at Franchisor's discretion.

8.5. Grocery Store Objection. Franchisee shall not conduct any advertising that is objectionable to the owner or manager of the premises where the Food Service Counter is located.

8.6. Advertising Campaigns. Franchisor may conduct regional or national advertising campaigns, geotargeted marketing campaigns, or national news and weather campaigns, ("Advertising Campaigns"). In the event Franchisor conducts any such Advertising Campaigns, Franchisor shall have the right to bill Franchisee for the pro-rata share of such campaigns, pursuant to Section 9.18, Franchisor may absorb some of the cost for such advertising, but is not obligated to do so. Franchisor undertakes no obligation, in administering the Advertising Campaigns, to make expenditures for Franchisee that are equivalent or proportionate to its contribution, or to ensure that any particular Franchisee benefits directly or pro rata from marketing or promotion conducted with the Advertising Campaigns. Food Service Counters operated by Franchisor or Franchisor's affiliates may, but are not required to, contribute to the Advertising Campaigns. If they do, they may not be required to contribute in the same percentage as Franchisee and may stop contributing at any time without notice to Franchisee. Franchisor shall prepare an annual unaudited accounting of the expenditures of the Advertising Campaigns which will be provided to Franchisee upon Franchisee's written request.

## 9. Fees and Compensation.

9.1 Initial Fee. Franchisee shall pay to Franchisor a non-refundable initial franchise fee of \$5,000 (the “Initial Fee”) for the right to operate one Freshly Go Food Service Counter. Franchisee shall pay the Initial Fee in a lump sum on signing this Agreement. The Initial Fee is deemed to be fully earned on signing this Agreement, and is nonrefundable.

9.2. Customer Payments. Franchisee acknowledges that under the AFC System’s initial structure, Franchisee shall not receive payments for sales of goods and services of the Food Service Counter; and that those payments will be made directly or indirectly from customers to the facility (for example, a grocery store) where the Food Service Counter is located, which shall then direct all payments to Franchisor, less an amount to be retained by the facility owner, pursuant to the facility owner’s separate agreement with Franchisor. Franchisee acknowledges that under the AFC System, all sales will be sold by and through cash registers owned or operated by the owner of the facility where the Food Service Counter is located. Franchisee shall not make any sales through cash registers of Franchisee without prior written consent of Franchisor. Franchisor shall have the right, but no obligation, to modify this payment structure from time to time.

9.3. Payments to Franchisee. Franchisor shall return to Franchisee \_\_\_ % of the Gross Sales of the Food Service Counter, as reported by and received from the owner of the facility where the Food Service Counter is located. Franchisor shall pay the amounts due to Franchisee, within 30 days after receiving the sales report and payment for the applicable period from the facility owner. Franchisor shall have the right to deduct all amounts owed by Franchisee to Franchisor from the payments to Franchisee either as lump sum deductions or partial deductions made over time, until such deductions equal the full amounts owed to Franchisor. Franchisee acknowledges that Franchisor’s sole responsibility shall be to remit to Franchisee the agreed commission percentage on amounts actually received from the facility owner. Franchisor shall have no responsibility to pay any commission to Franchisee on amounts not received from the facility owner. If Franchisor pays Franchisee’s commission in any given month before receiving payment from the facility owner, and the facility owner does not pay Franchisor as required, Franchisee shall reimburse Franchisor the commissions paid. Franchisee shall reimburse Franchisor any amounts paid to Franchisee, that Franchisor discovers were paid in error. At Franchisor’s discretion, Franchisor shall have the right (in lieu of Franchisee reimbursement) to withhold from future payments due to Franchisee such amounts paid in error. Franchisor shall send payments to Franchisee via direct deposit. Franchisee shall pay Franchisor’s then current direct deposit fee for this purpose.

9.4. Payment Responsibility. Franchisee shall be solely responsible to pay when due all costs and expenses of the Food Service Counter, including but not limited to the purchase price of food items and inventory, utilities, employee compensation, sales and any other taxes imposed on, required to be collected, or paid on account of goods or services furnished by Franchisee. Franchisee acknowledges and agrees that if the facility owner, due to labor contracts or otherwise, requires Food Service Counter employees to be employed directly by the facility owner, and Franchisor is asked to reimburse the facility owner for these employment costs, that Franchisor shall have the right to and shall deduct such payments from the amounts due to Franchisee pursuant to Section 9.3 of the Franchise Agreement.

9.5. Royalty. Franchisor shall have the right at any time to revise the AFC System so that Franchisee collects revenues from sales, and pays Franchisor royalties on a basis approximately equivalent in amount or rate to amounts or rates that Franchisor receives and retains pursuant to this Agreement. Any such revisions made from time to time shall be deemed to occur pursuant to this Agreement and shall not constitute a modification of the Franchise or of this Agreement.

9.6. Gross Sales. “Gross Sales” shall mean revenues derived from Franchisee’s sales. Gross Sales does not include sales tax, credits or refunds.

9.7 Customer Satisfaction Fee. Franchisor shall have the right to assess Franchisee up to One Thousand Dollars (\$1,000) for each customer complaint received, whether the complaint has any merit or not. This fee is not a penalty but to compensate Franchisor for the efforts the Franchisor must take to address the complaint. Franchisor's assessment of the customer satisfaction fee shall not constitute a waiver by Franchisor of its rights to seek damages and/or other relief against Franchisee due to Franchisee's conduct.

9.8 Default Charge Fee. Franchisor shall have the right to assess Franchisee up to \$1,000 per violation of any term, obligation or requirement of the Manuals or this Agreement. Franchisor's assessment of this fee shall not constitute a waiver by Franchisor of its rights to seek damages and/or other relief against Franchisee arising from the violation.

9.9 Technology Fee. To gain access to Franchisor's website pages which enable Franchisee to submit purchase orders online, and obtain information on new products, product specifications and other information, updates to Franchisee's tablet data, and access to Franchisor's inventory tracking software, Franchisor shall charge Franchisee a monthly technology fee of up to \$100 per Food Service Counter operated by Franchisee ("Technology Fee"). Franchisor shall have the right to increase the Technology Fee charged by ten percent (10%) annually.

9.10 Bankruptcy By Facility Owner. If the facility owner where Franchisee's Food Service Counter is located files for bankruptcy, or other similar proceeding, Franchisor's sole responsibility shall be to remit to Franchisee the agreed percentage on amounts actually received from the facility owner. Franchisor shall have no responsibility to pay any commission to Franchisee on amounts not received from the facility owner. If Franchisor pays Franchisee's commission in any given month before receiving payment from the facility owner, and the facility owner does not pay Franchisor as required, Franchisee shall reimburse Franchisor the commissions paid.

9.11 Early Termination Fee. If this Agreement is terminated and/or if Franchisee abandons any Food Service Counter before the end of the term of this Agreement, or as a condition to consenting to early termination of this Agreement pursuant to Section 2, Franchisor shall have the right, in addition to all other rights and remedies available to Franchisor in law and/or equity, to assess Franchisee an early termination fee of \$10,000 if the Food Service Counter is terminated within first year of operation or \$3,000 if the Food Service Counter is terminated after first year of operation, in each case, plus additional expenses incurred. Such fee shall be payable at the earlier of (1) the time Franchisee notifies Franchisor of the desire to terminate/abandon, or (2) actual termination or abandonment of any location. Franchisor's assessment of the early termination fee shall not constitute a waiver by Franchisor of its rights to seek damages and/or other relief against Franchisee due to the early termination and/or breach.

9.12 Administrative Fee. Franchisee shall reimburse Franchisor for Franchisor's costs and expenses in complying with tax levies and wage garnishments issued against Franchisee or Franchisee's owners, up to \$100 per garnishment/levy request.

9.13 Third Party Audits and Charges. Franchisee shall reimburse Franchisor for amounts paid by Franchisor to third parties (including, but not limited to, government agencies and facility owner(s)) for audits, inspections, fines and/or charges imposed or levied against the Food Service Counter, including food safety, facility audits and customer service.

9.14 Shipping Administrative Fee. Franchisor shall have the right to charge and Franchisee shall pay Franchisor's administrative charges, to ship products to Franchisee's Food Service Counter, in an amount up to two and one-half percent (2 ½%) of the purchase price. The administrative fee is in addition to actual shipping costs to ship products to Franchisee's Food Service Counter.

9.15 Account Broker Fee. If Franchisor pays a fee for the right to locate the Food Service Counter in the facility or store, Franchisee shall reimburse Franchisor for the amounts paid, not to exceed \$500 per quarter.

9.16 Third-Party Delivery Fee. Franchisor may deduct from amounts owing to Franchisee any third-party delivery fees charged to Franchisor by the facility or store on account of purchases from the Food Service Counter. The third-party delivery fee charged to Franchisee will be in Franchisor's sole determination as follows: (i) the amounts charged to Franchisor by the facility or store on account of food delivered from the Food Service Counter or (ii) at Franchisor's discretion, Franchisor may agree to share a portion of the third-party delivery fee cost with Franchisee and deduct the agreed upon amount from the amounts due to Franchisee. Alternatively, the facility or store may charge the third-party delivery fee to Franchisee directly.

9.17 Local Store Marketing Expense. If the facility or store charges Franchisor for local marketing initiatives for the Food Service Counter, such as on-site advertisements, coupon offers, social media promotions, mailers and other advertising programs, Franchisor may deduct such amounts from amounts due to Franchisee.

9.18 Advertising Contribution Fee. Franchisor reserves the right to enter into Advertising Campaigns and to bill Franchisee for Franchisee's pro-rata share of such advertising (the "Advertising Contribution Fee"). Franchisor may absorb some of the cost for such advertising, but is not obligated to do so.

9.19 Extended Producer Responsibility Fee. If the state where Franchisee's Food Service Counter is located requires Franchisor to pay a fee as a result of that state's regulation of paper, plastic and packaging (the "Extended Producer Responsibility Fee"), Franchisee shall reimburse Franchisor for the Extended Producer Responsibility Fee paid by Franchisor on account of Franchisee's Food Service Counter.

9.20 Interest on Late Payments and Insufficient Funds Fee. If Franchisee fails to promptly make any payment owed to Franchisor, Franchisee shall pay Franchisor's then-current late fee on the late payment, which as of the effective date of this Agreement is the greater of either \$250 or ten percent (10%) of the amount due, plus interest at the rate of twelve percent (12%) on the unpaid amount, or the highest amount allowed by law. If any payment Franchisee pays to Franchisor is declined due to insufficient funds or other reasons, Franchisee shall pay Franchisor an insufficient funds fee in the amount of ten percent (10%) of the outstanding payment due.

## **10. Accounting.**

10.1. Recordkeeping. Franchisee shall maintain full, complete and accurate books, records and accounts of the sales and expenses of the Food Service Counter. Franchisee shall conform these records to any accounting system that Franchisor may prescribe in the Manuals or otherwise in writing. Franchisee shall retain all books and records relating to the Food Service Counter for at least four years.

10.2. Reports. Franchisee shall provide Franchisor each week on or at other frequencies that Franchisor specifies from time to time, in the form approved by Franchisor, a report of sales for the week ending the prior day (Sunday). Franchisee shall provide Franchisor at frequencies that Franchisor requests, profit and loss statements and balance sheets for months, quarters and years, all as Franchisor specifies. These financial statements shall be certified to be true and correct by Franchisee. Franchisee shall provide Franchisor copies of all federal and state income tax returns and sales tax returns. Franchisee shall submit to Franchisor other periodic reports, forms and records as Franchisor requests from time to time.

10.3. Discrepancies. In any discrepancy between data as reported by Franchisee and as reported by the owner or lessee of the premises where the Food Service Counter is located, the data reported by the premises owner or lessee shall control. Franchisee shall notify Franchisor in writing within 30 days of receipt of the

statement from the store premises of any alleged discrepancy. Franchisee shall have no right to seek adjustments for any discrepancy after such 30 day period.

10.4. Audit. Franchisor or its designated agents shall have the right at reasonable times to examine and copy books, records and tax returns of Franchisee. Franchisor shall also have the right, at any time, to have an independent audit made of books and records of Franchisee at Franchisor's expense. If an inspection reveals a discrepancy or underreporting of sales of one percent (1%) or more for any period, then Franchisee shall take corrective action, including but not limited to paying Franchisor the amounts that would have been paid but for any underreporting, all as Franchisor specifies; and interest at the rate of 1% per month (12% per year) from the date the amount would have been due until paid; and Franchisee shall, in addition, reimburse Franchisor for all costs and expenses connected with the inspection. These remedies shall be in addition to any other remedies Franchisor may have.

## **11. Training, Quality and Performance Standards.**

11.1. Compliance with System/Reports. Franchisee shall comply with the Manuals and all other written policies provided to Franchisee by Franchisor. Franchisee shall not make any material changes to the operation or structure or facilities of the Food Service Counter nor make any material replacement or alterations to equipment, fixtures, signs or decor without Franchisor's prior written consent. Franchisee shall submit to Franchisor such periodic reports, forms and records as Franchisor requests from time to time, including but not limited to, cleaning schedules, daily production reports, delivery logs, and temperature logs. Franchisee shall obtain and provide Franchisor an email address to which Franchisor may send written communications and sales reports to Franchisee.

11.2. Condition. Franchisee shall maintain the condition and appearance of the Food Service Counter and all equipment consistent with Franchisor's standards. Franchisee shall maintain the Food Service Counter in a high level of cleanliness and first-class appearance, including but not limited to, replacing worn or obsolete signs, fixtures, decor and equipment. Franchisee shall repair, at Franchisee's sole cost and expense, any equipment and/or worn or obsolete signs, fixtures and décor. If at any time in Franchisor's judgment the appearance of a Food Service Counter or equipment, fixtures, signs or decor does not meet Franchisor's standards, Franchisor shall have the right to notify Franchisee, specifying the corrective action to be taken by Franchisee. Franchisee shall correct the deficiency within 15 days after receipt of the notice, or such shorter period of time that Franchisor reasonably requests, provided that any deficiency that Franchisor believes could threaten public health or safety shall be corrected immediately.

11.3. No Other Purpose. Franchisee shall not conduct any business or activity from the location of the Food Service Counter other than the operation of the Food Service Counter according to the AFC System. All food items prepared at the Food Service Counter shall be sold at the Food Service Counter only and at no other location without the prior written consent of Franchisor. Under no circumstances are the premises of the Food Service Counter to be used for the preparation of food items to be sold other than on the premises .

11.4. Proprietary Products. Franchisor has developed and may continue to develop other proprietary food products, sauces and spices. To protect Franchisor's trade secrets and maintain quality control, Franchisor shall have the right to require Franchisee to purchase such proprietary items only from Franchisor or third parties that Franchisor designates.

11.5. Full Menu. Franchisee shall offer for sale and sell at the Food Service Counter all food items that Franchisor authorizes from time to time; and shall not offer for sale or sell at the Food Service Counter any other category of products. Franchisee shall have the right to offer additional prepared food items from time to time on a special or market test basis, provided that Franchisee shall notify Franchisor in writing at

least 30 days in advance and shall comply with any request by Franchisor to refrain from offering any one or more such items.

11.6. New Products. From time to time, Franchisor may introduce new products, or reintroduce previously introduced new products. Franchisee shall purchase, maintain and display reasonable inventories of such new products for at least 120 days. Franchisor may require Franchisee to again purchase, maintain and display the products regardless of prior compliance with this section 11.6. Franchisee shall not introduce, offer or sell any new items that have not been approved by franchisor in writing.

11.7. Samples. Franchisee shall comply with sampling policies that Franchisor establishes from time to time. These may include requirements to provide free samples to customers and potential customers.

11.8. Preparation. To ensure that all items produced by Franchisee meet Franchisor's standards, and to protect Franchisor's goodwill and Marks, all food products shall be prepared only by properly trained personnel according to Franchisor's recipes, preparation techniques and processes as designated in the Manuals, and shall be sold only at retail to customers in conformity with Franchisor's marketing plan and concept.

11.9. Proposed Suppliers. If Franchisee proposes to offer at the Food Service Counter any brand of product, or to use any item not then approved by Franchisor or to purchase from a supplier not then designated by Franchisor as an approved supplier, Franchisee shall first notify Franchisor and on Franchisor's request, submit samples and other information that Franchisor requires for examination and/or testing or to otherwise determine if the product, or proposed supplier meets Franchisor's specifications and quality standards. Franchisee shall pay Franchisor a reasonable charge for the cost of inspection and evaluation, including a reasonable amount for Franchisor's costs of personnel to conduct the inspection and evaluation. Franchisor reserves the right to re-inspect facilities and products of any supplier and to revoke approval of any item that does not continue to meet Franchisor's standards. Franchisor reserves the right to approve any and all supplies, suppliers, brands and other products and services, whether currently approved or submitted for approval.

11.10. Suppliers. From time to time, Franchisor may provide Franchisee a list of approved products, brands, and/or suppliers for food products and other items necessary to operate the Food Service Counter, identifying manufacturers, brands, suppliers, transportation companies, and products and services that Franchisor has approved to be carried or used in the AFC System. Franchisor may revise the list from time to time. If Franchisee wishes to purchase a product or use a supplier not on the list, Franchisee shall submit Franchisee's request in writing to Franchisor before making any purchase and shall pay Franchisor's then current fees, costs and expenses to investigate the product or supplier. Franchisor is not under any obligation to approve the requested product or supplier and Franchisee shall comply with Franchisor's decision. Franchisor shall have the right to revoke any approval previously given.

11.11. Use of Approved Items. All goods and services used in operating the Food Service Counter that are not specifically required to be purchased according to Franchisor's approved suppliers list, shall conform to specifications and standards that Franchisor establishes from time to time. Franchisee shall also comply with any source restrictions imposed by the facility owner to maintain quality control or an identifiable source for products in the event of product recalls.

11.12. Inventory. Franchisee shall always maintain an inventory of food and other products, materials and supplies to permit operation of the Food Service Counter at maximum capacity.

11.13. Private Label. Franchisor may develop proprietary or private-labeled products for the Food Service Counter. To monitor the manufacture, packaging, processing and sale of these products Franchisor shall: (a) manufacture, supply and sell the proprietary or private labeled products to franchisees; and/or (b)

disclose the designs or specifications of these products to a limited number of suppliers who Franchisor will authorize to make them to Franchisor's specifications and to sell them to franchisees. Franchisee acknowledges that Franchisee shall be required to purchase the proprietary or private labeled products from Franchisor, or from a limited number of suppliers designated by Franchisor.

11.14. Charges for Purchases. From time to time Franchisee may purchase food and other items from Franchisor or Franchisor's Affiliate. Franchisor shall have the right to charge, and Franchisee shall pay, freight, and other ancillary charges for such items, as well as Franchisor's and/or Franchisor's Affiliate's prices for such items. Franchisor shall have the right to deduct product purchases from payments owed to Franchisee.

11.15. Product Purchases.

(a) Franchisee shall reimburse Franchisor and/or Franchisor's Affiliate for product purchases from third party suppliers shipped to Franchisee on Franchisee's behalf.

(b) For Franchisee's convenience, Franchisor may ship routine shipments of products, including but not limited to, ingredients, product supplies and retail items, to Franchisee for use at the Food Service Counter. Franchisee may cancel such shipment(s) by providing Franchisor written notice of Franchisee's desire to do so at least one week prior to the scheduled delivery date.

11.16. Licenses. Franchisee shall obtain and maintain all required licenses, permits and certificates needed to operate the Food Service Counter) and provide copies of such licenses and permits to Franchisor. At Franchisor's election, Franchisor shall have the right, but no obligation, to obtain any required licenses and permits in Franchisee's name. Franchisee hereby grants Franchisor a power of attorney to apply for any required licenses, permits and any renewals of these for Franchisee's Food Service Counter. Franchisee shall reimburse Franchisor for any costs and fees incurred by Franchisor in applying for these licenses and/or permits on Franchisee's behalf. Franchisee shall operate the Food Service Counter in full compliance with all applicable laws, ordinances and regulations, including but not limited to health, safety and sanitation laws.

11.17. Personal Involvement. Franchisee, or Franchisee's manager, or if Franchisee is an entity, Franchisee's principal owner (or such other person/manager), shall participate in day-to-day operation of the Food Service Counter, and shall directly supervise the operation of the Food Service Counter and its employees. To assure Franchisor is aware of whom to contact in the event of Franchisee's absence, Franchisee shall provide to Franchisor a written list of every manager employed by Franchisee. Franchisee shall update and provide a revised manager list to Franchisor in writing within 24 hours of: (1) any new manager being hired; and/or (2) any manager leaving Franchisee's employment. Franchisee shall abide by lawful requests of the business owner or manager of the premises regarding any employee or prospective employee. Before start of employment, Franchisee shall train each manager and require each manager to sign a confidentiality and non-disclosure agreement in a form satisfactory to Franchisor requiring the manager to protect Franchisor's trade secrets and any other item Franchisor specifies in writing from time to time. Franchisee shall ensure each manager is trained before start of employment.

11.18. Uniforms. Franchisee shall purchase and Franchisee's employees shall at all times wear uniforms imprinted with the Marks and conforming to other specifications prescribed by Franchisor.

11.19. Computer and Software Requirements. Franchisee shall purchase a computer system meeting Franchisor's specifications with Internet connectivity capabilities to permit Franchisee to submit purchase orders online and to obtain information on new products, product specifications and other information Franchisor designates from time to time. Franchisee shall be solely responsible for the computer system, including maintaining and repairing it when necessary. Franchisor may require Franchisee to provide Franchisor independent access to the information generated or stored on Franchisee's computer system.

Franchisee shall keep the computer system current. Franchisor may, in the future, develop or designate additional and/or alternate hardware and/or software for performing various functions for the Food Service Counter. Franchisee shall implement and use the hardware and software in operating the Food Service Counter and comply with all standards prescribed by Franchisor regarding such hardware and software.

11.20. Tablet and Inventory Scanner. Franchisee shall purchase a tablet, inventory scanner, pricing labels, printer, and warranty service (“Tablet System”) meeting Franchisor’s specifications with Internet connectivity capabilities to permit Franchisee to print labels, track daily products made at the Food Service Counter and conduct other functions prescribed by Franchisor. Franchisee shall be solely responsible for the Tablet System, including maintaining and repairing it when necessary. If Franchisor repairs or replaces Franchisee’s tablet, labeling machine, or software, Franchisee shall pay Franchisor’s then current repair or replacement charge for the items replaced. Franchisor may require Franchisee to upgrade and/or update the Tablet System and to provide Franchisor independent access to the information generated or stored on Franchisee’s tablet, including inventory tracking logs. Franchisee shall keep the Tablet System current. Franchisor may, in the future, develop or designate computer application software for use with the Tablet System for performing various functions for the Food Service Counter. Franchisee shall purchase, implement and use the software in operating the Food Service Counter and comply with all standards prescribed by Franchisor regarding the software, including upgrade and maintenance requirements.

11.21. Quality. Franchisee shall use only fresh ingredients and products of the highest quality, as determined by Franchisor in its reasonable discretion.

11.22. Operating Hours; Staffing. Franchisee or Franchisee’s approved manager shall operate the Food Service Counter on a full-time basis each day that the location where the Food Service Counter is located is open for business. Franchisee shall comply with the operating hours set forth in the Operating Manual, unless required otherwise by Store Management. Franchisee acknowledges and agrees that Franchisee shall not have control over the operating hours, closures, customer traffic, advertising or other aspects of the facility or store where the Food Service Counter is located. Franchisor shall have the right to revise these requirements on written notice to Franchisee. Franchisee shall ensure the Food Service Counter is adequately staffed and managed and that the display case is adequately stocked during business hours. If the Food Service Counter is operated by a manager, Franchisee shall remain personally and actively involved in the Food Service Counter’s operations and shall remain responsible for operating the Food Service Counter and supervising employees. The personnel Franchisee retains to work at Franchisee’s Food Service Counter shall be Franchisee’s agents and employees and Franchisor shall not be a joint employer of those persons. Franchisee alone shall determine who to retain, how many personnel to retain (subject to any minimum staffing requirements Franchisor may prescribe), compensation terms, employment terms and working conditions for Franchisee’s personnel, and when and how to discipline or terminate the employment of Franchisee’s personnel.

11.23. Store’s Rules. Franchisee shall comply with the rules, policies and guidelines of the facility where the Food Service Counter is/are located and sign any code of conduct or equivalent document required by the facility owner. If required by the facility owner, Franchisee shall obtain proof of employability for each prospective employee by completing the Department of Homeland Security’s electronic employee verification system (E-Verify) before hiring.

11.24. Complaints. Franchisee shall promptly notify Franchisor in writing of any complaints from the owner(s) or manager(s) of the facility where the Food Service Counter is located, or from the public of problems relating to operation of the Food Service Counter or its products. Franchisee shall be primarily responsible to resolve and remedy all complaints to the satisfaction of the complaining person or entity.

11.25. Pricing. Franchisor may recommend resale prices or pricing schedules to Franchisee and may provide pricing labels conforming to these recommendations. Franchisee shall have the right to determine

prices that Franchisee charges for products sold from the Food Service Counter. If Franchisee desires to charge a price or prices that differ from a price or price schedule recommended by Franchisor, then Franchisee shall pay or reimburse any additional reasonable costs that Franchisor incurs to prepare price labels containing the pricing determined by Franchisee. When allowed by law, Franchisor shall have the right to specify maximum and minimum prices for products sold at the Food Service Counter, and Franchisee shall abide by these specifications.

11.26 Initial Training. Franchisor shall provide Franchisee on one occasion, an initial training program in Franchisor's methods and techniques to prepare fresh-cut fruit and vegetables and/or other products and to operate a retail food service counter. If Franchisee is an entity, each of Franchisee's Principal Owners, shall be required to attend training. For this Section 11.26, the term "Principal Owner" shall mean any individual owning directly or indirectly thirty percent (30%) or more of Franchisee. The training program shall take place at Franchisee's Food Service Counter or other location that Franchisor designates. The training program shall include on-the-job training and cover various aspects of the operation of a retail food service counter, with emphasis on techniques and examples used in the operation of food service counters bearing the Marks. Topics to be covered may include, but are not limited to legal compliance, sanitation, cut fruit and vegetables and other food preparation and evaluation, franchise management, including, basic accounting, operations, business insurance, inventory control, employee management, marketing, license and permitting requirements. Before starting operations, Franchisee and any managers employed by Franchisee shall also take and pass the ServSafe Manager certification training, at franchisee's expense provided online by ServSafe. Franchisor shall have the right to reduce the scope of any training provided, if Franchisor, in its sole discretion, determines that Franchisee already has experience in these subjects. Each person attending Franchisor's training program(s) shall pay Franchisor's then current fee for this training. Franchisee shall be solely responsible for all travel and living expenses incurred for Franchisee, Franchisee's Principal Owners and other staff Franchisee elects to send to the training program. If Franchisee or any owner of Franchisee attending the training fails to complete the training to Franchisor's satisfaction, Franchisor may cancel this Agreement in Franchisor's sole judgment on written notice to Franchisee. There shall be no refunds of any sums paid to Franchisor if Franchisor cancels this Agreement under this Section 11.26. Franchisor reserves the right to waive the training requirement in Franchisor's absolute discretion where Franchisor is satisfied that Franchisee or Franchisee's principals have sufficient skill, knowledge and experience with both the operational requirements and Franchisor's prescribed and preferred procedures. Franchisor may also exempt Franchisee from some or all training (at Franchisor's sole discretion) if Franchisee or any affiliate of Franchisee already owns or operates a Food Service Counter or the Franchise Agreement is executed as a Renewal Franchise Agreement (as defined in Section 13.1). Franchisee acknowledges that all training is provided to protect the AFC System and the Marks and not to control the day-to-day of Franchisee's operations.

11.27. Additional Training. From time to time Franchisor may require Franchisee or Franchisee's manager to attend and satisfactorily complete additional training programs at Franchisor's headquarters, online or other location designated by Franchisor. Franchisor shall have the right to charge Franchisee Franchisor's then current fee for each person for whom Franchisor provides any additional training, even if that training was required by Franchisor. Franchisee shall be solely responsible for all travel and living expenses incurred to attend any training programs. If Franchisee fails to attend any mandatory additional training, Franchisor shall have the right to assess Franchisee a \$250 penalty for the failure to attend. Franchisee acknowledges that all training is provided to protect the AFC System and the Marks and not to control the day-to-day of Franchisee's operations.

11.28 Mailing, Reproduction Costs and Handling Costs. Franchisor may charge Franchisee a reproduction, service and handling charge for written materials provided to Franchisee, such as manuals and marketing materials up to \$100 per shipment.

11.29 Testing and Criminal Background Checks. Whenever requested by Franchisor or the facility owner where Franchisee is located, Franchisee shall require specified personnel (which may also include Franchisee), to undergo drug, tuberculosis and other chemical and disease testing and/or criminal background investigation. The foregoing obligations are subject to the condition that the request is lawful in the jurisdiction where the Franchisee and Franchisee's personnel are located. Franchisee shall pay all costs of the testing and investigation, complete all forms and consents, and take all other action needed to comply with such request. If Franchisee fails any required test or background check, Franchisor may cancel this Agreement on written notice to Franchisee. There shall be no refunds of any sums paid to Franchisor if Franchisor cancels this Agreement under this Section 11.29.

11.30 Operational Communications. Franchisee agrees to receive notices and other communications from Franchisor on operations, recalls and other emergency communications via all available means, including, but not limited to, telephone calls, text messages, emails, instant messaging and other then current modes of communication.

11.31 Franchisee's Demeanor. Franchisee shall at all times act professionally and respectfully in dealing with customers, clients, the facility's personnel and Franchisor's employees.

## **12. Risk Management.**

12.1. Insurance. Franchisee shall obtain and maintain in effect all the following insurance coverage through insurance companies satisfactory to Franchisor for each location operated by Franchisee:

(a) Commercial General Liability coverage covering the premises and Franchisee's operations for bodily injury and property damage liability including contractual liability, personal injury and product liability coverage in amounts not less than \$1,000,000 per occurrence and \$2,000,000 aggregate;

(b) Worker's Compensation Insurance in statutory amounts as required in the state(s) where Franchisee's operations are conducted, including a Voluntary Worker's Compensation endorsement extending coverage to all employees exempted from coverage due to numerical employment requirements of the state;

(c) Employer's Liability Insurance with limits of \$1,000,000 per occurrence;

(d) Unemployment Insurance covering Franchisee's employees;

(e) Property Insurance in an amount adequate to replace contents in the event of an insured loss;

(f) Business Income Insurance with limits adequate to insure profits and continuing business expenses for one year;

(g) State disability insurance for Franchisee's employees (as required by law); and

(h) Automobile liability insurance including coverage for autos owned, leased, hired or borrowed by Franchisee or Franchisee's owners, with limits of at least five hundred thousand dollars (\$500,000) per occurrence of bodily injury and property damage combined, and any other or increased amounts of insurance that Franchisor may require from time to time for each vehicle used by Franchisee (whether principally or occasionally) in connection with the franchised business (for example, to drive to the franchised location(s), to deliver products to self service locations, or otherwise).

These coverages shall name Franchisor, Franchisor's parent and the facility owner where Franchisee operates as additional insureds (using such endorsements and endorsement forms approved by Franchisor); the

additional insured must be primary and non-contributory; and the coverages must provide that Franchisor is entitled to receive at least 30 days prior written notice of any intent to reduce coverage or policy limits, cancel or otherwise amend the policy.

12.2. Changes. Franchisor shall have the right from time to time to establish and revise the minimum coverages, coverage amounts and required policy terms that Franchisee is required to obtain and maintain. Promptly after delivery of written notice to Franchisee of any revisions, Franchisee shall obtain and thereafter maintain insurance conforming to the revised requirements.

12.3. Proof. Franchisee shall provide Franchisor within 30 days of the date of this Agreement, certificates of insurance proving the coverages required above as well as a copy of Franchisee's insurance declaration pages with all endorsements. Franchisee shall deliver a complete copy of Franchisee's then prevailing insurance policies within 30 days after delivery of the certificates of insurance. Immediately on renewal or the purchase of replacement insurance, Franchisee shall deliver to Franchisor a certificate of insurance and declaration pages for the new or renewal policy.

12.4. Failure to Maintain. If Franchisee fails to purchase and maintain insurance required by Section 12.1 then Franchisor will have the right, but no obligation, to obtain that insurance through agents and insurers Franchisor chooses, or other insurance that Franchisor is able to obtain for such purpose. Franchisee shall, at Franchisor's election, pay all premiums for such insurance or reimburse premium payments made by Franchisor. Franchisor will also have the right to offset the amounts of those premiums against any amounts due from Franchisor to Franchisee. Franchisee hereby grants Franchisor a power of attorney to obtain any required insurance and any renewals thereof on Franchisee's behalf.

12.5. Insurance Disclaimer. Franchisor has no obligation to obtain or maintain any insurance for or on behalf of Franchisee.

12.6. Indemnity. Franchisee shall defend, indemnify and hold harmless Franchisor, Franchisor's affiliated entities, and the owner(s) and lessee(s) of the location(s) where the Food Service Counter is located, and each of their respective members, shareholders, managers, partners, directors, officers, employees, agents, and representatives and other personnel (collectively "Indemnified Parties") from all losses, costs and expenses incurred in connection with any claim, action, suit or other proceeding or government demand (including any state and/or federal agency imposed charges, fines, penalties and taxes), based on actual or alleged acts or omissions of Franchisee, Franchisee's personnel, or others, arising from or related to the operation of the Food Service Counter. Franchisee shall also defend, indemnify and hold harmless the Indemnified Parties from any liability or claims by Franchisee's employees against the Indemnified Parties for wage and hour and/or other labor and employment law violations arising from such employees' employment or work at the Food Service Counter.

12.7. Disclaimers. The parties acknowledge that this Agreement pertains to establishing and operating a food service counter where Franchisee will make prepared food products for sale to the public; and is not a vending machine, rack, display case or amusement machine business.

### **13. Renewal.**

13.1. Renewal. If Franchisee fully complied with all conditions to renewal in Sections 13.2 through 13.3, and if this Agreement has not previously terminated, then Franchisee shall have the right, but no obligation, on expiration of this Agreement, to enter into a renewal Franchise Agreement (the "Renewal Agreement") for one consecutive term of five years (the "Renewal Term"). Each of the conditions stated in Sections 13.2 through 13.3 shall be conditions precedent to Franchisee's right to enter into a Renewal Agreement.

13.2. Conditions to Renewal. As conditions to the right to enter into a Renewal Agreement, Franchisee shall have (a) complied with all provisions of this Agreement during its entire term, including the time when Franchisee gives notice of intent to renew; (b) the ability to maintain possession of the Food Service Counter location operated by Franchisee under this Agreement; (c) brought the Food Service Counter into full compliance with the specifications and standards then applicable for new or renewing Freshly Go Food Service Counters; (d) given written notice of renewal to Franchisor as provided in Section 13.3; (e) signed Franchisor's then-current form of Franchise Agreement at least 30 days before the expiration date (with appropriate modifications to reflect the fact that the Franchise Agreement relates to the grant of a renewal franchise), and that agreement shall supersede this Agreement. The terms of that Agreement may differ materially from the terms in this Agreement including, without limitation, different payment amounts or arrangements; (f) complied with Franchisor's then-current qualifications and training requirements; and (g) paid a non-refundable renewal fee in the amount of Ten Thousand Dollars (\$10,000) . Franchisee's failure to provide the notice in Section 13.3 or otherwise comply with each obligation under this Section 13.2 by the applicable deadline shall be deemed Franchisee's desire not to renew this Agreement.

13.3. Notice. If Franchisee desires to enter into a Renewal Agreement, then before expiration of this Agreement, Franchisee shall give Franchisor written notice of its desire at least 180 days but not more than 360 days prior to the expiration of the initial term of this Agreement. Renewal shall also be conditioned on Franchisee's compliance with this Agreement through termination of the initial term.

13.4 Month-to-Month. If Franchisee does not sign Franchisor's then-current Franchise Agreement prior to the expiration date and Franchisee continues to accept the benefits of this Agreement after it expires, then at Franchisor's option, this Agreement may be treated either as (i) expired as of the expiration date with Franchisee then operating without a license to do so and in violation of Franchisor's rights; or (ii) continued on a month-to-month basis ("Month-to-Month Agreement") until one party provides the other with written notice of such party's intent to terminate the Month-to-Month Agreement, in which case the Month-to-Month Agreement will terminate thirty (30) days after receipt of the notice to terminate the Month-to-Month Agreement, or such longer notice period as is required by Applicable Law. In the latter case, all of Franchisee's obligations shall remain in full force and effect during the Month-to-Month Agreement as if this Agreement had not expired, and all obligations and restrictions imposed on Franchisee upon expiration of this Agreement shall be deemed to take effect upon termination of the Month-to-Month Agreement.

#### **14. Transfer Restrictions.**

14.1. Assignment by Franchisor. Franchisor shall have the right to transfer or assign any or all rights and obligations under this Agreement in whole or in part, on one or more occasions, to any person, corporation or other entity.

14.2. Assignment by Franchisee. Franchisee acknowledges that Franchisor entered into this Agreement in reliance on characteristics personal to Franchisee, Franchisee's principal owners and officers, and personal to the entity constituting Franchisee. Therefore, Franchisee shall have no right or power to, and shall not purport to sell, transfer, assign, sublicense, give, mortgage, pledge or encumber any interest in this Agreement, in the business contemplated by this Agreement, or if Franchisee is an entity, a majority of the shares of stock or ownership interests in that entity (collectively, "Transfer"), without the prior written consent of Franchisor. Franchisor shall have the right to withhold consent to any sale or transfer proposed to be entered into within 2 years of the date of this Agreement.

14.3. Entity Documents. If Franchisee or any assignee of Franchisee is an entity, then Franchisee and the assignee shall provide Franchisor a copy of its charter documents (operating agreement, regulations, articles of incorporation; partnership agreement, bylaws; and other governing documents designated by Franchisor), list of owners including the ownership interest of each, managers, directors and officers, all

amendments to these documents, and all other information about the organization, structure and personnel that Franchisor requests from time to time. Franchisee shall promptly notify Franchisor in writing of any change in any information provided under this Section 14.3.

14.4 Notice of Restrictions. Franchisee shall place on the face of each certificate, agreement and other instrument evidencing ownership of the entity constituting Franchisee, the following statement in conspicuous typeface:

The transfer of the interest in [name of Franchisee] evidenced by this certificate [or instrument] is subject to the terms of a Franchise Agreement with Advanced Fresh Concepts Franchise Corp. dated [state date of this Agreement]. Any purported transfer made without complying with those terms is void and of no effect.

14.5 Transfer to Entity. Franchisor will not unreasonably withhold consent to a written request by Franchisee to transfer/assign Franchisee's interest in this Agreement to a corporation, limited liability company or equivalent entity, provided that Franchisee satisfies all the following conditions precedent: (a) the entity is newly organized and its activities will be limited to acting as an AFC franchisee; (b) the entity's name shall not include the words "Freshly Go" or any variant, or words confusingly similar thereto without Franchisor's prior written consent; (c) Franchisee shall be the sole owner of at least 51% of the ownership of the entity and any remaining ownership is owned only by Franchisee's spouse or children; (d) if Franchisee is two or more individuals, then each owns the same percentage of the entity as his or her interest in the business prior to the transfer/assignment; (e) the entity's articles of incorporation, articles of organization and bylaws state that the issuance and transfer of any interest in the entity are restricted by this Agreement; (f) all the entity's ownership certificates provide the notice stated in Section 14.4; and (g) Franchisee pays Franchisor's then current transfer to entity fee. A transfer/assignment made pursuant to this Section 14.5 shall not be subject to Franchisor's rights of first refusal in Section 14.6 of this Agreement.

14.6. Right of First Refusal. Franchisor shall have a right of first refusal itself to accept the terms of any sale, transfer or assignment of any interest in the Food Service Counter operated by Franchisee, this Agreement or in Franchisee, offered by Franchisee or offered to and proposed to be accepted by Franchisee, whether voluntarily, by operation of law or otherwise. If Franchisor exercises the right of first refusal, then Franchisor will also have the right but no obligation to substitute cash for any form of payment proposed in the offer; and will have 60 days after notifying Franchisee of its election to exercise the right of first refusal to prepare for closing. If a proposed transaction would involve more than 20% of the stock or other ownership interest of Franchisee then Franchisor will also have the right, but no obligation, to purchase not only the interest involved but also all the remaining interests, to acquire up to 100% of the interest in Franchisee, at a price proportionate to the price of the interests initially involved. If Franchisor exercises the right of first refusal, then at Franchisor's request, Franchisee shall also take all action necessary to cause the lease for the location(s) affected, and any other agreements designated by Franchisor, to be assigned to Franchisor.

14.7. Exercise of First Refusal. To provide Franchisor the opportunity to exercise the right of first refusal, Franchisee shall deliver to Franchisor a written notice stating all the terms of any proposed sale, transfer or assignment covered by the right of first refusal and shall provide any additional information that Franchisor requests about the proposed transaction. Franchisee shall require its owners to provide Franchisee sufficient information to enable Franchisee to comply with this obligation with regard to a transaction proposed by any of the owners of Franchisee. Within 45 days after Franchisor receives the notice and the additional information requested by Franchisor, Franchisor will notify Franchisee whether Franchisor accepts for itself or its nominee the terms in the notice.

14.8. Waiver. If Franchisor elects not to exercise the right of first refusal and consents to the proposed sale, assignment or transfer, then Franchisee will be authorized to complete the proposed transaction

with the proposed assignee on the terms in the original notice to Franchisor. Any change to the terms constitutes a new proposal which again requires compliance with the procedures in Sections 14.6 through 14.7 (and this Section 14.8, if applicable). Franchisor's election not to exercise the right of first refusal for any proposed transaction does not affect Franchisor's right of first refusal for any other transaction and does not constitute approval of the proposed transferee or assignee or of the transaction. Franchisee and any proposed transferee or assignee shall comply with all provisions in this Agreement relating to transfer and assignment.

14.9. Sale To Third Party. If Franchisor elects not to exercise the right of first refusal, then Franchisor's consent to a proposed sale, transfer and/or assignment by Franchisee shall not be unreasonably withheld. It shall be deemed to be reasonable for Franchisor to require, as conditions precedent to consenting to the proposed sale, transfer and/or assignment, among other requirements, that (a) Franchisee first comply with the right of first refusal provisions in Sections 14.6 through 14.7; (b) the proposed transferee/assignee apply to Franchisor to become a franchisee; provide information that Franchisor requests to assess the proposed transferee's/assignee's skills, qualifications, integrity, honesty and resources (financial and otherwise) sufficient in Franchisor's judgment to operate the Food Service Counter in a manner that Franchisor expects to be satisfactory; (c) the proposed transferee/assignee cooperates in arranging one or more personal interviews at times and places designated by Franchisor; (d) consent is obtained, of the owner of the location where the Food Service Counter is located if such owner has the right to consent pursuant to an agreement with such owner; (e) the proposed transferee/assignee attends and successfully completes Franchisor's initial training program and any other training Franchisor requires, all at the proposed transferee's/assignee's expense; (f) at Franchisor's option, the proposed transferee/assignee, either: (i) signs Franchisor's then current form of Franchise Agreement, modified to delete any initial fee, and to expire on the expiration date of this Agreement or (ii) signs Franchisor's then current form of Franchise Agreement for a full term and pays Franchisor's then current initial franchise fee; (g) Franchisee pays all moneys owed to Franchisor and to any affiliated entities of Franchisor and in addition pays Franchisor an early transfer fee of \$10,000, if Franchisee proposes to transfer the Food Service Counter within the first year of operation or \$3,000, if Franchisee proposes to transfer the Food Service Counter after the first year of operation in each case, plus Franchisor's additional expenses incurred, including attorneys' fees; (h) Franchisee and the principal owners of Franchisee execute a general release in a form satisfactory to Franchisor of all claims against Franchisor, its owners, directors, officers, members, managers and employees; (i) Franchisee agrees not to retain any security interest in any assets of the franchise or business following the transfer; (j) that the terms of the sale and/or assignment not be unduly burdensome to the transferee/assignee in Franchisor's judgment; and (k) that the sale, transfer and/or assignment close within 90 days of Franchisor's election not to exercise the right of first refusal.

14.10. Transfer On Death or Incapacity. If Franchisee is an individual who dies, or becomes permanently incapacitated, then Franchisor shall allow the deceased's surviving spouse, heirs, or estate or the incapacitated person's legal representative, the opportunity to participate in ownership of Franchisee during 180 days after the death or incapacity, provided that during that time the surviving spouse, heirs or estate or legal representative (a) maintains all standards of the franchise, performs all obligations of Franchisee and satisfies all then current qualifications for a purchaser of a franchise or, (b) in accordance with the requirements of Sections 14.2 and 14.6 through 14.9 sells that person's ownership interest in Franchisee and the Food Service Counter to a person who satisfies Franchisor's then current standards for new franchisees.

14.11. Death or Incapacity of Individual Affiliated with Entity. If Franchisee is an entity, then the death or incapacity of a shareholder, owner, director, manager, officer or partner of Franchisee shall not constitute an assignment or transfer of this Agreement under Section 14.2, provided that during 180 days after the death or incapacity the surviving spouse, heirs or estate or the incapacitated person's legal representative (a) maintains all standards of the franchise, performs all obligations of Franchisee and satisfies all then current qualifications for a purchaser of a franchise or, (b) in accordance with the requirements of Sections 14.2 and 14.6 through 14.9 sells that person's ownership interest in Franchisee and the Food Service Counter to a person who satisfies Franchisor's then current standards for new franchisees.

14.12. Operation by Franchisor. From the date of death or incapacity until satisfied that a qualified and trained individual assumed full-time operational supervision of the Food Service Counter, Franchisor shall have the right, but no obligation, to enter and operate the Food Service Counter. Any decision by Franchisor to do so shall be deemed to be an accommodation to assist Franchisee. Franchisor makes no representation or warranty regarding its ability to operate the Food Service Counter profitably, and Franchisor shall not be responsible for results of operation. Franchisee shall reimburse all Franchisor's expenses incurred to operate the Food Service Counter pursuant to this Section 14.12, including but not limited to travel, lodging, meals, and personnel compensation; and shall pay Franchisor, in addition to all other amounts provided for in this Agreement, a management fee of up to \$500 per day per person Franchisor sends for the period of operation by Franchisor. Franchisor shall have the right to increase this daily rate effective on delivery of written notice to Franchisee. Franchisor shall have the right to cause itself to be paid and reimbursed any or all these amounts from revenues of the Food Service Counter, as well as all other amounts required to be paid under this Agreement.

14.13. Operation for Cause. If Franchisor determines that operation of the Food Service Counter may be in jeopardy or if a default occurs, then in addition to all Franchisor's other rights and remedies, Franchisor shall have the right to operate the Food Service Counter in the manner and on the terms provided in Section 14.12, for as long as Franchisor believes necessary or practical.

## **15. Default and Termination.**

15.1. Immediate Termination Without Opportunity to Cure. Franchisee shall be deemed to be in default and Franchisor shall have the right to terminate this Agreement, without allowing Franchisee any opportunity to cure the default, effective immediately on delivery to Franchisee of written notice of termination, on the occurrence of any of the following events:

A. Franchisee is adjudicated bankrupt or insolvent or any substantial part of Franchisee's assets is assigned to or for the benefit of any creditor, or a petition in bankruptcy is filed by or against Franchisee and not immediately contested and dismissed within 60 days after filing, or a bill in equity or other proceeding for appointment of a receiver or other custodian of Franchisee or any assets of Franchisee is filed and consented to by Franchisee, or a court appoints a receiver or other temporary or permanent custodian of all or part of Franchisee's assets, or proceedings for a composition or arrangement with creditors under any federal or state law are instituted by or against Franchisee;

B. Franchisee is voluntarily or involuntarily dissolved;

C. Execution is levied against Franchisee or any real or personal property of Franchisee is sold after levy by a government body or official.

D. Franchisee stops operating or abandons the franchise by failing to operate the Food Service Counter for three (3) consecutive days when Franchisee is required to operate, or any shorter period of time in which it is reasonable in the circumstances for Franchisor to conclude that Franchisee does not intend to continue to operate the Food Service Counter.

E. Any material complaint or subjective dissatisfaction expressed by the owner(s) or managers of the facility where the Food Service Counter operated by Franchisee is located, regardless of the reason for such complaint or subjective dissatisfaction; or the owner(s) or managers of the facility object for any reason to the continued operation of the Food Service Counter at the facility.

F. Franchisee (or, if Franchisee is an entity, any owner, member, partner, director, manager or officer of Franchisee) is convicted of or pleads no contest to a felony, fraud, crime involving moral turpitude, or other crime or offense which Franchisor reasonably believes is related to Franchisee's operation of the Food Service Counter or is likely to have an adverse effect on the AFC System, the Marks or the goodwill associated with the Marks.

G. Franchisor determines that a threat or danger to public health or safety may result from Franchisee's continued operation of the Food Service Counter and/or Franchisee fails to cure any health and safety violation within 24 hours after notice of the violation.

H. Franchisee engages in any unlawful act, form of harassment or discrimination.

I. Franchisee (or, if Franchisee is an entity, any owner, member, partner, director, manager, or officer of Franchisee) purports to transfer any rights or obligations under this Agreement or any interest in Franchisee or the Food Service Counter operated by Franchisee, or any security interest, to any third party in violation of any terms or without satisfying any of the conditions within Sections 14.2 through 14.11.

J. There occurs any breach of any of the covenants in Sections 5.3, 6.1 through 6.4 or 14.2 through 14.11.

K. Franchisee makes any material misrepresentations relating to the acquisition of the franchise or engages in conduct which reflects materially and unfavorably on the operation and reputation of the franchise or franchise system.

L. Franchisor discovers that Franchisee knowingly or with reckless disregard maintained false books or records, or submitted a false report to Franchisor; intentionally concealed revenues; attempted to defraud Franchisor; misdirected or appropriated for Franchisee's own use any funds withheld from wages of employees; failed to properly withhold taxes, FICA, insurance or other benefits from employee wages; appropriated for Franchisee's own use any funds or other property of Franchisor; or knowingly permitted or, having discovered the facts, failed to take action against or discharge any employee who embezzled funds or other property of any customer of Franchisor, or anyone else.

M. Franchisee interferes or attempts to interfere with Franchisor's contractual relations with any third party, including but not limited to other franchisees, or interferes or attempts to interfere with Franchisor's ability or right to grant franchises or licenses to others to use the Marks or AFC System.

N. Franchisee repeatedly fails to comply with one or more provisions of this Agreement, whether or not cured after notice.

O. Franchisee fails to cure any default under this Agreement that materially impairs the goodwill associated with the Marks within 48 hours after delivery of written notice to cure;

P. Franchisee fails to satisfactorily complete initial training in Franchisor's sole judgment or to pass any required criminal background check and/or drug, tuberculosis or other chemical and disease testing;

Q. Any act of dishonesty or moral turpitude, either in Franchisee's operations, or in dealings with the facility owner where Franchisee's Food Service Counter is located or in Franchisee's interactions with Franchisor.

15.2. Termination After Notice and Opportunity to Cure. Except as stated in Section 15.1, Franchisee shall have 15 calendar days after delivery by Franchisor of written notice to cure the breach or default under this Agreement, or if it cannot be cured in that time, to take within that time, and continue, all available steps to cure and to provide proof of those steps to Franchisor. Failure to cure in this time, or within this time to take and continue all available steps to cure, shall at Franchisor's election, result in termination of this Agreement, effective on expiration of the period allowed for cure as specified in the notice of default. However, if applicable law requires Franchisor to allow a larger period of time, then Franchisee shall have the period of time required by law to cure the breach or default.

15.3 Cross Default. Franchisee's breach of one agreement with Franchisor shall, at Franchisor's election also constitute a breach of every other agreement between Franchisee and Franchisor. A breach by franchisee of this Agreement shall also constitute, at Franchisor's election, a breach of all other agreements between Franchisee and Franchisor. Franchisor's election to enforce or not enforce this provision shall not constitute a waiver of any of Franchisor's rights or remedies against Franchisee hereunder.

15.4 Acts of Others. Franchisee shall be responsible for all acts and/or omissions of Franchisee's employees, managers, independent contractors and family members, regardless of whether Franchisee had actual notice of such actions/omissions.

15.5. Notice Required By Law. If any applicable law or regulation limits Franchisor's right to terminate this Agreement or requires greater notice or time to cure than stated in this Agreement, then Franchisor may allow additional time to conform to the minimum notice or cure period or restriction on termination required by that law or regulation. This Section 15.5 does not waive any right of Franchisor to challenge the validity or application of such law or regulation.

15.6. Effects of Termination or Expiration. On termination or expiration of this Agreement without renewal, Franchisee shall do all of the following:

A. Immediately pay all amounts due and owing to Franchisor and all sums due and owing to any third party relating to the operation of each of Franchisee's Food Service Counter;

B. Immediately stop using the Marks, and permanently refrain from doing business using any name or in any way that could tend to give the public the impression that Franchisee is or previously was operating a Food Service Counter associated with Franchisor; and refrain from using, in any manner, or for any purpose, any confidential information or trade secrets of Franchisor;

C. Immediately take all action needed to cancel any assumed name or equivalent registration pertaining to the Food Service Counter;

D. Revise all websites and social media pages controlled by Franchisee to remove references to the Food Service Counter and Franchisor's Marks and System; and at Franchisor's request, assign to Franchisor all Internet domain names and social media accounts owned by Franchisee relating to the Food Service Counter.

E. Pay Franchisor all expenses incurred by Franchisor as a result of any breach or default by Franchisee, including, but not limited to, expenses Franchisor incurs on account of travel, lodging, meals, personnel compensation and operational costs;

F. At Franchisor's request, assign to Franchisor all of Franchisee's possessory interest in the Food Service Counter operated by Franchisee; vacate the premises and provide all necessary assistance to enable Franchisor to take possession thereof;

G. Immediately return to or, as applicable, deliver to Franchisor the Manuals, all customer lists, all promotion material, all materials, signs and related items bearing the Marks; all forms and other materials or property of Franchisor, and any copies of these, in Franchisee's possession or control. Franchisee shall also return to the facility owner, all property of the facility owner including, but not limited to, the facility owner's manuals, equipment, assets and any other items owned by the facility owner in Franchisee's possession;

H. Assign to Franchisor or its designee, all right, title and interest in and to the phone numbers of the Food Service Counter, notify the phone company and all listing agencies that Franchisee's right to use the phone numbers ended, and authorize the transfer of the phone numbers to Franchisor or its designee;

I. Cooperate with Franchisor in providing records of the Food Service Counter and disclosing all other pertinent information;

J. Sign all documents which Franchisor may reasonably require to evidence and further accomplish termination of this Agreement and of Franchisee's rights to use the Marks and AFC System; and

K. Refrain from destroying, damaging, hiding or taking any equipment or inventory from the Food Service Counter without Franchisor's written consent.

15.7 Option to Purchase. On termination or expiration of this Agreement, Franchisor shall have the option (but not the obligation), exercisable by delivering notice to Franchisee during the thirty (30) days following termination or expiration, to purchase the Assets of the Food Service Counter. For this Section 15.7, "Assets" means equipment, supplies, signage and non-perishable inventory.

A. The purchase price for the Assets will be the fair market value as reasonably determined by Franchisor. Any amounts Franchisee owes to Franchisor or its affiliates shall be applied to reduce the purchase price.

B. The balance of the purchase price, after the deductions in Section 15.7(A), shall be payable by Franchisor to Franchisee, at the closing. The closing shall occur at a date stated by Franchisor in the notice to Franchisee of Franchisor's exercise of the purchase option. That date shall be no later than 30 days after delivery of the notice, provided that the date may be later as reasonably determined by Franchisor to allow time for compliance with bulk sales laws. At closing, the parties shall execute and deliver all documents necessary to vest title in the purchased assets in Franchisor, free and clear of liens and encumbrances. Franchisee shall provide Franchisor with all information necessary to close the transaction.

C. Franchisor shall also have the right (but not the obligation) to purchase non-expired approved perishable inventory at Franchisee's Food Service Counter at the time of expiration or termination of this Agreement. The purchase price for the non-expired approved perishable inventory will be the product cost paid by franchisee to acquire these products from Franchisor or Franchisor's approved suppliers. Any amounts Franchisee owes to Franchisor or its affiliates shall be applied to reduce the purchase price.

15.8 Continuing Effect. All provisions which by their terms or nature survive expiration or termination of this Agreement shall continue in effect regardless of expiration or termination until fully performed or until they expire by their nature.

## 16. **Additional Provisions.**

16.1. Compliance With Law. Franchisee shall operate the Food Service Counter in compliance with all applicable laws, rules and regulations of all government authorities, including but not limited to federal and

state laws pertaining to wages, hours, working conditions, unlawful discrimination, employment verification, record keeping, workers compensation, leaves of absence, restrictions on employment of minors and other labor laws, social security and unemployment insurance contribution requirements, disability insurance, income tax and other withholdings, contributions, deposits and reporting as well as federal and state laws on operating a restaurant, health, safety and sanitation laws which also include health department inspections, menu and menu board labeling laws, food labeling laws, the Hazard Analysis and Critical Control Point (“HACCP”) food safety program adopted by the U.S. Food & Drug Administration and rules on handling, preparing and serving foods by people with communicable or infectious diseases.

16.2. Interpretation. Headings and section numbers in this Agreement are for convenience only and are not part of this Agreement. References to the owner or lessee of the premises where the Food Service Counter is located also include the applicable operator with whom Franchisor has arrangements that permit the establishment of the franchise granted by this Agreement. The provisions of this Agreement shall be interpreted according to their fair meanings and not strictly for or against any party.

16.3. Entire Agreement. This Agreement is the entire agreement of the parties. All prior written agreements, discussions, negotiations, representations and understandings of the parties are merged into and superseded by this Agreement. Nothing in this Agreement is intended to disclaim the representations made to Franchisee in the Franchise Disclosure Document.

16.4. Amendment. No modification of this Agreement will be valid unless executed in writing and signed by both parties. This provision shall not restrict updates and revisions to the Manuals.

16.5. Relationship of the Parties. The parties shall be independent contractors and not partners, joint venturers, principal-agent, employer-employee, or other relationship with each other. Franchisee shall have no authority or power to and shall not purport to obligate Franchisor to any person or entity. In all public records, letterhead and on signage at the Food Service Counter, Franchisee shall indicate its independent ownership of the franchised business and that the Food Service Counter is independently owned and operated. Franchisee shall not interfere with or disrupt Franchisor’s relationship with the owner(s) or lessee(s) of the premises where the Food Service Counter is located, and shall not communicate with such owner(s) or lessee(s) concerning the relationship with Franchisor or any other matter not involving regular day to day operations of the Food Service Counter, without first obtaining Franchisor’s written consent. By way of example, and not limitation, Franchisee shall not communicate with the facility owner or its agents about pricing, menu changes, new concepts or other types of business opportunities involving the facility owner or otherwise. Franchisee shall never represent himself/ herself as an agent or employee of Advanced Fresh Concepts Franchise Corp. or Advanced Fresh Concepts Corp. Any complaint, petition and/or application that takes a position inconsistent with this Section, or other claim filed in violation of this Section shall be deemed a material breach of this Agreement.

16.6. No Waiver. Waiver of any breach or default on any occasion shall not constitute a waiver of any other or future breach or default.

16.7. Governing Law. This Agreement takes effect upon its acceptance and execution by Franchisor in California. This agreement shall be governed by and interpreted and construed according to the internal laws of California without regard for its principles of conflicts of law. However, (a) if a provision of this Agreement would not be enforceable under California law, and (b) if the Food Service Counter is located outside California; and (c) such provision would be enforceable under the laws of the state where the Food Service Counter is located; then such provision shall be interpreted and construed under the laws of the state where the Food Service Counter is located. Where a California statute or rule of law provides that such statute or rule is inapplicable outside the state, for example, to a franchise located outside of California, or is inapplicable for another reason, such as an exemption, such law or rule shall not apply to Franchisee if located

outside of California or if the circumstances of inapplicability apply. Nothing in this Section 16.7 is intended to subject this Agreement to any franchise or similar law, rule, or regulation of any state to which it would not otherwise be subject.

#### 16.8. Arbitration

A. Scope Of Arbitration: Any dispute that arises out of or relates directly or indirectly to this Agreement, including, without limitation, any claimed breach of this Agreement or any claim that any part of this Agreement (including this Section 16.8 or any part thereof) is invalid, illegal, unenforceable, voidable or void, or the relationship of the parties hereto shall be resolved by arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association, as amended (the “Rules” - available upon request and at [www.adr.org](http://www.adr.org)), except as provided for otherwise in paragraph I below. Sections 1281.4 and 1283.05 of the California Code of Civil Procedure are, by this reference, incorporated in and made a part of this Agreement and shall apply in connection with any arbitration under this Section 16.8. In the event the terms of this Agreement, (including Section 16.8), the Rules or any applicable arbitration statute differ or conflict with each other, the terms of this Agreement shall control over the Rules and the arbitration statute, and the Rules shall control over the arbitration statute. This arbitration provision shall be self-executing, and shall remain in effect after and regardless of expiration or termination of this Agreement.

B. Number Of Arbitrators: Should at any point the alleged damages exceed \$1,000,000 in total, exclusive of alleged interest, costs and/or attorney’s fees, the dispute shall be heard and determined by a panel of three arbitrators. For all disputes, at least one arbitrator shall be a practicing attorney that specializes in franchise law.

C. Independent Arbitrations: The parties intend any dispute to be resolved as an independent arbitration, which is neither consolidated, classed, nor certified with any other claimant, arbitration or dispute. The parties waive all rights to resolving any dispute as consolidated, classed or certified with any other claimant, arbitration or dispute.

D. Location Of Arbitration: Arbitration shall occur in Los Angeles, California.

E. Discovery: After the appointment of the arbitrator(s), each side may commence discovery. Each side shall be limited to the following discovery: (a) no more than five (5) depositions of potential witnesses; (b) one set of written interrogatories; (c) one set of requests for production; and (d) one set of requests for admission. The aforementioned forms of written discovery shall not include more than 25 questions or requests within each set. The arbitrator(s) may permit requests for additional discovery for good cause. All objections are preserved for the arbitration hearing, except for objections based on privilege or proprietary/confidential information. All discovery shall be completed within eight months after the selection of the arbitrator(s), unless this period of time is shortened or extended by the arbitrator(s) for good cause or by stipulation of the parties.

F. Law And Motion: The arbitrator(s) shall set a briefing schedule, which sets a law and motion hearing date and the submission deadline for opposition and reply memoranda, no later than five days after the submission of any law and motion. The law and motion hearing date shall in no case be set more than 30 days after the original submission of any law and motion. Law and motion matters shall be decided, and a reasoned ruling issued as soon as practical, but in no case later than 15 business days after the scheduled law and motion hearing. Nothing in this subsection prevents any party from requesting ex parte relief as permitted by California law.

G. Pre-Award Costs of Arbitration: Administrative fees for operative arbitration demands shall be paid by the party filing the demand. Arbitrator fees/deposits and all costs for transcripts shall

be allocated equally between each side. Unless accommodated otherwise by the alternative dispute resolution center and/or the Rules, any party's failure to pay its portion of the fees and costs for the arbitration within the due dates set by the alternative dispute center shall result in the immediate suspension of the arbitration. In the event a suspension for non-payment of arbitration fees and costs continues for 30 days, the alternative dispute resolution center shall either enter the default of the non-paying party or the arbitration shall be dismissed. At the conclusion of the arbitration proceeding, the arbitrator(s) shall award the prevailing party the prevailing party's costs for the arbitration pursuant to Section 16.8(J).

H. Awards: All awards, including, without limitation, an interim or partial award, by the arbitrator(s) regarding the merits of the dispute shall be articulated in writing, signed by the arbitrator or a majority of the arbitrators (if applicable) and include a statement setting forth the reasons for the decision (a "reasoned award"). All awards shall be based on established law and shall not be made on broad principles of justice and equity. An award may be appealed to a court of competent jurisdiction for any errors of law, errors of legal reasoning or determination of fact that are clearly erroneous. Judgment on the final award may be entered in any court with competent jurisdiction. Except as otherwise provided in Section 16.8, an award may be entered against any party that fails to appear, defend, advance, attend, participate in, prosecute or obtain a postponement after being afforded due notice of the arbitration.

I. Injunctive/Provisional Remedies: Nothing in Section 16.8 or elsewhere in this Agreement limits a party's rights or remedies in connection with any action in any court of competent jurisdiction for injunctive or other provisional relief that a party deems necessary or appropriate to compel the other party to comply with the party's obligations under this Agreement, to protect the trade secrets or other intellectual property of a party against disclosure, or to prevent any threatened conduct that may cause loss or damage to a party under rules of equity, pending completion of arbitration. The parties agree that any failure to immediately cease operation, vacate the Food Service Counter location or cease the use of intellectual property will cause irreparable injury and that money damages will not provide an adequate remedy. Both parties therefore consent to the issuance of an appropriate injunction.

J. Fees And Costs: The arbitrator(s) shall award to the prevailing party(ies) their fees and costs that were both incurred and relate directly to the claims allowing for an award of fees and costs. The arbitrator(s) shall consider the results of the entire arbitration and all claims filed, whether based in contract, statute or otherwise, in determining whether there is a prevailing party. The arbitrator(s) shall deny any motion/petition for fees that is not supported by a verified and detailed account of the time and expenses incurred. An award of fees and costs for all claims, including, without limitation, those based on a breach of this Agreement or for claims based on statute, may not exceed either: (a) in the event of a money award, one third the amount of compensatory damages awarded; or (b) in the event of a defense award, one third the greatest total amount claimed as damages at any point during the arbitration, including, without limitation, within any writing, testimony or argument. "Fees and costs" mean all reasonable expenses of the arbitration, including all administrative fees, arbitrator fees, travel expenses, out of pocket expenses, such as copying and telephone, court costs, legal research costs, discovery costs, expert witness fees, and attorney's fees. Except as otherwise provided above, a court of competent jurisdiction shall award fees and costs to the party that prevails on either a motion/petition for injunctive relief, as provided for in paragraph I above, or on a motion/petition to compel arbitration pursuant to this Section 16.8.

K. Severability Of Section 16.8: Should any part of Section 16.8 be ruled invalid, illegal, unenforceable, voidable or void, then the remainder of Section 16.8 shall still remain in effect. Should any part of Section 16.8 conflict with any non-waivable or non-modifiable statutory rights, Section 16.8 shall be interpreted and applied to the extent possible without conflicting with statutory rights.

16.9. Relief. Franchisee acknowledges that the breach or threatened breach of any provision within Sections 5.3, 6.1 through 6.4, 14.2 through 14.11 or 15.6 (B) through 15.6(K) would cause irreparable harm to

Franchisor for which there is no adequate remedy at law. Therefore Franchisor shall be entitled to preliminary and permanent injunctive relief to enjoin actual or threatened violation of any such provision.

16.10 Severability. If any provision of this Agreement is held to be invalid, the remaining provisions of this Agreement shall remain in effect. Should any provision of this Agreement be held to conflict with any statutory rights, such provision shall be interpreted and applied to the extent possible without conflicting with such statutory rights.

16.11. Notices. Except as otherwise stated in this Agreement, all notices which are required by this Agreement shall be deemed to be delivered 3 days after being placed in the U.S. Mail, certified mail, return receipt requested or priority mail with delivery receipt confirmation, or one day after being sent by United Parcel Service or other receipted overnight courier service if addressed to a party at the address stated in the introductory paragraph of this Agreement, or other address of which a party has given notice to the other, or immediately by hand delivery to a party. Franchisee shall provide Franchisor Franchisee’s physical address for notice purposes under this Section and shall keep Franchisor updated of any changes thereto.

16.12. Force Majeure. A party shall not be liable for delay in performance of up to 30 days, other than performance of an obligation to pay money to the other party, if the delay is due to terrorism, war, riot, strike or other labor trouble, utility failure, storm, fire, flood, earthquake, hurricane, explosion, embargo, blockade, insurrection, act of God or other similar event that is beyond the control of the parties. In the event of such delay, the time for performance will be extended by a period of time equal to the cause of the delay, but no longer than 30 days.

16.13. Opportunity to Review. Franchisee acknowledges having had an opportunity to review Franchisor’s Franchise Disclosure Document for at least 14 calendar days before signing any agreement with Franchisor or making any payment to Franchisor, to consult with an attorney and other professional advisors of Franchisee’s choice, and Franchisee has made the decision whether or not to consult with such advisors.

Executed as of the date first stated above:

FRANCHISEE

FRANCHISOR

\_\_\_\_\_

ADVANCED FRESH CONCEPTS FRANCHISE CORP.

Signature \_\_\_\_\_

Signature \_\_\_\_\_

Printed Name \_\_\_\_\_

Printed Name \_\_\_\_\_

Title \_\_\_\_\_

Title \_\_\_\_\_

EXHIBIT A

GUARANTY

In exchange for Franchisor's execution of this Agreement, the undersigned unconditionally, absolutely and irrevocably guaranties and promises to pay and perform any and all indebtedness and obligations of Franchisee (an entity and/or operation in which the undersigned has an ownership interest) to Franchisor under this Agreement and all other Franchise Documents. If more than one person signs below, the obligations of the undersigned shall be joint and several.

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

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

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

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

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

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

EXHIBIT B

UNION FOOD SERVICE COUNTER RIDER

Franchisee acknowledges and understands that Franchisee's Food Service Counter is covered by a union contract. As a result, employee rights, wages and benefits are regulated by the facility where the Food Service Counter and the applicable union is located. Franchisee acknowledges and agrees that because Franchisee's Food Service Counter is governed by a union contract, Franchisee shall comply with all union requirements, including, but not limited to, compensation for off the clock work.

Franchisee acknowledges and agrees to take any and all action needed to comply with the union contract then in effect.

FRANCHISEE

\_\_\_\_\_

Signature \_\_\_\_\_

Printed Name \_\_\_\_\_

Title \_\_\_\_\_

**EXHIBIT D**

**GENERAL RELEASE**

**ADVANCED FRESH CONCEPTS FRANCHISE CORP.  
GENERAL RELEASE AGREEMENT**

THIS GENERAL RELEASE AGREEMENT (this “**Release Agreement**”) is made and entered into as of \_\_\_\_\_ (the “**Effective Date**”), by and among **ADVANCED FRESH CONCEPTS FRANCHISE CORP.**, a California corporation (“**Franchisor**”), on the one hand, and \_\_\_\_\_ a \_\_\_\_\_ (“**Franchisee**”), and \_\_\_\_\_ (“**Owner**”), on the other hand, who are collectively referred to in this Release Agreement as the “**Releasing Parties**”, with reference to the following facts:

A. Franchisor and Franchisee are parties to that certain Franchise Agreement and related ancillary agreements dated \_\_\_\_\_ (collectively, the “**Franchise Agreement**”) pursuant to which Franchisor granted Franchisee a license (the “**License**”) to use the service marks and trade names “**Freshly Go**” and other related trademarks, service marks, logos and commercial symbols (the “**Marks**”) and the “**AFC System**” (the “**System**”) in connection with the operation of one Freshly Go Counter (the “**Food Service Counter**”) located at \_\_\_\_\_ (the “**Franchised Location**”).

B. Franchisee desires to enter into a \_\_\_\_\_.

C. This Release Agreement has been requested at a juncture in the relationship of the parties where Franchisor is considering either a change or an expansion of the relationship between the parties and/or their affiliates. Franchisor is unwilling to make the anticipated change or expansion in the relationship of the parties unless it is certain that it is proceeding with a “clean slate” and that there are no outstanding grievances or Claims against it. Releasing Parties are willing to enter into this Release Agreement in consideration for receiving the agreement of Franchisor to an anticipated change or expansion of the relationship between the parties. Releasing Parties acknowledge that this Release Agreement is intended to wipe the slate clean.

**NOW, THEREFORE, IT IS AGREED:**

1. **DEFINITIONS.** As used in this Release Agreement, the following capitalized terms have the meanings ascribed to them.

1.1 “**Claims**” means all actual and alleged claims, demands, Losses, charges, agreements (whether written or oral), covenants, responsibilities, warranties, obligations, contracts (whether oral or written), debts, violations, suits, counterclaims, cross claims, third party claims, accounts, liabilities, costs, expenses (including attorneys’ fees and court costs), rights to terminate and rescind, rights of action and causes of action of any kind or nature, whatsoever, whether known or unknown, matured or unmatured, accrued or unaccrued, suspected or unsuspected, contingent or non-contingent, liquidated or unliquidated, choate or inchoate, and whether or not asserted, threatened, alleged, or litigated, at law, equity, or otherwise.

1.2 “**Constituents**” means past, present and future affiliates, subsidiaries, parent companies, divisions, partners, members, trustees, receivers, executors, representatives, administrators, owners, shareholders, distributors, predecessors, officers, directors, agents, managers, principals, employees, insurers, successors, assigns, representatives and attorneys and the past, present and future officers, directors, agents, managers, principals, members, employees, insurers, successors, assigns, representatives and attorneys of each of the foregoing.

1.3 “**Excluded Matters**” means Franchisor’s continuing contractual obligations which arise or continue under and pursuant to the Franchise Agreement on and after the date of this Release Agreement.

1.4 “**Franchisor Released Parties**” means Franchisor, Advanced Fresh Concepts Franchise Corp., a California corporation, and each of its Constituents.

1.5 “**Losses**” means all damages, debts, liabilities, accounts, suits, awards, judgments, payments, diminutions in value and other losses, costs and expenses, however suffered or characterized, all interest thereon, all costs and expenses of investigating any Claim, reference proceeding, lawsuit or arbitration and any appeal therefrom, all actual attorneys’ fees incurred in connection therewith, whether or not such Claim, reference proceeding, lawsuit or arbitration is ultimately defeated and, all amounts paid incident to any compromise or settlement of any such Claim, reference proceeding, lawsuit or arbitration.

2. **GENERAL RELEASE AGREEMENT.** Releasing Parties, for themselves and their Constituents, hereby release and forever discharge Franchisor Released Parties from any and all Claims, whether known or unknown, based upon anything that has occurred or existed, or failed to occur or exist, from the beginning of time to the Effective Date, including, without limitation any and all Claims which relate to the Franchise Agreement, any addendum thereto, the Food Service Counter, the System, the License, the Marks, and the Franchised Location, and any other agreement entered into prior to the Effective Date between Franchisor Released Parties, on the one hand, and Releasing Parties, on the other hand, except for the Excluded Matters and obligations under this Release Agreement. This waiver, release and discharge is effective immediately in its fullest and most comprehensive sense. This Release Agreement does not apply with respect to claims arising under the Washington Franchise Investment Protection Act, RCW 19.100, and the rules adopted thereunder.

3. **WAIVER OF SECTION 1542 OF THE CALIFORNIA CIVIL CODE.**

3.1 **Section 1542 of the California Civil Code.** Releasing Parties, for themselves and their Constituents, acknowledge that they are familiar with Section 1542 of the California Civil Code, which reads as follows:

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

3.2 **Waiver.** With respect to those Claims being released pursuant to Section 2, Releasing Parties, for themselves and their Constituents, acknowledge that they are releasing unknown Claims and waive all rights they have or may have under Section 1542 of the California Civil Code or any other statute or common law principle of similar effect. For purposes of this Section 3, Releasing Parties shall be considered to be creditors of the Franchisor Released Parties, and each of them.

4. **UNKNOWN CLAIMS.** Releasing Parties acknowledge and agree that among the wide and comprehensive range of Claims being waived, released, and discharged by this Release Agreement, they are waiving, releasing, and discharging unknown and unsuspected Claims which, if known or suspected by Releasing Parties to exist in their favor at the time of executing this Release Agreement, may have materially affected Releasing Parties’ decision to enter into this Release Agreement. It is understood by Releasing Parties that, after the Effective Date, the facts under which this Release Agreement is entered into may turn out to be other than or different from the facts Releasing Parties knew or believed to be true on the Effective Date. Releasing Parties, therefore, expressly assume the risk of the facts turning out to be so different and agree that this Release Agreement shall be in all respects final and effective and not subject to termination or rescission by any such difference in facts.

5. **REPRESENTATIONS AND WARRANTIES.** Releasing Parties hereby represent and warrant that, in entering into this Release Agreement, Releasing Parties: (i) are doing so freely and voluntarily, either upon the advice of counsel and business advisors of Releasing Parties' own choosing, or without such advice because Releasing Parties, free from coercion, duress or fraud, declined to obtain such advice; (ii) have read and fully understand the terms and scope of this Release Agreement; (iii) understand that this Release Agreement is final and conclusive, and intends to be final and conclusive, as to the matters set forth in this Release Agreement; and (iv) have not assigned, transferred, or conveyed to any third party all or any part of their interest, or any contingent interest, in any of the Claims released by this Release Agreement now or in the future, and are aware of no third party who contends or claims otherwise, and shall not purport to assign, transfer, or convey any interest in any such Claim after the Effective Date.

6. **COVENANTS NOT TO SUE.** Releasing Parties hereby irrevocably covenant that they will not, directly or indirectly: (i) commence, initiate, or cause to be commenced or initiated any proceeding, claim, or demand of any kind against Franchisor Released Parties based upon any Claims released under this Release Agreement; or (ii) assist or encourage any person or entity to investigate, inquire into, commence, initiate, or cause to be commenced or initiated any proceeding, claim, or demand of any kind against Franchisor Released Parties based upon any Claims released under this Release Agreement.

7. **INDEMNITY.** Without in any way limiting any of the rights and remedies otherwise available to the Franchisor Released Parties, Releasing Parties shall defend, indemnify and hold harmless each Franchisor Released Party from and against all Claims whether or not involving third-party Claims, arising directly or indirectly from or in connection with: (i) the assertion by or on behalf of Releasing Parties or their Constituents of any Claim or other matter released pursuant to this Release Agreement; (ii) the assertion by any third party of any Claim or demand against any Franchisor Released Party which Claim or demand arises directly or indirectly from, or in connection with, any Claim or other matter released pursuant to this Release Agreement; (iii) any breach of representations, warranties or covenants hereunder by Releasing Parties or its Constituents; or (iv) the Franchise Agreement, the Food Service Counter, the Franchised Location, and/or any and all claims of creditors, customers, vendors, suppliers or invitees of the Food Service Counter, or other third parties, for obligations incurred and/or acts or omissions to act by Franchisee, both prior to and following the Effective Date.

8. **GENERAL PROVISIONS.**

8.1 **Amendment.** This Release Agreement cannot be modified, altered or otherwise amended except by an agreement in writing signed by all of the parties.

8.2 **Entire Agreement.** This Release Agreement, together with the agreements referenced in this Release Agreement, constitute the entire understanding between and among the parties with respect to the subject matter of this Release Agreement and supersedes any prior negotiations and agreements, oral or written, with respect to the subject matter of this Release Agreement. The Recitals set forth in Paragraphs A through C of this Release Agreement are true and correct and are incorporated into and made part of this Release Agreement.

8.3 **Counterparts and Electronic Transmission; Electronic Signatures.** This Release Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which together shall be deemed to be one and the same instrument. Copies of this Release Agreement with signatures that have been transmitted by email or by facsimile shall constitute and be deemed original copies of this Release Agreement for all purposes, provided that the copies are fully executed, dated and identical in form to the original hard copy version of this Release Agreement. In addition, this Release Agreement may be signed electronically by the parties and electronic signatures appearing on this Release

Agreement shall be deemed to be the same as handwritten signatures for the purposes of the validity, enforceability and admissibility of this Release Agreement.

8.4 **Heirs, Successors and Assigns.** This Release Agreement shall be binding upon and inure to the benefit of the parties and their respective heirs, successors and permitted assigns. In addition, each of Franchisor Released Parties that is not a party shall be a third party beneficiary of this Release Agreement, with the right to enforce this Release Agreement for his, her, or its benefit, whether acting alone or in combination with any other Franchisor Released Party.

8.5 **Interpretation.** The rule that an agreement is to be construed against the party drafting the agreement is hereby waived by the parties, and shall have no applicability in construing this Release Agreement or any of its terms. The headings used in this Release Agreement are for purposes of convenience only and shall not be used in construing the provisions of this Release Agreement. As used in this Release Agreement, the male gender shall include the female and neuter genders, the singular shall include the plural and the plural, the singular.

8.6 **Severability and Validity.** Any provision of this Release Agreement which is prohibited, unenforceable or not authorized in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition, unenforceability or non-authorization without invalidating the remaining provisions of this Release Agreement or affecting the validity, enforceability or legality of such provision in any other jurisdiction.

8.7 **Governing Law and Venue.** This Release Agreement shall be interpreted and construed under the laws of California. In the event of any conflict of law, the law of California shall prevail, without regard to the application of California conflict of law rules. If, however, any provision of this Release Agreement would not be enforceable under the laws of California, and if the Food Service Counter is located outside of California and such provision would be enforceable under the laws of the state in which the Food Service Counter is located, then such provision shall be interpreted and construed under the laws of that state. Nothing in this Section 8.7 is intended by the parties to subject this Release Agreement to any franchise or similar law, rules, or regulation of the state of California to which it would not otherwise be subject.

8.8 **Arbitration.** Except as precluded by applicable law, any controversy or claim that arises out of or relates to this Release Agreement, or any breach of this Release Agreement, including without limitation any claim that any of this Release Agreement (including this Paragraph 8.8) is invalid, illegal, voidable or void, shall be submitted to arbitration in accordance with the rules of the American Arbitration Association and judgment on the award may be entered in any court with jurisdiction thereof. Unless applicable law requires otherwise, arbitration shall occur in Los Angeles, California. This arbitration provision shall be self-executing, and shall remain in effect after and regardless of expiration or termination of this Release Agreement. If a party fails to appear at any properly noticed arbitration proceeding, an award may be entered against such party regardless of such failure to appear. The prevailing party in any arbitration or other proceeding shall be entitled to recover its reasonable attorneys' fees and costs.

8.9 **Authority of Franchisor.** Franchisor represents and warrants that (i) Franchisor has the power and authority to enter into this Release Agreement and to perform its obligations under this Release Agreement without the approval or consent of any other person or entity, and (ii) the individual who executes this Release Agreement on Franchisor's behalf is duly authorized to do so without the approval or consent of any other person or entity.

8.10 **Authority of Releasing Parties.** Releasing Parties represent and warrant that (i) they have the power and authority to enter into this Release Agreement and to perform their obligations under this Release Agreement without the approval or consent of any other person or entity, and (ii) the individuals who execute

this Release Agreement on Releasing Parties' behalves are duly authorized to do so without the approval or consent of any other person or entity.

8.11 **No Waiver.** No delay, waiver, omission, or forbearance on the part of any party to exercise any right, option, duty, or power arising out of any breach or default by any other party of any of the terms, provisions, or covenants of this Release Agreement, and no custom or practice by the parties at variance with the terms of this Release Agreement, shall constitute a waiver by any party to enforce any such right, option, or power as against the other parties, or as to a subsequent breach or default by the other parties.

8.12 **Attorneys' Fees.** If any legal action is brought to enforce the terms of this Release Agreement, the prevailing party shall be entitled to reasonable attorneys' fees and costs, and any and all costs of collection, in addition to any other relief to which that party may be entitled.

8.13 **Further Acts.** The parties agree to execute, acknowledge and deliver to any requesting party, and to procure the execution, acknowledgment and delivery to any requesting party, of any additional documents or instruments which the requesting party may reasonably require to fully effectuate and carry out the provisions of this Release Agreement.

**IN WITNESS WHEREOF**, the parties to this Release Agreement have executed this Release Agreement as of the Effective Date.

**FRANCHISOR:**

ADVANCED FRESH CONCEPTS FRANCHISE  
CORP., A California corporation

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**FRANCHISEE:**

\_\_\_\_\_ A \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**OWNER:**

\_\_\_\_\_, an individual

\_\_\_\_\_, an individual

# **EXHIBIT E**

## **ASSIGNMENT OF FRANCHISE AGREEMENT AND FRANCHISOR CONSENT**

**Assignment of Franchise Agreement and Franchisor Consent**

This Assignment of Franchise Agreement (this “Assignment”) is executed on **DATE** by and between **FRANCHISEE NAME** an individual (“Franchisee”), and **COMPANY NAME** a **STATE** corporation (“Assignee Entity”).

Recitals

On **FRANCHISE AGREEMENT DATE** Franchisee entered into a franchise agreement (the “Franchise Agreement”) with Advanced Fresh Concepts Franchise Corp. (“Franchisor”) for the operation of a fresh-cut fruit and vegetables food service counter at the following location: **STORE NAME AND LOCATION** (the “Food Service Counter”).

Franchisee owns a majority of the outstanding stock or membership interests of Assignee Entity. Franchisee desires to assign his or her Franchise Agreement to the Assignee Entity according to the terms of this Assignment. Accordingly:

Assignment

For Value Received, Franchisee sells, assigns and transfers to Assignee Entity all right, title and interest in and to the Franchise Agreement between Franchisee and Franchisor, concerning the Food Service Counter.

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

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

This Assignment is Accepted. Assignee Entity agrees to abide by all terms, conditions and obligations of Franchisee under the Franchise Agreement.

**COMPANY NAME**  
[Assignee Entity Name]

**EIN #**  
[EIN Number]

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

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

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

Franchisor Consent

By signing below, Advanced Fresh Concepts Franchise Corp., a California corporation, consents to the foregoing assignment, effective on \_\_\_\_\_.

ADVANCED FRESH CONCEPTS FRANCHISE CORP.  
a California corporation

Signature \_\_\_\_\_

Printed Name \_\_\_\_\_

Title \_\_\_\_\_

**Guaranty**

In exchange for Franchisor's execution of this Agreement, Franchisee absolutely and irrevocably guaranties and promises to pay and perform any and all indebtedness and obligations of Assignee Entity (an entity and/or operation in which the undersigned has an ownership interest) to Franchisor under the Franchise Agreement and all other franchise documents between Assignee Entity and Franchisor.

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

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

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

**EXHIBIT F**

**ASSET SALE AND PURCHASE  
AGREEMENT**

**Notice to Buyer and Seller**  
**This is a streamlined, basic form of Agreement**  
**It may not cover all circumstances of your transaction.**  
**You can edit, add to or delete from this Agreement to fit your transaction.**

**PLEASE REMOVE THIS SENTENCE AND ABOVE PARAGRAPH BEFORE SIGNING**

**ASSET SALE AND PURCHASE AGREEMENT**

This ASSET SALE AND PURCHASE AGREEMENT is entered into this \_\_\_\_ day of \_\_\_\_\_, 20\_\_, by and between \_\_\_\_\_ (“Buyer”), and Advanced Fresh Concepts Franchise Corp, a California corporation, its Designee or Affiliate (“Seller”).

**RECITALS**

Seller owns assets of a Freshly Go Counter (the “**Food Service Counter**”) located at \_\_\_\_\_ (the “Location”). These include the assets listed on Exhibit A to this Agreement. Seller desires to sell, assign and transfer to Buyer, and Buyer desires to purchase and acquire from Seller, the assets listed on Exhibit A to this Agreement. Accordingly, the parties have agreed as follows:

**AGREEMENT**

1. **Purchase and Sale**

1.1 **Purchase and Sale.** Seller agrees to sell, transfer, assign and convey to Buyer, and Buyer agrees to purchase and acquire from Seller, on the Closing Date (as hereinafter defined), all the assets listed in Exhibit A attached to this Agreement and incorporated here by this reference (the “Assets”).

1.2 **Purchase Price.** The total purchase price for the Assets will be of the sum of \$ \_\_\_\_\_, together with the assumption by Buyer of the following liabilities and obligations \_\_\_\_\_.

1.3 **Payment.** The purchase price stated in Section 1.2 shall be payable in cash or cashier’s check on the Closing Date.

1.4 **Allocation of Purchase Price.** The allocation of the purchase price among the Assets for purposes of federal and state income and franchise tax shall be as follows:  
\$ \_\_\_\_\_ to Equipment; \$ \_\_\_\_\_ to Food Products; \$ \_\_\_\_\_ to Value of Established Market; and \$ \_\_\_\_\_ Other.

1.5 **Further Assurances.** From time to time at a party’s request, whether at or after the Closing Date, the other party shall execute and deliver such instruments and documents and take such other action as the requesting party reasonably requests to more completely convey and transfer the Assets intended to be transferred hereunder.

1.6 **Limitation.** Buyer shall have no obligation to assume any obligation of Seller, whether under any contract, lease or other instrument, or arising by law or otherwise, other than as expressly stated in this Agreement.

2. Closing

2.1 Closing Date. The closing will take place at the offices of \_\_\_\_\_, on \_\_\_\_\_, 20\_\_ at \_\_\_\_\_ .m., or at such other time and place as may be agreed by Seller and Buyer, provided, however at Seller's sole discretion, that this Agreement shall terminate and be of no force and effect if the closing Date shall not have occurred prior to \_\_\_\_\_, 20\_\_; and provided, further, that such termination shall not affect the rights or remedies of either party under this Agreement with respect to a breach of, or default under, this Agreement by the other party. On consummation, the closing shall be deemed to take place as of the close of business on the closing date. The time and date of the closing are herein referred to as the "Closing Date."

2.2 Deliveries. At the closing, Seller will deliver to Buyer, against receipt of the purchase price referred to in Section 1.2, a bill of sale and other instruments of transfer and conveyance as reasonably requested by Buyer. At the closing, Buyer will deliver to Seller such instruments of assumption as reasonably requested by Seller.

3. Seller's Representations and Warranties.

Seller represents and warrants to Buyer as follows:

3.1 Organization and Good Standing. Seller is duly organized, validly existing and in good standing under the laws of the State of California and has all requisite power and authority to own, operate and lease its properties and to carry on its business as now being conducted.

3.2 Ownership. Seller owns all right, title and interest in and to the Assets, free and clear of liens and encumbrances other than as provided herein, and has the full right and power to transfer and assign the Assets to Buyer pursuant to this Agreement.

3.3 Authorization. Seller has full power and authority to sign, deliver and perform this Agreement and sell the Assets to Buyer. The signing, delivery and performance by Seller of this Agreement and the transactions contemplated by this Agreement have been duly authorized by all necessary and proper corporate action. This Agreement is a legal, valid and binding obligation of Seller, and each instrument contemplated by this Agreement when executed and delivered by Seller in accordance with the provisions hereof, will be a legal, valid and binding obligation of Seller, in each case enforceable against Seller in accordance with its terms.

4. Buyer's Representations and Warranties.

Buyer represents and warrants to Seller as follows:

4.1 Organization and Good Standing. If Buyer is identified in this Agreement as a corporation or limited liability company or other form of entity, Buyer is duly organized, validly existing and in good standing under the laws of the State of \_\_\_\_\_, has all requisite power and authority to own, operate and lease its properties and to carry on its business as now being conducted.

4.2 Authorization. Buyer has full power and authority to sign, deliver and perform this Agreement and buy the Assets from Seller. The signing, delivery and performance by Buyer of this Agreement and the transactions contemplated by this Agreement have been, duly authorized by all necessary and proper corporate action. This Agreement is a legal, valid and binding obligation of Buyer and each instrument contemplated by this Agreement when signed and delivered by Buyer in accordance with the

provisions hereof, will be a legal, valid and binding obligation of Buyer, in each case enforceable against Buyer in accordance with its terms.

4.3 No Breach or Violation. Neither the signing nor delivery of this Agreement nor the consummation of the transactions contemplated hereby will conflict with or result in a violation or breach of, or constitute a default under, any mortgage, lease or agreement, pursuant to which Buyer is a party or violate any judgment, order, permit, or decree binding on Buyer.

4.4 Documents and Records. Any documents and records being delivered to Seller are true, complete and correct.

5. Covenants.

5.1 Sales Tax. Buyer shall be responsible for the payment to the \_\_\_\_\_ of any sales tax which may become due by virtue of the sale of the Assets contemplated by this Agreement.

5.2 Bulk Transfer Laws. [ ] [ ] [Both parties initial if applicable or delete if not applicable. If neither initialed nor deleted, this provision shall apply.] The parties mutually agree to waive compliance with the bulk sales provisions of the Uniform Commercial Code of the State of \_\_\_\_\_, or any other applicable “bulk transfer” law in connection with the sale of the Assets, and Seller agrees to indemnify Buyer against all claims, losses, expenses, obligations, damages or liabilities occurring or arising from such waiver of compliance. Nothing herein contained shall be construed as an acknowledgment by any person that any such law is applicable to such sale.

5.3 Obligations to Personnel. Seller shall be solely responsible for payment of and shall pay all compensation and benefits due or to become due to personnel of the Food Service Counter operated at the Location for services performed through the Closing Date.

6. Conditions to Buyer’s Obligations. Buyer’s obligations to consummate the transactions contemplated by this Agreement are subject to the performance or satisfaction of the following condition on the Closing Date:

6.1 Bulk Transfer Law. If Section 5.2 has been deleted then Buyer and Seller shall have taken all such action as may be required to comply with all provisions of the Uniform Commercial Code - Bulk Transfer Law applicable to the transactions contemplated by this Agreement.

7. Conditions to Seller’s Obligations. Seller’s obligation to consummate the transactions contemplated by this Agreement are subject to the performance or satisfaction of the following conditions on or before the Closing Date:

7.1 Representations and Warranties. Buyer’s representations and warranties in this Agreement or in any certificate, document or instrument delivered pursuant hereto or in connection with the transactions contemplated hereby shall be true and correct in all material respects as of the Closing Date as if made on and as of the Closing Date.

7.2 Covenants. Buyer shall have performed and complied with all the covenants, agreements and conditions required by this Agreement to be performed or complied with by Buyer, on or before the Closing Date.

7.3 Officers’ Certificate. Seller shall have been furnished with a certificate executed on behalf of Buyer by its President or a Vice President, and its Secretary or Assistant Secretary, and by each other

person constituting the Buyer, dated the Closing Date, representing and certifying in such detail as Seller may reasonably request, as to the satisfaction of the conditions set forth in Sections 7.1 and 7.2.

7.4 No Actions or Proceedings. There will not be pending or threatened any action or proceeding before any court of governmental body or agency which would seek to restrain, prohibit or invalidate any transaction contemplated by this Agreement.

8. Survival and Indemnification.

8.1 Survival. The representations and warranties of Seller and Buyer in this Agreement and any provision of this Agreement intended, by its terms, to be observed and performed after the closing, shall survive the execution of this Agreement and the Closing Date.

8.2 Buyer's Indemnification. Buyer shall indemnify and hold Seller harmless from and against any damages, losses, liabilities, claims or expenses (including court costs and reasonable attorneys' fees) (the "Damages") arising from the use of the Assets or operation of the Food Service Counter located at \_\_\_\_\_ after the Closing Date.

9. Termination.

9.1 Events of Termination. This Agreement and the transactions contemplated hereby may be terminated at any time prior to the Closing Date: (a) by Buyer, if any of the conditions in Section 6 shall have become incapable of satisfaction or shall not have been satisfied or performed in the manner and within the time required on or before the Closing Date; and shall not have been waived by Buyer; or (b) by Seller, if any of the conditions in Section 7 shall have become incapable of satisfaction or shall not have been satisfied or performed in the manner and within the time required on or before the Closing Date; and shall not have been waived by Seller.

9.2 Effects of Termination. In the event of termination pursuant to this Section 9, or by virtue of the closing not having occurred by \_\_\_\_\_, 20\_\_\_\_, other than as a result of a breach by Seller or Buyer of its covenants contained herein, or the non-fulfillment by Seller or Buyer of a condition in Section 6 or 7 to be fulfilled by Seller or Buyer, in each case solely within its control, this Agreement shall thereafter become void and of no further force and effect.

10. Miscellaneous.

10.1 Headings; Meanings. Section numbers and headings in this Agreement are for convenience only and shall not affect in any way the meaning or interpretation of this Agreement. The provisions of this Agreement shall be interpreted in accordance with their fair meanings, and shall not be strictly construed for or against either party.

10.2 Severability. The invalidity or unenforceability of any particular provision of this Agreement shall not affect the other provisions, and this Agreement shall be construed in all respects as if any invalid or unenforceable provision were omitted.

10.3 Arbitration: Except as precluded by applicable law, any controversy or claim that arises out of or relates to this Agreement, or any breach of this Agreement, including without limitation any claim that any of this Agreement (including this Paragraph 10.3) is invalid, illegal, voidable or void, shall be submitted to arbitration in accordance with the rules of the American Arbitration Association and judgment on the award may be entered in any court with jurisdiction thereof. Unless applicable law requires otherwise, arbitration shall occur in Los Angeles, California. This arbitration provision shall be

self-executing, and shall remain in effect after and regardless of expiration or termination of this Agreement. If a party fails to appear at any properly noticed arbitration proceeding, an award may be entered against such party regardless of such failure to appear. The prevailing party in any arbitration or other proceeding shall be entitled to recover its reasonable attorneys' fees and costs.

10.4 Governing Law. The validity, construction and performance of this Agreement shall be governed by the laws, without regard to the laws as to choice or conflict of laws, of the State of California.

10.5 Entire Agreement. This Agreement, including its Exhibits is the entire agreement between the parties on its subject matter, and supersede all prior agreements, understandings, negotiations, representations and discussions, whether verbal or written pertaining to the subject. There are no promises, terms, conditions or obligations of the parties pertaining to that subject matter other than as contained in this Agreement. Nothing in this Agreement is intended to disclaim the representations made to Buyer in the Franchise Disclosure Document.

10.6 Binding Effect. This Agreement shall bind and benefit the parties and their successors and permitted assigns.

10.7 Parties in Interest. Nothing in this Agreement, expressed or implied, is intended to confer on any person or entity other than the parties any right or remedy under or by reason of this Agreement.

10.8 Notices. Any notice or communication required or permitted by this Agreement shall be deemed sufficiently given if in writing and when delivered personally or 48 hours after deposit with the U.S. Postal Service as registered or certified mail, postage prepaid, and addressed as follows:

If to Buyer:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Attention: \_\_\_\_\_

If to Seller:

Advanced Fresh Concepts Franchise Corp.  
19700 Mariner Avenue  
Torrance, California 90503  
Attention: Vincenzo Calcagni

or such other address as a party to whom notice is to be given has furnished to the other party in the manner provided above.

10.9 Amendments and Waiver. This Agreement may be amended, modified or supplemented only by a writing executed by each of the parties.

Signed as of the date first written above.

*BUYER*

\_\_\_\_\_

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Title

*SELLER*

ADVANCED FRESH CONCEPTS FRANCHISE CORP.

By \_\_\_\_\_

Its \_\_\_\_\_

**EXHIBIT A**

**ASSETS**

**EXHIBIT G**

**FOOD SERVICE COUNTER TRANSFER  
AGREEMENT**

## FOOD SERVICE COUNTER TRANSFER AGREEMENT

This FOOD SERVICE COUNTER TRANSFER AGREEMENT is entered into this \_\_\_\_ day of \_\_\_\_\_, 20\_\_, by and between \_\_\_\_\_ (“Buyer”), and Advanced Fresh Concepts Franchise Corp., a California corporation, or its Designee or Affiliate (“Seller”).

### RECITALS

Seller operates a Freshly Go Counter (the “Food Service Counter”) at \_\_\_\_\_ (the “Location”). Buyer wants to purchase from Seller, and operate, the business of, the Food Service Counter. Seller is willing to sell and transfer the business of the Food Service Counter to Buyer according to the terms of this Agreement. Accordingly, the parties have agreed as follows:

### AGREEMENT

1. Transfer. Seller transfers to Buyer the business of the Food Service Counter, other than its tangible assets, effective \_\_\_\_\_, 20\_\_ (“Effective Date”).
2. Price. Buyer shall pay Seller \$ \_\_\_\_\_, and assume and be responsible for the following liabilities and obligations \_\_\_\_\_.
3. Payment. Buyer shall pay the purchase price stated in Section 2 in cash or cashier’s check on signing this Agreement.
4. Obligations to Personnel. Seller shall be responsible to pay all compensation and benefits due to personnel of the Food Service Counter for services before the Effective Date.
5. Indemnification. Buyer shall indemnify, defend and hold Seller harmless from and against all damages, losses, liabilities, claims or expenses, also including court costs and attorneys’ fees, arising from use and operation of the Food Service Counter after the Effective Date.
6. Buyer Acknowledgements. Buyer acknowledges being aware that:
  - A. the transfer accomplished by this Agreement does not include any tangible assets, equipment or inventory of the Food Service Counter. The sale, transfer and assignment of any assets, equipment and/or inventory to operate the Food Service Counter shall be accomplished by a separate Bill of Sale, on terms agreed by the parties;
  - B. Buyer will be required to sign and comply with other agreements and instruments to be permitted to operate the Food Service Counter, including but not limited to a Franchise Agreement and other ancillary agreements;
  - C. the transfer accomplished by this Agreement is conditioned on the property owner or landlord’s consent to the transfer; permission to operate the Food Service Counter at the Location is derived from an agreement between Seller (or an entity affiliated with Seller, such as Advanced Fresh Concepts Corp.) and the owner or lessor of the Location; that agreement may be modified or terminable by the owner and/or manager of the Location at any time and on short notice; the owner or facility manager may object to Buyer operating there; and modification, termination or objection by the owner or facility manager may result in the need for

relocation and resulting disruption and interruption to Buyer or adjustment to the franchise operations (such as if the facility owner requests that operations be converted to another concept).

D. Seller makes no warranty or representation about the length of time Buyer may be permitted to operate the Food Service Counter at the Location or any other warranty or representation of any kind.

7. Interpretation. Section numbers and headings in this Agreement are for convenience only and shall not affect the meaning or interpretation of this Agreement. The provisions of this Agreement shall be interpreted according to their fair meanings, and shall not be strictly construed for or against either party.

8. Severability. The invalidity or unenforceability of any provision of this Agreement shall not affect the other provisions; they shall remain in effect and this Agreement shall be construed as if any invalid or unenforceable provision were omitted.

9. Governing Law. The validity, construction and performance of this Agreement shall be governed by California law, without regard to rules on choice or conflict of laws.

10. Arbitration: Any controversy or claim that arises out of or relates to this Agreement, or any breach of this Agreement, including without limitation any claim that any of this Agreement (including this Section 10) is invalid, illegal, voidable or void, shall be submitted to arbitration in accordance with the rules of the American Arbitration Association and judgment on the award may be entered in any court having jurisdiction. Arbitration shall occur in Los Angeles, California. This arbitration provision shall be self-executing, and shall remain in effect after and regardless of expiration or termination of this Agreement. If a party fails to appear at any properly noticed arbitration proceeding, an award may be entered against such party regardless of such failure to appear. The prevailing party in any arbitration or other proceeding shall be entitled to recover its reasonable attorney's fees and costs.

11. Parties in Interest. This Agreement shall bind and benefit the parties and their successors and permitted assigns. Nothing in this Agreement, expressed or implied, is intended to confer on any person or entity other than the parties any right or remedy under or by reason of this Agreement.

12. Notices. Any notice or communication required or permitted by this Agreement shall be deemed sufficiently given if in writing and when delivered personally or 48 hours after deposit with the U.S. Postal Service as registered or certified mail, postage prepaid, and addressed as follows:

To Buyer:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Attention: \_\_\_\_\_

To Seller:

Advanced Fresh Concepts Franchise Corp.  
19700 Mariner Avenue

Torrance, California 90503

Attention: Vincenzo Calcagni

or other address that a party to whom notice is to be given has notified the other party as provided above.

13. Entire Agreement. This Agreement is the entire agreement between the parties on its subject matter, and supersedes all prior agreements, understandings, negotiations, representations and discussions, whether verbal or written pertaining to the subject. There are no promises, terms, conditions or obligations of the parties pertaining to that subject matter other than as contained in this Agreement. Nothing in this Agreement is intended to disclaim the representations made to Buyer in the Franchise Disclosure Document. This Agreement may be amended, modified or supplemented only by a writing executed by each of the parties.

Signed as of the date first written above.

*BUYER*

*SELLER*

\_\_\_\_\_

ADVANCED FRESH CONCEPTS  
FRANCHISE CORP.

\_\_\_\_\_  
Signature

By \_\_\_\_\_

\_\_\_\_\_  
Title

Its \_\_\_\_\_

**EXHIBIT H**

**PROMISSORY NOTE**

## PROMISSORY NOTE

\$ \_\_\_\_\_, 20 \_\_\_\_

FOR VALUE RECEIVED, \_\_\_\_\_ (“Maker”), hereby promises to pay to ADVANCED FRESH CONCEPTS FRANCHISE CORP., a California corporation (“Holder”), or order, at \_\_\_\_\_, or at such other place as Holder may from time to time designate in writing, the principal sum of \_\_\_\_\_ Dollars (\$ \_\_\_\_\_), with interest on the unpaid principal balance of this Promissory Note (“Note”) from the date of this Note until paid in full at the rate of zero percent (0%) per annum (“Interest Rate”).

1. Payment. Principal under this Note is payable as follows:

(i) On the \_\_\_\_\_ day of each month following the date of this Note, Maker shall pay to Holder monthly installments of principal in the amount of \_\_\_\_\_ Dollars (\$ \_\_\_\_\_).

(ii) On \_\_\_\_\_, the entire unpaid principal balance of this Note shall be due and payable.

(iii) Maker shall pay the sums due either by cashier’s check, money order, credit card or at Holder’s option, via deduction from commissions due to Maker.

2. Prepayment. This Note is prepayable, in whole or in part, at any time by Maker upon thirty (30) days’ written notice to Holder.

3. Late Charge and Default Rate. Maker recognizes that any default in the payment of any installment of principal due hereunder will result in losses and additional expenses to Holder in servicing the indebtedness evidenced hereby, handling such delinquent payments and meeting its financial obligations, and that the damages caused thereby would be extremely difficult and impractical to ascertain. Therefore, if any installment of principal due hereunder becomes overdue for a period more than ten (10) days, a late charge of one percent (1%) of the delinquent amount may be charged by Holder, at its option, to defray such losses and expenses. If applicable law requires a lesser charge, the maximum rate permitted by law may be charged. Any late charge that accrues during a month shall be payable on the next monthly payment date. Maker agrees that the payment of the late charge set forth in this Paragraph 3 is a reasonable estimate of the damage to Holder in the event of a late payment. The late fee provided in this Paragraph shall be payable in addition to all other remedies of Holder hereunder, at law or in equity.

4. Acceleration. If Maker fails to pay any installment within ten (10) days after the same is due, or if any other default occurs under this Note, or any other Franchise Agreement or addendum between the parties, the entire unpaid principal balance and other sums payable hereunder shall, at the option of Holder, become immediately due and payable without demand or notice.

5. Application of Payments; No Setoffs. All sums payable hereunder shall be payable without offset, demand, abatement or counterclaim of any kind or nature whatsoever, all of which are hereby waived by Maker. Principal shall be payable in lawful money of the United States of America.

6. Waiver. Maker and all other parties who may be directly or indirectly liable hereunder waive (a) presentment, protest and demand, diligence in collection and notice of protest, presentment, demand, dishonor and nonpayment of this Note and (b) any release or discharge arising from any extension

of time, discharge of any party liable for payment of this Note, release of any or all of the security for this Note, or other cause of release or discharge other than actual payment in full of this Note.

7. No Waiver. Holder shall not be deemed, by any act or omission, to have waived any of its rights or remedies hereunder unless such waiver is in writing and signed by Holder and then only to the extent specifically set forth in such writing. A waiver with reference to one event shall not be construed as a bar to or waiver of any right or remedy as to any subsequent event. No delay or omission of Holder to exercise any right, whether before or after a default hereunder, shall impair any such right or shall be construed to be a waiver of any right or default, and the acceptance at any time by Holder of any past-due amount shall not be deemed to be a waiver of the right to require prompt payment when due of any other amounts then or thereafter due and payable.

8. Severability. Any provision of this Note which may be prohibited by law or otherwise held invalid shall be ineffective only to the extent of such prohibition or invalidity and shall not invalidate or otherwise render ineffective the remaining provisions of this Note.

9. Choice of Law. This Note, and the rights and obligations hereunder of each of the parties hereto, shall be governed by and construed in accordance with the laws of the State of California, without reference to principles of conflicts of law.

10. Successors and Assigns. The terms, covenants and conditions contained herein shall be binding upon the heirs and successors of Maker and shall inure to the benefit of the successors and assigns of Holder.

11. Costs and Expenses. If any amount under this Note is not paid when due, Maker promises to pay immediately upon demand all costs and expenses of collection, including without limitation actual attorneys' fees, incurred by Holder to enforce the terms of this Note.

12. Venue and Jurisdiction. Maker agrees that any suit, action or proceeding arising out of or relating to this Note, or the interpretation, performance or breach of this Note, may be instituted in the United States District Court for the Central District of California or any court of the State of California located in Los Angeles County, and Maker irrevocably submits to the jurisdiction of those courts and waives any and all objections to jurisdiction or venue that it may have under the laws of the State of California or otherwise in those courts in any such suit, action or proceeding. The provisions of this paragraph shall not be deemed to preclude Holder from filing any suit, action or proceeding in any other appropriate forum.

13. Assignment. Holder may assign this Note and any security for this Note without notice to Maker or the consent of Maker. Maker shall have no right or power to assign or delegate any obligations under this Note.

14. Entire Agreement. This Note contains all of the terms and conditions agreed on by Maker and Holder with respect to the subject matter of this Note. This Note supersedes all prior negotiations, discussions, correspondence and agreements between Maker and Holder on its subject. This Note cannot be modified or changed except by written instrument signed by Maker and Holder.

15. Miscellaneous. If this Note is executed by more than one person or entity as Maker, the obligations of each such person or entity shall be joint and several. Each right, power and remedy of Holder provided in this Note, any other document securing this Note or at law, in equity or otherwise shall be cumulative and may be pursued singularly, successively or together at the sole discretion of Holder, and the failure to exercise any such right, power or remedy shall in no event be construed as a waiver or a release

thereof.

Time is of the essence with respect to each and every provision hereof in which time is a factor.

MAKER

---

---

Signature

---

Print Name

---

Title

# **EXHIBIT I**

## **TABLE OF CONTENTS OF OPERATING MANUAL AND SSOP MANUAL**

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FRESHNESS ON THE MOVE



## **EXHIBIT J**

# **LIST OF U.S. FRANCHISEES, U.S. COMPANY OWNED LOCATIONS, TRANSFERS, TERMINATIONS, NON- RENEWALS, CEASED OPERATIONS/OTHER IN OUR LAST FISCAL YEAR**

**FRESHLY GO COUNTERS  
FRANCHISEE LIST  
AS OF MARCH 31, 2025**

NONE.

**FRESHLY GO COUNTERS  
COMPANY OWNED LOCATIONS  
AS OF MARCH 31, 2025**

NONE.

**FRESHLY GO COUNTERS  
LIST OF FRANCHISEES WHO TRANSFERRED  
IN THE 12 MONTHS ENDING MARCH 31, 2025**

NONE.

**FRESHLY GO COUNTERS  
TERMINATED LIST  
IN THE 12 MONTHS ENDING MARCH 31, 2025**

NONE.

**FRESHLY GO COUNTERS  
CEASED OPERATIONS  
IN THE 12 MONTHS ENDING MARCH 31, 2025**

NONE.

**FRESHLY GO COUNTERS  
NON-RENEWAL LIST  
IN THE 12 MONTHS ENDING MARCH 31, 2025**

NONE.

**FRESHLY GO COUNTERS  
LIST OF FRANCHISES REACQUIRED BY FRANCHISOR  
IN THE 12 MONTHS ENDING MARCH 31, 2025**

NONE.

IF YOU BUY THIS FRANCHISE, YOUR CONTACT INFORMATION MAY BE DISCLOSED TO OTHER BUYERS WHEN YOU LEAVE THE FRANCHISE SYSTEM.

# **EXHIBIT K**

## **LIST OF STATE ADMINISTRATORS AND AGENTS FOR SERVICE OF PROCESS**

**LIST OF STATE ADMINISTRATORS AND STATE AGENTS FOR SERVICE OF PROCESS**

<b>STATE</b>	<b>STATE ADMINISTRATOR</b>	<b>AGENT FOR SERVICE OF PROCESS</b>
<b>CALIFORNIA</b>	Department of Financial Protection and Innovation 320 West 4 <sup>th</sup> Street, Suite 750 Los Angeles, California 90013 (213) 576-7500 (866) 275-2677 website:www.dfpi.ca.gov email: Ask.DFPI@dfpi.ca.gov	California, Commissioner of Financial Protection and Innovation 320 West 4 <sup>th</sup> Street, Suite 750 Los Angeles, California 90013 (213) 576-7500 (866) 275-2677 website:www.dfpi.ca.gov email: Ask.DFPI@dfpi.ca.gov
<b>HAWAII</b>	Business Registration Division Department of Commerce and Consumer Affairs 335 Merchant Street Room 203 Honolulu, Hawaii 96813 (808) 586-2722	Commissioner of Securities, Department of Commerce & Consumer Affairs 335 Merchant Street Room 203 Honolulu, Hawaii 96813 (808) 586-2722
<b>ILLINOIS</b>	Franchise Bureau Office of the Attorney General 500 South Second Street Springfield, Illinois 62706 (217) 782-4465	Franchise Bureau Office of the Attorney General 500 South Second Street Springfield, Illinois 62706 (217) 782-4465
<b>INDIANA</b>	Indiana Secretary of State Securities Division 302 West Washington Street, Room E-111 Indianapolis, Indiana 46204 (317) 232-6681	Indiana Secretary of State 201 State House 200 West Washington Street Indianapolis, Indiana 46204 (317) 232-6531
<b>MARYLAND</b>	Office of the Attorney General Securities Division 200 St. Paul Place Baltimore, Maryland 21202-2021 (410) 576-6360	Maryland Securities Commissioner Office of the Attorney General Securities Division 200 St. Paul Place Baltimore, Maryland 21202-2021 (410) 576-6360
<b>MICHIGAN</b>	Michigan Department of Attorney General Consumer Protection Attn: Franchise Section 525 West Ottawa Street G. Mennen Williams Building, 1 <sup>st</sup> Floor Lansing, Michigan 48933 (517) 335-7567	Michigan Department of Commerce Corporations and Securities Bureau P.O. Box 30054 6546 Mercantile Way Lansing, Michigan 48909 (517) 241-6345
<b>MINNESOTA</b>	Minnesota Department of Commerce 85 7 <sup>th</sup> Place East, Suite 280 St. Paul, Minnesota 55101-2198 (651) 539-1600	Commissioner of Commerce Minnesota Department of Commerce 85 7 <sup>th</sup> Place East, Suite 280 St. Paul, Minnesota 55101-2198 (651) 539-1600
<b>NEBRASKA</b>	Nebraska Department of Banking and Finance Bureau of Securities/Financial Institutions Division 1526 K Street, Suite 300 Lincoln, Nebraska 68508-2723 (402) 471-2171	Nebraska Department of Banking and Finance Bureau off Securities/Financial Institutions Division 1526 K Street, Suite 300 Lincoln, Nebraska 68508-2723 (402) 471-2171

<b>STATE</b>	<b>STATE ADMINISTRATOR</b>	<b>AGENT FOR SERVICE OF PROCESS</b>
<b>NEW YORK</b>	NYS Department of Law Investor Protection Bureau 28 Liberty Street, 21 <sup>st</sup> Fl New York, New York 10005 (212) 416-8285 (Phone) (212) 416-6042 (Fax)	New York Department of State One Commerce Plaza 99 Washington Avenue, 6 <sup>th</sup> Floor Albany, New York 12231-0001 (518) 473-2492
<b>NORTH DAKOTA</b>	North Dakota Insurance & Securities Department 600 East Boulevard Avenue Bismarck, North Dakota 58505-0510 (701) 328-2910	North Dakota Insurance Commissioner 600 East Boulevard Avenue Bismarck, North Dakota 58505-0510 (701) 328-2910
<b>RHODE ISLAND</b>	Securities Division State of Rhode Island Department of Business Regulation, Bldg. 69, First Floor John O. Pastore Center 1511 Pontiac Avenue, Cranston, Rhode Island 02920 (401) 462-9582	Director, Securities Division Department of Business Regulation Bldg. 69, First Floor John O. Pastore Center 1511 Pontiac Avenue, Cranston, Rhode Island 02920 (401) 462-9582
<b>SOUTH DAKOTA</b>	Department of Labor and Regulation Division of Insurance Securities Regulation 124 South Euclid, Suite 104 Pierre, South Dakota 57501 (605) 773-3563	Director, Department of Labor and Regulation Division of Insurance Securities Regulation 124 South Euclid, Suite 104 Pierre, South Dakota 57501 (605) 773-3563
<b>VIRGINIA</b>	State Corporation Commission Division of Securities and Retail Franchising 1300 East Main Street, First Floor Richmond, Virginia 23219 (804) 371-9051	Clerk of the State Corporation Commission 1300 East Main Street, First Floor Richmond, Virginia 23219 (804) 371-9733
<b>WASHINGTON</b>	Securities Division Department of Financial Institutions P.O. Box 41200 Olympia, Washington 98504-1200 (360) 902-8760	Director, Department of Financial Institutions Securities Division 150 Israel Road S.W. Tumwater, Washington 98501 (360) 902-8760
<b>WISCONSIN</b>	Franchise Registration Division of Securities Wisconsin Department of Financial Institutions 201 West Washington Avenue, Suite 300 Madison, Wisconsin 53703 (608) 266-1064	Securities and Franchise Registration Wisconsin Securities Commission 201 West Washington Avenue, Suite 300 Madison, Wisconsin 53703 (608) 266-1064

**EXHIBIT L**

**STATE SPECIFIC ADDENDA**

## STATE SPECIFIC DISCLOSURE REQUIREMENTS

The laws of several states require that we provide this Franchise Disclosure Document to you at the following earlier dates:

1. Iowa requires that we give you this disclosure document at the earlier of the first personal meeting or 14 calendar-days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

2. New York requires that we give you a copy of this Franchise Disclosure Document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

3. Michigan requires that we give you this Franchise 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.

For franchises that we sell for locations in CALIFORNIA, HAWAII, ILLINOIS, MARYLAND, MICHIGAN, MINNESOTA, NEW YORK, NORTH DAKOTA, RHODE ISLAND, VIRGINIA and WASHINGTON, applicable state law requires us to disclose additional information. Please refer to the separate state addendum pages in this Exhibit for the additional disclosures that may apply to you.

**ADDENDUM TO THE ADVANCED FRESH CONCEPTS FRANCHISE CORP.  
FRANCHISE DISCLOSURE DOCUMENT - REQUIRED BY THE STATE OF CALIFORNIA**

The California Franchise Investment Law requires a copy of all proposed agreements relating to the sale of the franchise to be delivered together with the Franchise Disclosure Document 14 days prior to execution of any agreement.

Neither Advanced Fresh Concepts Franchise Corp, nor any person or franchise broker in item 2 of the Franchise Disclosure Document is subject to any currently effective order of any National Securities Association or National Securities Exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a et seq., suspending or expelling these persons from membership in this association or exchange.

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

The California Business and Professions Code Sections 20000 through 20043 provide rights to the Franchisee concerning termination, transfer or non-renewal of a franchise. If the Franchise Agreement contains a provision that is inconsistent with the law, the law will control.

The Franchise Agreement provides for termination upon bankruptcy. This provision may not be enforceable under Federal Bankruptcy Law (11 U.S.C.A. sec. 101 et. seq.).

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

The Franchise Agreement requires binding arbitration. The arbitration will occur in Los Angeles, California, according to the rules of the American Arbitration Association, with attorneys' fees being borne by the losing party.

Section 31125 of the Franchise Investment Law requires us to give to you a Disclosure Document approved by the Commissioner of Department of Financial Protection and Innovation before we ask you to consider a material modification of your Franchise Agreement.

Our website 'www.afcsushi.com' has not been reviewed or approved by the California Department of Financial Protection and Innovation. Any complaints concerning the contents of this website may be directed to the California Department of Financial Protection and Innovation at [www.dfpi.ca.gov](http://www.dfpi.ca.gov).

The Franchise Agreement contains a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages are unenforceable.

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

**California's Franchise Investment Law (Corporations Code sections 31512 and 31512.1):**

Any provision of a franchise agreement or related document requiring the franchisee to waive specific provisions of the law is contrary to public policy and is void and unenforceable. The law also prohibits a

franchisor from disclaiming or denying (i) representations it, its employees, or its agents make to you, (ii) your ability to rely on any representations it makes to you, or (iii) any violations of the law.

You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control.

California enacted California Labor Code Sections 1474, 1475 and 1476, to provide for a state-wide increase in the minimum wage for fast food restaurant employees to \$20 per hour effective as of April 1, 2024, the creation of a Fast Food Council, and changes to employment standards in the fast-food restaurant industry. The new law applies to employees in national fast-food chains, which includes Freshly Go Counters.

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

**ADDENDUM TO THE ADVANCED FRESH CONCEPTS FRANCHISE CORP.  
FRANCHISE AGREEMENT – CALIFORNIA**

For the purposes of Cal. Bus. & Prof. Code Section 20022, Franchisor and Franchisee agree that:

1. The parties will use the declining-balance depreciation method to calculate the value of Franchisee's assets (inventory, supplies, equipment, fixtures, and furnishings) for the purposes of a purchase by Franchisor under Section 20022. The purchase price by Franchisor for these assets will not include the cost of removal and transportation of those assets, which will be Franchisee's responsibility.
2. For purposes of Section 20022, franchisee is not able to provide to Franchisor "clear title and possession" to Franchisee's assets if those assets are subject to liens or encumbrances including: (i) purchase money security interests; (ii) blanket security interests; (iii) rights of first refusal; (iv) liens by Franchisee's landlord; or (v) tax liens.
3. For the purposes of Section 20022(h), Franchisor's right of offset will include the following amounts owed by Franchisee to Franchisor or Franchisor's affiliates: (i) compensation to franchisor; (ii) marketing fund fees (if applicable); (iii) liquidated damages; (iv) transfer fees; and (v) any other type of fee or amounts owed by Franchisee to Franchisor or Franchisor's affiliates.

For the purposes of Cal. Bus. & Prof. Code Section 20035, Franchisor and Franchisee agree that:

1. **"Fair market value of the franchise assets"** means the value of Franchisee's assets, valued according to the declining-balance method of depreciation. The purchase price by franchisor for the assets will not include the cost of removal and transportation of those assets, which will be Franchisee's responsibility.
2. **"Fair market value of the franchised business"** means the **"fair market value of the franchise assets"** as defined above, plus goodwill. The parties agree that the value of goodwill is the amount of compensation to Franchisor paid by franchisee pursuant to the Franchise Agreement and any applicable addenda within the twelve (12) month period immediately before franchisor's termination or failure to renew if Franchisor is in violation of the California Franchise Relations Act.

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

**California's Franchise Investment Law (Corporations Code sections 31512 and 31512.1):**

Any provision of a franchise agreement or related document requiring the franchisee to waive specific provisions of the law is contrary to public policy and is void and unenforceable. The law also prohibits a franchisor from disclaiming or denying (i) representations it, its employees, or its agents make to you, (ii) your ability to rely on any representations it makes to you, or (iii) any violations of the law.

For the purposes of Cal. Code Regs. Tit. 10, § 310.114.1, Franchisor and Franchisee agree that:

- a. The California Franchise Investment Law requires a copy of all proposed agreements relating to the sale of the franchise to be delivered together with the Disclosure Document 14 days prior to execution of any agreement.

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

c. The Franchise Agreement provides for termination upon bankruptcy. This provision may not be enforceable under Federal Bankruptcy Law (11 U.S.C.A. sec. 101 et. Seq.).

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

e. If the Franchise Agreement contains a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages are unenforceable.

f. The Franchise Agreement requires the parties to resolve all disputes through arbitration in Los Angeles, California, with the costs being borne by the losing party.

Dated this \_\_\_\_ day of \_\_\_\_\_ 20\_\_.

FRANCHISEE

\_\_\_\_\_

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

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

FRANCHISOR

ADVANCED FRESH CONCEPTS FRANCHISE CORP.

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

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

## DISCLOSURES REQUIRED BY HAWAII

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

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

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

NO STATEMENT, QUESTIONNAIRE, OR ACKNOWLEDGEMENT SIGNED OR AGREED TO BY A FRANCHISEE IN CONNECTION WITH THE COMMENCEMENT OF THE FRANCHISE RELATIONSHIP SHALL HAVE THE EFFECT OF (I) WAIVING ANY CLAIMS UNDER ANY APPLICABLE STATE FRANCHISE LAW, INCLUDING FRAUD IN THE INDUCEMENT, OR (II) DISCLAIMING RELIANCE ON ANY STATEMENT MADE BY ANY FRANCHISOR, FRANCHISE SELLER, OR OTHER PERSON ACTING ON BEHALF OF FRANCHISOR. THIS PROVISION SUPERSEDES ANY OTHER TERM OF ANY DOCUMENT EXECUTED IN CONNECTION WITH THE FRANCHISE.

**ADDENDUM TO THE ADVANCED FRESH CONCEPTS FRANCHISE CORP.  
FRANCHISE DISCLOSURE DOCUMENT - REQUIRED BY THE STATE OF ILLINOIS**

By reading this disclosure document, you are not agreeing to, acknowledging, or making any representations whatsoever to the Franchisor and its affiliates.

Illinois law governs the agreements between the parties to this franchise.

Section 4 of the Illinois Franchise Disclosure Act provides that any provision in a franchise agreement that designates jurisdiction or venue outside the State of Illinois is void. However, a franchise agreement may provide for arbitration outside of Illinois.

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

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

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

**ADDENDUM TO THE ADVANCED FRESH CONCEPTS FRANCHISE CORP.  
FRANCHISE AGREEMENT - REQUIRED BY THE STATE OF ILLINOIS**

Illinois law governs the agreements between the parties to this franchise.

Section 4 of the Illinois Franchise Disclosure Act provides that any provision in a franchise agreement that designates jurisdiction or venue outside the State of Illinois is void. However, a franchise agreement may provide for arbitration outside of Illinois.

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

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

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

Dated this \_\_\_\_ day of \_\_\_\_\_ 20\_\_.

FRANCHISEE

FRANCHISOR

\_\_\_\_\_

ADVANCED FRESH CONCEPTS  
FRANCHISE CORP.

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

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

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

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

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

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

**ADDENDUM TO THE ADVANCED FRESH CONCEPTS FRANCHISE CORP.  
FRANCHISE DISCLOSURE DOCUMENT - REQUIRED BY THE STATE OF MARYLAND**

The following is added to Items 1 and 12 of the Franchise Disclosure Document in Maryland:

Section 14-226 of the Maryland Franchise Registration and Disclosure Law prohibits us from requiring you to release or waive your rights as a condition of purchasing our franchise.

The following is added to Item 12 of the Franchise Disclosure Document in Maryland:

The general release required as a condition of relocation will not apply to any liability under the Maryland Franchise Registration and Disclosure Law, unless the relocation is part of an agreement between us to resolve an alleged registration and/or disclosure claim.

The following is added to Item 17(m) of the Franchise Disclosure Document in Maryland:

The general release required as a condition of transfer will not apply to any liability under the Maryland Franchise Registration and Disclosure Law, unless the transfer is part of an agreement between us to resolve an alleged registration and/or disclosure claim.

The following is added to Item 17(u) of the Franchise Disclosure Document in Maryland:

You may sue in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law, to the extent the dispute is neither pre-empted by the Federal Arbitration Act nor governed by the arbitration provisions of Section 16.8 of the Franchise Agreement. Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

The following is added to the Franchise Disclosure and Compliance Questionnaire:

The Franchise Disclosure and Compliance Questionnaire requires prospective franchisees to disclaim the occurrence and/or acknowledge the non-occurrence of acts that would constitute a violation of the Franchise Law. Such representations are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

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. Any questionnaire and specific Acknowledgments shall not apply to prospective franchisees who are Maryland residents or who seek to purchase a franchise located in Maryland.

**ADDENDUM TO THE ADVANCED FRESH CONCEPTS FRANCHISE CORP.  
FRANCHISE AGREEMENT - REQUIRED BY THE STATE OF MARYLAND**

The following is added to Section 3.2 of the Franchise Agreement in Maryland:

The general release required as a condition of relocation shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law, unless Franchisor's consent to the relocation is part of an agreement between Franchisee and Franchisor to resolve an alleged registration and/or disclosure claim.

The following is added to Section 14.9 of the Franchise Agreement in Maryland:

The general release required as a condition of transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law, unless Franchisor's consent to the transfer is part of an agreement between Franchisee and Franchisor to resolve an alleged registration and/or disclosure claim.

Section 16.14 is added to the Franchise Agreement in Maryland as follows:

Nothing in this Agreement is intended to or shall act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

The following is added to Section 16.8:

Franchisee may sue in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law, to the extent the dispute is neither pre-empted by the Federal Arbitration Act nor governed by the arbitration provisions of Section 16.8 of this Agreement. Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise. Any questionnaire and specific Acknowledgments shall not apply to prospective franchisees who are Maryland residents or who seek to purchase a franchise located in Maryland.

(SIGNATURE PAGE FOLLOWS)

Dated this \_\_\_\_ day of \_\_\_\_\_ 20\_\_.

FRANCHISEE

\_\_\_\_\_

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

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

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

FRANCHISOR

ADVANCED FRESH CONCEPTS  
FRANCHISE CORP.

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

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

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

**ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT PURSUANT TO  
THE MICHIGAN FRANCHISE INVESTMENT LAW**

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

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

- (a) A prohibition on the right of a Franchisee to join an association of Franchisees.
- (b) A requirement that a Franchisee assent to a release, assignment, novation, waiver, or estoppel which deprives a Franchisee of rights and protections provided in this act. This shall not preclude a Franchisee, after entering into a Franchise agreement from settling any and all claims.
- (c) A provision that permits a franchisor to terminate a Franchise prior to the expiration of its term except for good cause. Good cause shall include the failure of the Franchisee to comply with any lawful provision of the Franchise agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than 30 days, to cure such failure.
- (d) A provision that permits a franchisor to refuse to renew a Franchise without fairly compensating the Franchisee by repurchase or other means for the fair market value at the time of expiration of the Franchisee's inventory, supplies, equipment, fixtures, and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures, and furnishing not reasonably required in the conduct of the Franchise business are not subject to compensation. This subsection applies only if: (i) the term of the Franchise is less than 5 years and (ii) the Franchisee is prohibited by the Franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising, or other commercial symbol in the same area subsequent to the expiration of the Franchise or the Franchisee does not receive at least 6 months advance notice of franchisor's intent not to renew the Franchise.
- (e) A provision that permits the franchisor to refuse to renew a Franchise on terms generally available to other Franchisees of the same class or type under similar circumstances. This section does not require a renewal provision.
- (f) A provision requiring that arbitration or litigation be conducted outside this state. This shall not preclude the Franchisee from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.
- (g) A provision which permits a franchisor to refuse to permit a transfer of ownership of a Franchise, except for good cause. This subdivision does not prevent a franchisor from exercising a right of first refusal to purchase the Franchise. Good cause shall include, but is not limited to:
  - (i) The failure of the proposed transferee to meet the franchisor's then-current reasonable qualifications or standards.
  - (ii) The fact that the proposed transferee is a competitor of the franchisor or subfranchisor.
  - (iii) The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.
  - (iv) The failure of the Franchisee or proposed transferee to pay any sums owing to the franchisor or to cure any default in the Franchise agreement existing at the time of the proposed transfer.

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

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

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

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

Any questions regarding this notice should be directed to:

State of Michigan / Department of Attorney General  
Consumer Protection Agency  
Attention: Franchise  
670 Law Building  
525 West Ottawa Street  
Lansing, Michigan 48913  
Telephone Number: (517) 335-7567

**ADDENDUM TO THE ADVANCED FRESH CONCEPTS FRANCHISE CORP.  
FRANCHISE DISCLOSURE DOCUMENT - REQUIRED BY THE STATE OF MINNESOTA**

**THESE FRANCHISES HAVE BEEN FILED UNDER THE MINNESOTA FRANCHISE ACT. REGISTRATION DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE COMMISSIONER OF COMMERCE OF MINNESOTA OR A FINDING BY THE COMMISSIONER THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.**

**THE MINNESOTA FRANCHISE ACT MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WHICH IS SUBJECT TO REGISTRATION WITHOUT FIRST PROVIDING THE PROSPECTIVE FRANCHISEE, AT LEAST SEVEN DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST SEVEN DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION BY THE FRANCHISEE, WHICHEVER COMES FIRST, A COPY OF THIS PUBLIC OFFERING STATEMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE FRANCHISE.**

**THIS PUBLIC OFFERING STATEMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR AN UNDERSTANDING OF ALL RIGHTS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.**

The following is added to the Cover Page and Item 17 of the Franchise Disclosure Document in Minnesota:

Minn. Stat. §80C.21 and Minn. Rule 2860.4400J prohibits us from requiring litigation to be conducted outside Minnesota. In addition, nothing in the franchise disclosure document or agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

The following is added to Item 13 the Franchise Disclosure Document in Minnesota:

With respect to franchises governed by Minnesota law, we will comply with Minn. Stat. Sec. 80C.12, Subd. 1(g), which requires us to protect your rights to use the trademarks, service marks, tradenames, logotypes or other commercial symbols or indemnify you from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the name.

The following is added to Item 17 Franchise Disclosure Document in Minnesota:

With respect to franchises governed by Minnesota law, we will comply with Minn. Stat. Sec. 80C.14, Subds. 3, 4, and 5 which require, except in certain specified cases, that you be given 90 days notice of termination (with 60 days to cure) and 180 days notice for non-renewal of the franchise agreement, and that our consent to the transfer of the franchise will not be unreasonably withheld.

The following is added to Item 17 of the Franchise Disclosure Document in Minnesota:

With respect to franchises governed by Minnesota law, we will comply with Minn. Rule 2860.4400J, which prohibits us from requiring you to waive any rights, including consent to injunctive relief. However, we may still seek injunctive relief.

The following is added to Item 17 of the Franchise Disclosure Document in Minnesota:

With respect to franchises governed by Minnesota law, we will comply with Minn. Rule 2860.4400D which prohibits us from requiring you to assent to a general release, except in connection with the voluntary settlement of disputes.

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

**ADDENDUM TO THE ADVANCED FRESH CONCEPTS FRANCHISE CORP.  
FRANCHISE AGREEMENT - REQUIRED BY THE STATE OF MINNESOTA**

The following is added to Section 4.3 of the Franchise Agreement in Minnesota:

Franchisor will protect Franchisee's rights to use the licensed trademarks, or indemnify Franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the licensed trademarks.

The following is added to Section 14.2 of the Franchise Agreement in Minnesota:

Consent to the transfer of the franchise will not be unreasonably withheld.

The following is added to Section 14.9 of the Franchise Agreement in Minnesota:

Franchisor will not require Franchisee to assent to a general release exceeding the limits permitted by Minn. Rule 2860.400D.

The following is added to Section 15.2 of the Franchise Agreement in Minnesota:

Except as and when otherwise permitted by law, Franchisee will be given 90 days notice of termination (with 60 days to cure) and except as and when otherwise permitted by law, 180 days notice for non-renewal of this agreement.

The following is added to Section 16.9 of the Franchise Agreement in Minnesota:

Franchisor will not require Franchisee to waive any rights, including consent to injunctive relief, exceeding the limits permitted by Minn. Rule 2860.4400J. However, Franchisor may still seek such relief.

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

Dated this \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

FRANCHISEE

FRANCHISOR

\_\_\_\_\_

ADVANCED FRESH CONCEPTS  
FRANCHISE CORP.

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

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

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

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

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

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

**ADDENDUM TO THE ADVANCED FRESH CONCEPTS FRANCHISE CORP.  
FRANCHISE DISCLOSURE DOCUMENT - REQUIRED BY AND FOR THE  
STATE OF NEW YORK**

1. The following information is added to the cover page of the Franchise Disclosure Document in New York:

**INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT K OR YOUR PUBLIC LIBRARY FOR SOURCES OF INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THE FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND THE NEW YORK STATE DEPARTMENT OF LAW, BUREAU OF INVESTOR PROTECTION AND SECURITIES, 28 LIBERTY STREET, 21<sup>ST</sup> FLOOR, NEW YORK, NEW YORK 10005. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.**

2. The following is added at the end of Item 3 of the Franchise Disclosure Document in New York:

Except as provided above, with regard to AFC, its predecessor, a person identified in Item 2, or an affiliate offering franchises under the Freshly Go trademark:

A. No such party has an administrative, criminal or civil action pending against that person alleging: a felony; a violation of a franchise, antitrust, or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property; unfair or deceptive practices or comparable civil or misdemeanor allegations.

B. No such party has pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchisees and the size, nature or financial condition of the franchise system or its business operations.

C. No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the 10-year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud or securities law, fraud, embezzlement, fraudulent conversion or misappropriation of property, or unfair or deceptive practices or comparable allegations.

D. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license of as a real estate broker or sales agent.

3. The following is added to the end of Item 4 of the Franchise Disclosure Document in New York:

Neither AFC, its Affiliates, its Predecessors, officers, or general partner during the 10-year period immediately before the date of the disclosure document: (a) filed as debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code; (b) obtained a discharge of its debts under the bankruptcy code; or (c) was a principal officer of a company or a general partner in a partnership that either filed as a debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code or that obtained a discharge of its debts under the U.S. Bankruptcy Code during or within 1 year after the officer or general partner of the franchisor held this position in the company or partnership.

4. The following is added to the end of Item 5 of the Franchise Disclosure Document in New York:

The initial franchise fee constitutes part of our general operating funds and will be used as such in our discretion.

5. The following is added to the end of the “Summary” section of Item 17(c) titled “**Requirements for franchisee to renew or extend**,” and Item 17(m), entitled “**Conditions for AFC’s approval of transfer**”:

However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this provision that the non-waiver provisions of the General Business Law Sections 687.4 and 687.5 be satisfied.

6. The following language replaces the “Summary” section of Item 17(d), titled “**Termination by you**” in New York:

You may terminate the agreement on any grounds available by law.

7. The following is added to the end of the “Summary” section of Item 17(j), titled “**Assignment of contract by AFC**” in New York:

However, no assignment will be made except to an assignee who in the good faith and judgment of AFC, is willing and financially able to assume AFC’s obligations under the Franchise Agreement.

8. The following is added to the end of the “Summary” sections of Item 17(v), titled “**Choice of forum**”, and Item 17(w), titled “**Choice of law**”:

The foregoing choice of law should not be considered a waiver of any right conferred upon AFC or upon the franchisee by Article 33 of the General Business Law of the State of New York.

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

**ADDENDUM TO THE ADVANCED FRESH CONCEPTS FRANCHISE CORP.  
FRANCHISE DISCLOSURE DOCUMENT - REQUIRED BY THE STATE OF NORTH DAKOTA**

Item 17(i) of the Franchise Disclosure Document is revised in North Dakota as follows:

The State of North Dakota has determined that requiring franchisees to pay all costs and expenses incurred by the franchisor in enforcing the agreement to be unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. Therefore, the prevailing party in any enforcement action is entitled to recover all costs and expenses including attorney's fees.

The following is added to Item 17(r) of the Franchise Disclosure Document in North Dakota:

Covenants not to compete such as those mentioned above are generally considered unenforceable in the State of North Dakota.

Item 17(u) of the Franchise Disclosure Document is revised as follows:

The State of North Dakota has determined that parties agreeing to arbitration or mediation of disputes at a location that is remote from the site of the franchisee's business to be unfair, unjust or inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. The site of arbitration or mediation will be agreeable to all parties and may not be remote from franchisee's place of business.

The provisions contained in Item 17(v) of the Franchise Disclosure Document are deleted in North Dakota.

The provisions contained in Item 17(w) of the Franchise Disclosure Document are deleted in North Dakota.

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

**ADDENDUM TO THE ADVANCED FRESH CONCEPTS FRANCHISE CORP.  
FRANCHISE AGREEMENT - REQUIRED BY THE STATE OF NORTH DAKOTA**

If Franchisee's location is in North Dakota, then Section 15.6(E) of the Franchise Agreement is revised as follows:

The State of North Dakota has determined that requiring Franchisee to pay all costs and expenses incurred by Franchisor in enforcing the agreement to be unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. Therefore, the prevailing party in any enforcement action is entitled to recover all costs and expenses including attorney's fees.

If Franchisee's location is in North Dakota, then Section 6 of the Franchise Agreement will be interpreted in accordance with Section 9-08-06 of the North Dakota Century Code.

If Franchisee's location is in North Dakota then Sections 16.7 of the Franchise Agreement is deleted.

If Franchisee's location is in North Dakota then Section 16.8(D) of the Franchise Agreement is revised as follows:

The State of North Dakota has determined that parties agreeing to arbitration or mediation of disputes at a location that is remote from the site of Franchisee's business to be unfair, unjust or inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. The site of arbitration or mediation will be agreeable to all parties and may not be remote from Franchisee's place of business.

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

Dated this \_\_\_\_ day of \_\_\_\_\_ 20\_\_.

FRANCHISEE

FRANCHISOR

\_\_\_\_\_

ADVANCED FRESH CONCEPTS  
FRANCHISE CORP.

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

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

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

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

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

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

## **DISCLOSURES REQUIRED BY RHODE ISLAND**

Under Section 19-28.1-14 of the Rhode Island Franchise investment Act, a provision in a Franchise Agreement restricting jurisdiction or venue to a forum outside of Rhode Island or requiring the application of the laws of another state is void with respect to an otherwise enforceable claim that is not subject to binding arbitration.

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

**ADDENDUM TO THE ADVANCED FRESH CONCEPTS FRANCHISE CORP.  
FRANCHISE AGREEMENT - REQUIRED BY THE STATE OF RHODE ISLAND**

If Franchisee's location is in Rhode Island, then the parties agree that to the extent that any provision in any of the agreements entered into by the parties are inconsistent with the Rhode Island Franchise Investment Act, the provisions of the Act shall control. The parties furthermore expressly agree that Rhode Island law shall be applied to, and govern, any claim between the parties that alleges violation of the Act.

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

Dated this \_\_\_\_ day of \_\_\_\_\_ 20\_\_.

FRANCHISEE

FRANCHISOR

\_\_\_\_\_

ADVANCED FRESH CONCEPTS  
FRANCHISE CORP.

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

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

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

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

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

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

## DISCLOSURES REQUIRED BY VIRGINIA

Item 17 is amended by the addition of the following:

“According to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any grounds for default or termination stated in the Franchise Agreement does not constitute “reasonable cause,” as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.”

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

**WASHINGTON**  
**ADDENDUM TO DISCLOSURE DOCUMENT, FRANCHISE AGREEMENT AND RELATED AGREEMENTS**

The provisions of this Addendum form an integral part of, are incorporated into, and modify the Franchise Disclosure Document, the Franchise Agreement and all related agreements regardless of anything to the contrary contained therein. This Addendum applies if: (a) the offer to sell a franchise is accepted in Washington; (b) the purchaser of the franchise is a resident of Washington; and/or (c) the franchised business that is the subject of the sale is to be located or operated, wholly or partly, in Washington.

1. **Conflict of Laws.** In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW (the “Act”) will prevail.
2. **Franchisee Bill of Rights.** The State of Washington has a statute, the Act, which might supersede this Agreement in your relationship with us, including the areas of termination and renewal of your franchise. There might also be court decisions which supersede the Agreement in your relationship with us, including termination and renewal of your franchise. Franchise Agreement provisions, including those summarized in Item 17 of the Franchise Disclosure Document, are subject to state law.
3. **Site of Arbitration, Mediation, and/or Litigation.** In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the State of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the Franchise Agreement, a Franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.
4. **General Release.** A release or waiver of rights in the Franchise Agreement or related agreements purporting to bind you to waive compliance with any provisions under the Act or any rules or orders thereunder is void, except when executed pursuant to a negotiated settlement after the Agreement is in effect and where the parties are represented by independent counsel, in accordance with the Act. In addition, any such release or waiver executed in connection with a renewal or transfer of a franchise is likewise void, except as provided for in the Act.
5. **Statute of Limitations and Waiver of Jury Trial.** Provisions contained in the Franchise Agreement or related agreements that unreasonably restrict or limit the statute of limitations period for claims under the Act, or rights or remedies under the Act, such as a right to a jury trial, might not be enforceable.
6. **Transfer Fees.** Transfer fees are collectable to the extent that they reflect our reasonable estimate or actual costs in effecting a transfer.
7. **Termination by Franchisee.** You may terminate the Franchise Agreement under any ground permitted under state law.
8. **Certain Buy-Back Provisions.** Provisions in Franchise Agreements or related agreements that permit the Franchisor to repurchase the Franchisee’s business for any reason during the term of the Franchise Agreement without the Franchisee’s consent are unlawful pursuant to RCW 19.100.180(2)(j), unless the franchise is terminated for good cause.
9. **Fair and Reasonable Pricing.** Any provision in the Franchise Agreements or related agreements that requires the Franchisee to purchase or rent any product or service for more than a fair and reasonable price is unlawful under RCW 19.100.180(2)(d).

10. **Waiver of Exemplary & Punitive Damages.** RCW 19.100.190 permits Franchisees to seek treble damages under certain circumstances. Accordingly, provisions contained in the Franchise Agreement or elsewhere requiring Franchisees to waive exemplary, punitive, or similar damages are void, except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2).

11. **Franchisor's Business Judgement.** Provisions in the Franchise Agreement or related agreements stating that the Franchisor may exercise its discretion on the basis of its reasonable business judgment may be limited or superseded by RCW 19.100.180(1), which requires the parties to deal with each other in good faith.

12. **Indemnification.** Any provision in the Franchise Agreement or related agreements requiring the Franchisee to indemnify, reimburse, defend, or hold harmless the Franchisor or other parties is hereby modified such that the Franchisee has no obligation to indemnify, reimburse, defend, or hold harmless the Franchisor or any other indemnified party for losses or liabilities to the extent that they are caused by the indemnified party's negligence, willful misconduct, strict liability, or fraud.

13. **Attorneys' Fees.** If the Franchise Agreement or related agreements require a Franchisee to reimburse the Franchisor for court costs or expenses, including attorneys' fees, such provision applies only if the Franchisor is the prevailing party in any judicial or arbitration proceeding.

14. **Noncompetition Covenants.** Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a Franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed \$100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a Franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed \$250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the Franchise Agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

15. **Nonsolicitation Agreements.** RCW 49.62.060 prohibits a Franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same Franchisor or (ii) soliciting or hiring any employee of the Franchisor. As a result, any such provisions contained in the Franchise Agreement or elsewhere are void and unenforceable in Washington.

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

17. **Prohibitions on Communicating with Regulators.** Any provision in the Franchise Agreement or related agreements that prohibits the Franchisee from communicating with or complaining to regulators is inconsistent with the express instructions in the Franchise Disclosure Document and is unlawful under RCW 19.100.180(2)(h).

18. **Advisory Regarding Franchise Brokers.** Under the Act, a "franchise broker" is defined as a person that engages in the business of the offer or sale of franchises. A franchise broker represents the Franchisor and is paid a fee for referring prospects to the Franchisor and/or selling the franchise. If a Franchisee is working with a franchise broker, Franchisees are advised to carefully evaluate any information provided by the franchise broker about a franchise.

19. The following sentence is added to Item 1 of the Franchise Disclosure Document:

For Washington residents and for locations in the state of Washington, following your request, we will allow you to view an unredacted version of the underlying agreement with the venue where your Freshly Go Counter will be located. Following your request, we will provide you with a copy of the underlying agreement with the venue where your Freshly Go Counter is or will be located, subject to redaction of confidential provisions negotiated with the venue. Provisions subject to redaction include the percentage of rent payable to other facilities covered by the agreement, payment methods, payment terms, term of the agreement, and Exhibit A, which lists locations covered by the agreement not relevant to your proposed operations.

20. For Washington residents and for locations in the state of Washington, the following sentence is deleted in Section 3.2 of the Franchise Agreement:

“Franchisee releases Franchisor and its affiliates, and each of their respective officers, directors, agents and employees from any loss of right or consent to operate at the location, and further agrees not to hold Franchisor liable for any such event during the term of this Agreement or thereafter”.

21. Section 16.13 of the Franchise Agreement is deleted in its entirety.

22. In Re Assurance of Discontinuance (“AOD”):

For many years AFC franchise agreements said a franchisee must not hire employees of AFC or of other AFC franchisees. Generally, this was Section 6.7 of the Franchise Agreement. Previously, this clause was never challenged.

The Attorney General of Washington State claimed our provision was a restraint of trade and demanded that AFC not enforce the provision. AFC denied the Attorney General’s claim. Because we and our franchisees are all one brand, we believed our steps were lawful and pro-competitive.

In June 2019, before we were contacted by Washington State, AFC preemptively removed the no-poach provision from our standard Franchise Agreement, and decided we will not enforce and will not require franchisees to comply with it. On November 15, 2019, without admitting liability and solely to avoid protracted and expensive litigation with the Washington Attorney General (AG), AFC entered into an agreement with Washington State. Under the agreement, AFC agreed: (1) not to include no-poach provisions in future franchise agreements for locations in the United States; (2) not to enforce no-poach provisions in our existing U.S. franchise agreements and not seek to intervene in any action brought by the Washington AG to defend the legality of the no-poach provision; (3) to notify all U.S. franchisees of AFC’s agreement with the Washington AG and to provide them a copy of the AOD on request; (4) to notify the Washington AG if we learn of any effort by a Washington franchisee to enforce an existing no-poach agreement; (5) within 90 days of the entry of the AOD to endeavor to amend all existing franchise agreements in Washington to remove the no-poach provision and to provide the Washington AG the name and address of franchisees who decline our offer to amend the franchise agreement; (6) as they come up for renewal or renegotiation, to amend existing U.S. franchise agreements to remove the no-poach provision; and (7) within 30 days of the conclusion of the above time periods to notify the AG’s office of our compliance.

The AOD we entered into was a voluntary settlement and was not an admission of law, fact, liability, misconduct or wrongdoing on AFC’s part.

The undersigned does hereby acknowledge receipt of this addendum.

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 20 \_\_\_\_.

FRANCHISEE

FRANCHISOR

\_\_\_\_\_

ADVANCED FRESH CONCEPTS FRANCHISE CORP.

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

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

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

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

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

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

**EXHIBIT M**

**CONFIDENTIALITY AGREEMENT**

## CONFIDENTIALITY AGREEMENT

This Confidentiality Agreement (this "Agreement") is made and entered into on \_\_\_\_\_, 20\_\_ between Advanced Fresh Concepts Franchise Corp. a California corporation ("Franchisor") with an address of 19700 Mariner Avenue Torrance, California 90503, on the one hand, and \_\_\_\_\_, a \_\_\_\_\_ ("Candidate") with an address of \_\_\_\_\_, on the other hand, with reference to the following facts:

A. Franchisor has developed the "AFC System" for the establishment and operation of Freshly Go Counters in grocery stores, retail stores and other locations ("Food Service Counters") that offer prepared fresh-cut fruit and vegetables under the trade names and service marks "Freshly Go," and other related trademarks, service marks, logos and commercial symbols, and the trade dress used to identify the Food Service Counters (collectively, the "AFC Marks"). The "AFC System" means the unique system developed by Franchisor that includes operating methods and business practices related to Food Service Counters, the relationship between Franchisor and its franchisees, Food Service Counter design, other items of trade dress, specifications for equipment, fixtures and uniforms, defined product offerings, recipes and preparation methods, Franchisor specified pricing and promotions, restrictions on ownership, standard operating and administrative procedures, management and technical training programs, marketing and public relations programs, and Franchisor's website, all as Franchisor may modify from time to time.

B. Franchisor has the right to use, and to license others to use, the AFC Marks and the AFC System, and has, as a result of its expenditure of time, skill, effort, and money, developed a distinctive franchise model for qualified franchisees to obtain the right to operate a Food Service Counter using the AFC Marks and the AFC System.

C. Franchisor may provide Candidate with confidential, proprietary and/or trade secret information regarding the AFC System prior to granting or declining to grant Candidate a franchise or entering into a Franchise Agreement with Candidate. Franchisor desires that Candidate maintain the confidentiality of all such confidential, proprietary and/or trade secret information on the terms and conditions set forth in this Agreement.

### **NOW, THEREFORE, IT IS AGREED:**

#### **1. INCORPORATION OF RECITALS.**

The recitals set forth in Paragraphs A through Paragraph C above are true and correct and are hereby incorporated by reference into the body of this Agreement.

#### **2. CONFIDENTIALITY.**

Candidate acknowledges and agrees that:

2.1. **Confidential Information.** Candidate's knowledge of the elements of the AFC System and any other proprietary data that may be disclosed to Candidate by Franchisor, or any affiliate of Franchisor, including, without limitation, any and all confidential and/or proprietary knowledge, data or information of Franchisor and any and all confidential and/or proprietary knowledge, data or information which Candidate has obtained or obtains from Franchisor which Franchisor treats as proprietary or designates (whether or not in writing or electronic form) as confidential shall constitute "Confidential Information". By way of illustration, but not limitation, "Confidential Information" includes tangible and intangible information (whether or not in electronic form) relating to Franchisor's business operations, styles, products and services, recipes, sources of materials and equipment, client management and other software, data, other content, formulations, patterns, compilations, programs, devices and processes, business relationships, contact information for industry professionals, developmental or experimental work and services, improvements, discoveries, plans for research, potential new or supplemental products and services, websites, advertisements or ancillary products and services, marketing and selling methods and/or plans, business plans, budgets and unpublished financial statements, licenses, prices and costs, vendors, collaborators, current

customer and prospective customer names and addresses, information on Franchisor, Franchisor's arrangements and contracts with the facility owners where Food Service Counters are located, information regarding credit extensions to customers, customer service purchasing histories and prices charged to customers, customer lists and other customer data, information regarding the skills and compensation of employees and contractors of Franchisor, designs, drawings, specifications, source code, object code, documentation, diagrams, flowcharts, research, development, marketing techniques and materials, trademarks, trade secrets, sales/license techniques, inventions, copyrightable material, trademarkable material, databases, relationships between Franchisor and other companies, persons or entities, the AFC System, and any other information or material considered proprietary by Franchisor whether or not designated as confidential information by Franchisor, that is not generally known by the public, or which derives independent economic value (actual or potential) from not being generally known to the public or persons unaffiliated with Franchisor or its affiliates and which is the subject of efforts by Franchisor that are reasonable under the circumstances to maintain its secrecy, and any other information in oral, written, graphic or electronic form which, given the circumstances surrounding its disclosure, would be considered confidential. Confidential Information also includes the manner in which any of the above described items may be combined with any other information or products or synthesized or used by Candidate. Confidential Information does not include any information that was in the lawful and unrestricted possession of Candidate prior to its disclosure by Franchisor; is or becomes generally available to the public by acts other than those of Candidate after receiving it; has been received lawfully and in good faith by Candidate from a third party who did not derive it from Franchisor or Candidate; or is shown by acceptable evidence to have been independently developed by Candidate.

2.2. **Value.** The Confidential Information has been developed by Franchisor, and its parent company and affiliate by the investment of time, skill, effort and money and is widely recognized by the public and is of substantial value.

2.3. **Proprietary.** The Confidential Information is proprietary, confidential and constitutes a trade secret of Franchisor and its affiliates.

2.4. **Maintain Confidentiality.** Candidate will fully and strictly maintain the confidentiality of the Confidential Information, will exercise the highest degree of diligence in safeguarding the Confidential Information and will not disclose or reveal the Confidential Information to any person other than another person who is actively and directly participating in the acquisition of the franchise with Candidate, but only after first disclosing the identity of such person to Franchisor in writing and obtaining such person's signature on a Non-Disclosure Agreement similar to this Agreement, unless covered by attorney-client privilege.

2.5. **Reproduction and Use.** Candidate will not directly or indirectly reproduce or copy any Confidential Information or any part thereof and will make no use of any Confidential Information for any purpose whatsoever unless and until Candidate becomes a franchisee of Franchisor, and then only in accordance with the provisions of Candidate's Franchise Agreement.

2.6 **No Prior Experience.** Candidate specifically acknowledges and agrees that prior to the execution of this Agreement, Candidate had no experience, information or knowledge whatsoever about Food Service Counters or restaurants that serve or offer prepared fresh-cut fruit and vegetables and that Candidate's knowledge of the Confidential Information was obtained solely from Franchisor pursuant to this Agreement. In addition, Candidate specifically acknowledges that, pursuant to this Agreement, Candidate will receive valuable Confidential Information regarding the operational, sales, promotional, and marketing methods and techniques of Franchisor and the AFC System, which are unique and proprietary to Franchisor, derive independent economic value from not being generally known to the public and are the subject of Franchisor's efforts and that are reasonable under the circumstances to maintain their secrecy.

3. **GENERAL.**

3.1. **Injunction.** Candidate recognizes the unique value and secondary meaning attached to the Confidential Information and the elements of the AFC System and agrees that any noncompliance with the terms of this Agreement or any unauthorized or improper use of the Confidential Information will cause irreparable damage to Franchisor and its franchisees. Candidate therefore agrees that if Candidate should engage in any such unauthorized or improper use of the Confidential Information, Franchisor shall be entitled to both permanent and temporary injunctive relief from any court of competent jurisdiction without notice or the posting of any bond, in addition to any other remedies prescribed by law.

3.2. **Heirs and Successors.** This Agreement shall be binding upon and inure to the benefit of the parties, their heirs, successors and assigns.

3.3. **Entire Agreement.** This Agreement represents the entire understanding between the parties regarding the subject matter of this Agreement and supersedes all other negotiations, agreements, representations and covenants, oral or written. This Agreement may not be modified except by a written instrument signed by Franchisor and Candidate that expressly modifies this Agreement. The parties intend this Agreement to be the entire integration of all of their agreements regarding the subject matter of this Agreement. No other agreements, representations, promises, commitments or the like, of any nature, exist between the parties.

3.4. **No Right to Use the AFC System or the AFC Marks.** This Agreement is not a Franchise Agreement or a license of any sort, and does not grant Candidate any right to use or to franchise or license the use of, the Confidential Information, which right is expressly reserved by Franchisor.

3.5. **Waiver.** Failure by Franchisor to enforce any rights under this Agreement shall not be construed as a waiver of such rights. Any waiver, including a waiver of default, in any one instance shall not constitute a continuing waiver or a waiver in any other instance.

3.6. **Validity.** Any invalidity of any portion of this Agreement shall not affect the validity of the remaining portions and unless substantial performance of this Agreement is frustrated by any such invalidity, this Agreement shall continue in full force and effect.

3.7. **Headings and Gender.** The headings herein are for purposes of convenience only and shall not be used in construing the provisions hereof. As used herein, the male gender shall include the female and neuter genders, the singular shall include the plural and the plural, the singular.

3.8. **Attorneys' Fees.** If Franchisor becomes a party to any legal proceedings concerning this Agreement by reason of any act or omission of Candidate or its authorized representatives, Candidate shall be liable to Franchisor for the reasonable attorneys' fees and court costs incurred by Franchisor in the legal proceedings. If either party commences a legal proceeding against the other party arising out of or in connection with this Agreement, the prevailing party shall be entitled to have and recover from the other party its reasonable attorneys' fees and costs of suit.

3.9. **Cumulative Remedies.** Any specific right or remedy set forth in this Agreement, legal, equitable, or otherwise, shall not be exclusive, but shall be cumulative with all other rights or remedies set forth herein or allowed or allowable by law.

3.10. **Notices.** Except as otherwise stated in this Agreement, all notices which are required by this Agreement shall be deemed to be delivered 3 days after being placed in the U.S. Mail, certified mail, return receipt requested or priority mail with delivery receipt confirmation, or one day after being sent by United Parcel Service or other receipted overnight courier service if addressed to a party at the address stated in the introductory paragraph of this Agreement, or other address of which a party has given notice to the other, or immediately by hand delivery to a party. Franchisee shall

provide Franchisor Franchisee's physical address for notice purposes under this Section and shall keep Franchisor updated of any changes thereto.

3.11. **Governing Law.** This Agreement takes effect upon its acceptance and execution by Franchisor in California, and shall be interpreted and construed under the laws of California.

3.12. **Venue.** The parties agree that any action brought by either party against the other in any court, whether federal or state, shall be brought within the city and county in which Franchisor has its principal place of business at the time the action is initiated, and the parties hereby waive all questions of personal jurisdiction or venue for the purpose of carrying out this provision.

3.13. **Counterparts and Electronic Transmission; Electronic Signatures.** This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which together shall be deemed to be one and the same instrument. Copies of this Agreement with signatures that have been transmitted by email or by facsimile shall constitute and be deemed original copies of this Agreement for all purposes, provided that the copies are fully executed, dated and identical in form to the original hard copy version of this Agreement. In addition, this Agreement may be signed electronically by the Parties and electronic signatures appearing on this Agreement shall be deemed to be the same as handwritten signatures for the purposes of the validity, enforceability and admissibility of this Agreement.

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

**FRANCHISOR:**

**CANDIDATE:**

ADVANCED FRESH CONCEPTS FRANCHISE CORP.,  
A California corporation

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**EXHIBIT N**

**TABLET SPECIFICATIONS**

# ET40/ET45 Enterprise Tablets

The right-priced rugged tablets that have it all — right out of the box

You're considering purchasing consumer-grade tablets for your business because the cost is right — and while the feature set may not be ideal, it seems good enough. But there are hidden costs — such as a case to increase durability or a scanner for tasks that require heavy barcode scanning. Without the right durability, you'll need to replace tablets more frequently — and short product lifecycles create a mixed model deployment that is more complex and time-consuming to support. Introducing the ET40 and ET45, the right-priced enterprise tablets that are built for business. You get everything you need, right out of the box. Thin and light consumer styling that is business tough. Integrated enterprise-class scanning. The fast wireless connections. A multi-year lifecycle. Powerful new communication options. New solutions that add new capabilities. Zebra DNA tools that improve every aspect of the device lifecycle. And more. The ET40/ET45 Enterprise Tablets — everything you need to do business right, at the right price.



## A strong ROI that makes business sense

### Rugged and ready for all-day business

The ET40 and ET45 are built for business from the inside out, delivering reliable operation you can count on. Drop it on tile or concrete floors. Use it inside and outside, even in the heat or subzero temperatures. Hose it off. It still works. And if you work in more demanding environments, no problem — just add the optional rugged boot for even more durability.

### A business-class lifecycle with guaranteed availability and support

These tablets are built to last years — and you can count on support every day your devices are in service — for six years from the initial sale date. Zebra's optional OneCare Essential and Select support services provide all the options you need to choose the right level of service for your business. And unlike consumer tablets, Zebra guarantees that the exact model you purchase today will be available for three years, simplifying device support.

## Work faster and smarter with all the right business options

### Choose your screen size

Choose the screen size that's right for the job — a compact easy-to-carry 8 inch screen or a larger 10 inch display for easier viewing of information rich apps.

### Fast wireless connectivity to keep you connected anywhere

Experience fast Wi-Fi and cellular speeds with Wi-Fi 6 and 5G. The Wi-Fi only ET40 is ideal indoors in retail and hospitality, while the Wi-Fi and cellular ET45 is ideal for delivery drivers and more out in the field. Connect cordless headsets, printers and more with Bluetooth to create a complete wireless solution. Enable locationing with GPS — from directions to the next delivery stop to tracking driver location. And enable private LTE networks for cost-effective wireless connectivity in the largest indoor and outdoor facilities with support for Citizens Broadband Radio Service (CBRS).<sup>1</sup>

**The ET40/ET45 — the right-priced tablets that have it all, right out of the box.**

For more information, please visit [www.zebra.com/et40-et45](http://www.zebra.com/et40-et45)

### **Multi-shift battery power**

Power options keep your tablets up and running over multiple shifts, while Zebra's PowerPrecision batteries provide the intelligence to better manage your battery pool. Get constant power with an optional hot-swappable secondary battery — ideal for multiple shifts. And visibility into battery statistics makes it easy to spot and discard unhealthy batteries that no longer hold a full charge, eliminating the impact of dead batteries on worker productivity.

### **Payment-ready — take payment where and when you need it**

Create a mobile POS for anywhere payment with innovative payment solutions. Create a complete on-demand hybrid POS with the Workstation Connect Cradle, Connect Hub and the Presentation stand.<sup>3</sup> And support for NFC tap to pay.

### **Tailor your tablet for every job with a complete accessory family**

Get everything you need to make these tablets easier to carry, more rugged and more versatile through solutions that add new capabilities. The multi-slot and desktop charging cradles simplify backroom device management. Protective and carrying accessories enhance durability and portability. Create a workstation on demand with the Workstation Connect cradle and software.<sup>3</sup> And create a kiosk and more with the Presentation stand.

## **Powerful data capture made easy**

### **World-class integrated scanning**

No matter what type of scanning your workers do, there's a Zebra scan engine that's right for the job — from standard range scanning to a large 'sweet spot' for dependable point-and-shoot simplicity or an advanced range scanner to capture items in hand and across the room. And all scanners deliver the performance that has made Zebra the market leader — split-second first time capture of virtually every barcode, in practically any condition.

### **Ultra-high resolution photos**

Take sharp, detailed photographs for proof of condition and delivery, visual in-store merchandising audits to ensure quality and compliance and more.

### **Improve collaboration with video calls**

Shave time and errors out of workflows with video calls. For example, in a hotel, housekeeping can show engineering a leaky faucet that requires immediate repair. And a less-experienced field technician can collaborate with a seasoned remote technician to properly diagnose and resolve an issue.

## **Unleash the potential of your tablets and your workforce with Zebra DNA™**

### **Get a built-in advantage with complimentary Zebra DNA Professional tools**

This powerful set of pre-loaded and pre-licensed Zebra-only software tools allow for application development and device management; seamless barcode data capture; device issues to be easily identified and resolved; fast device deployment; and true enterprise-class security on your ET40/ET45 Android tablets.

### **Maximize tablet functionality and workforce productivity with optional Zebra DNA Enterprise**

Unlock even more value and upgrade to Zebra DNA for Mobile Computers Enterprise license offering advanced software capabilities. Boost frontline worker productivity and minimize IT complexities by helping deploy, manage and support every stage of your ET4x tablets lifecycle.

## **Give your workers powerful new ways to communicate**

### **Turn your tablets into two-way walkie talkies that work inside your facility — and out in the field**

Optional Workcloud Sync enables instant PTT walkie-talkie style calls over your Wi-Fi network, right out of the box. Out in the field, frontline workers can do PTT calling and secure text messaging over the cellular network through an easy-to-deploy cost-effective subscription service.<sup>2</sup>

### **Turn your tablets into PBX handsets**

In addition, with Workcloud Sync you can add PBX handset functionality to your tablets<sup>2</sup>. The need to purchase and manage additional voice-enabled devices is eliminated. And a custom interface makes it easy to execute even the most complex telephony features.

# Specifications

## Physical Characteristics

Dimensions	8 inch: 8.42 in. L x 5.32 in. H x 0.45 in. D 213.9 mm L x 134.8 mm H x 11.4 mm D 10 inch: 10.15 in. L x 6.41 in. H x 0.45 in. D 257.9 mm L x 162.9 mm H x 11.4 mm D
Weight	8 inch: 1.07 lbs/485 g 10 inch: 1.52 lbs/690 g
Display	8 inch/20.3 cm: 600 nits, color WXGA 1280x800 10.1 inch/25.7 cm: 500 nits, color WUXGA 1920x1200; Corning™ Gorilla™ Glass
Imager Window	Corning Gorilla Glass
Touch Panel	Capacitive multi-touch
Expansion Slot	Integrated connector to easily add accessories
Connectivity	Docking connector (charge and data) USB-C side port (tablet charging and data only)
SIM Slots	1 nano SIM
Interface Ports	Expansion connector for Zebra accessories
Notifications	Audible tone; multi-color LEDs; vibration
Keyboard Options	Virtual, Bluetooth, USB
Audio	Stereo speakers; two microphones; audio headset support via USB-C port or Bluetooth
Buttons	Volume up/down; power on/off; barcode scanner; programmable buttons

## Performance Characteristics

CPU	Qualcomm Snapdragon™ SM6375 Octa-Core (8): 2.2 GHz (2) and 1.8 GHz (6)
Operating System	Android; for supported Android versions, visit: <a href="http://www.zebra.com/android-versions">www.zebra.com/android-versions</a>
Memory	Standard: 4 GB LPDDR4X SDRAM/64 GB UFS Flash Premium: 8 GB RAM/128 GB

## General Certifications

EPEAT Bronze, Energy Star RTCA/DO-160G, Section 4, Category A1
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## User Environment

Operating Temp.	-4F to +122F/-20C to +50C
Storage Temp.	-40F to +158F/-40C to +70C
Humidity	5% to 95% non-condensing
Drop Specifications	Per MIL-STD-810H 4 ft (1.2m) to concrete across temperature (-4F to +122F/-20C to +50C) 5.1 ft (1.55m) to concrete with optional rugged frame across temperature (-4F to +122F/-20C to +50C)
Sealing	IP65

## Wireless Communications

Wi-Fi (WLAN)	IEEE 802.11 a/b/g/n/ac/d/h/i/r/k/v/w/mc/ax 2x2 MU-MIMO; Wi-Fi™ certified; IPv4, IPv6 (Wi-Fi 6)
Cellular (ET45 Only) (WWAN Data Only)	5G (North America, Rest of World) Global LTE (North America, Rest of World) 3G, 2G (Rest of World) North America 5G, LTE: AT&T and Verizon Note: Actual band support may vary by country or carrier, contact Zebra Tech Support for more details.
GPS (ET45 Only)	GNSS supports GPS, Galileo, Beidou, Glonass. Dual Band (L1+L5)
NFC	NFC ISO 14443 Type A and B; Mifare, FeliCa and ISO 15693 cards, NFC Forum tags 2,3,4,5; Host Card Emulation, Contactless Payment Support, VAS (Value Added Services) and Wallet support, Apple ECP1.0 and ECP2.0, Apple VAS and Google Smart Tap certified, VAS Library/SDK

## Wireless LAN

Data Rates	5 GHz: 802.11a/n/ac/ax - 20 MHz, 40 MHz, 80 MHz - up to 1201 Mbps 2.4 GHz: 802.11b/g/n/ax - 20 MHz - up to 286.8 Mbps
Operating Channels	Channel 1-13 (2412-2472 MHz): 1,2,3,4,5,6,7,8,9,10,11,12,13 Channel 36-165 (5180-5825 MHz): 36,40,44,48,52, 56,60,64,100,104,108,112,116,120,124,128,132,136,140,144,149,153,157,161,165 Channel Bandwidth: 20, 40, 80 MHz Actual operating channels/frequencies and bandwidths depend upon regulatory rules and certification agency
Security and Encryption	WEP (40 or 104 bit); WPA/WPA2 Personal (TKIP and AES); WPA3 Personal (SAE); WPA/WPA2 Enterprise (TKIP and AES); WPA3 Enterprise (AES) — EAP-TTLS (PAP, MSCHAP, MSCHAPv2), EAP-TLS, PEAPv0-MSCHAPv2, PEAPv1-EAP-GTC, LEAP and EAP-PWD; WPA3 Enterprise 192-bit mode (GCMP256) - EAP-TLS; Enhanced Open (OWE)
Certifications	Wi-Fi Alliance Certifications: Wi-Fi CERTIFIED n; Wi-Fi CERTIFIED ac; Wi-Fi CERTIFIED 6; Wi-Fi Enhanced Open; WPA2-Personal; WPA2-Enterprise; WPA3-Personal; WPA3-Enterprise (includes 192-bit mode); Protected Management Frames; Wi-Fi Agile Multiband; WMM; Wi-Fi Direct
Fast Roam	PMKID caching; 802.11r (Over-the-Air); OKC

## Wireless PAN

Bluetooth	Bluetooth v5.1 Class 2, Bluetooth Low Energy (BLE)
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## Regulatory

To find the Declarations of Conformity for each region, please visit <a href="http://www.zebra.com/doc">www.zebra.com/doc</a> EMEA: The Specific Absorption Rate applicable within the European Economic Area is available in the EU Declaration of Conformity.
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## Markets and Applications

### Retail and Hospitality

- Assisted selling —price/inventory checks
- Line busting
- Point of sale
- Inventory management
- Staff management
- Guest check-in
- Restaurant wait staff/ordering
- Staff communications/collaboration

### Transportation and Logistics (Delivery and Fulfillment)

- Routing and dispatch
- Proof of pickup and delivery
- Invoicing/Mobile Point of Sale
- In-vehicle inventory management
- Staff communications/collaboration
- Parcel track and trace

## User Environment

Vibration	Sine: 4 g's PK(5 Hz to 2 kHz) Random: 6 g RMS (20 Hz to 2 kHz) 60 minute duration per axis, 3 axis
Electrostatic Discharge (ESD)	+/- 15 kV air discharge; +/- 8 kV contact; +/- 8 kV indirect

## Power

Battery User Profile	Ample power for a full shift; continuous operation is enabled with the secondary optional battery
Battery	8 inch: 6100 mAh 3.87 V rechargeable Li-Ion Polymer; user replaceable (23.61 Wh) 10 inch: 7600 mAh 3.87 V rechargeable Li-Ion Polymer; user replaceable (29.41 Wh) Optional hot swappable 3400 mAh 7.6 V (25.84 Wh) secondary battery, for use with expansion back accessory

## Interactive Sensor Technology (IST)

Ambient Light Sensor	Automatically adjusts display brightness and display backlight
Magnetometer	eCompass automatically detects direction and orientation
Motion Sensor	3-axis gyroscope; 3-axis accelerometer

## Data Capture

Scanning	SE4100 1D/2D Scan Engine; SE4710 1D/2D Scan Engine; SE55 1D/2D Advanced Range Scan Engine with IntelliFocus technology (Premium)
Rear Camera	Image capture: 13 MP auto-focus camera with user controllable LED flash
Front Camera	5 MP

## Warranty

Subject to the terms of Zebra's hardware warranty statement, the ET40/ET45 Enterprise Tablets are warranted against defects in workmanship and materials for a period of 1 (one) year from the date of shipment. For complete warranty statement, go to: [www.zebra.com/warranty](http://www.zebra.com/warranty)

## Recommended Services

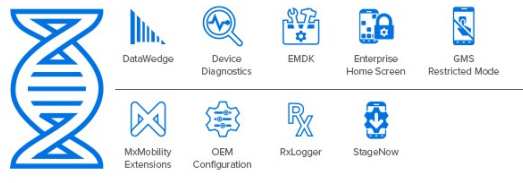
Zebra OneCare™ Essential and Select support services; Zebra Visibility Services — VisibilityIQ™ ForesightFor information on Zebra services, please visit [www.zebra.com/services](http://www.zebra.com/services)

## Footnotes

1. CBRS is available in the U.S. only.
  2. Zebra DNA Enterprise license required.
  3. Workstation Connect software included with Zebra DNA Enterprise license, but requires the purchase of Workstation Connect hardware.
- Specifications subject to change without notice.

## Zebra DNA

Zebra DNA solutions help you get more value out of our mobile computers by adding functionality as well as simplifying deployment and management of our mobile devices. For more information on these Zebra-only features, please visit [www.zebra.com/mobilitydna](http://www.zebra.com/mobilitydna)  
Zebra DNA is available on Android only. Zebra DNA Professional integrated solutions are preloaded and pre-licensed, provided at no cost. To take advantage of the complete Zebra DNA offerings for the ET40/ET45, a Zebra DNA Enterprise license is required. For more information about Zebra DNA tools, please visit [www.zebra.com/mobility-dna-kit](http://www.zebra.com/mobility-dna-kit)



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## 4-inch Desktop direct thermal label printers

TD-4210D / TD-4410D / TD-4420DN / TD-4520DN / TD-4550DNWB/  
TD-4420DNFC / TD-4550DNWBFC  
Data Sheet

## 4" Professional direct thermal printer

Brother's range of TD professional label printers allows you to print high quality labels on demand, whatever the requirement.

Printing labels up to 4 inches in width, using direct thermal print technology, they fit the requirements of a large range of market applications.

### Key Features:

- Fast print speeds of up to 203mm/sec (8ips)
- Direct thermal printing on a range of media including Linerless<sup>3</sup>
- Auto media configuration for easy setup
- Ready to integrate with iOS & Android apps
- USB, USB Host and Serial connectivity as standard

Wide feeding slot with window for oversized media

User replaceable print head and platen roller (optional)

LCD display with Real Time Clock<sup>1</sup>

Bluetooth interface (v4.2)<sup>1</sup>

Wireless LAN supporting 2.4GHz and 5GHz bands<sup>1</sup>

Pre-installed cutter with label taken sensor (Linerless models)<sup>3</sup>



## General

<b>Carton contents</b>	AC power cord & adaptor USB cable Documentation Label support <sup>3</sup>
<b>Language support</b>	Dansk, Deutsch, English, Español, Français, Italian, Nederlands, Norsk, Português, Suomi, Svenska

## Dimensions & Weights

<b>Without carton</b>	180(w) x 224(d) x 155(h) mm   2.08Kg 180(w) x 281(d) x 155(h) mm   2.49Kg <sup>3</sup>
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## Built In Features

<b>Printing Method</b>	Direct Thermal
<b>Minimum print length</b>	Continuous: 6.4mm, Peeler: 17mm, Cutter: 20mm, Tear: 18mm (Cutter mode only for Linerless models) <sup>3</sup>
<b>Maximum print length</b>	3000mm

<b>Minimum media width</b>	19mm 39mm (Linerless models) <sup>3</sup>
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<b>Maximum media width</b>	106mm (Linerless models) <sup>3</sup> 118mm
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<b>Maximum roll diameter</b>	102mm (Linerless models) <sup>3</sup> 127mm
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<b>Minimum roll core diameter</b>	12.7mm 25.4mm (Linerless models) <sup>3</sup>
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<b>Interfaces</b>	USB Ver.2.0 (Full Speed) (Type B) USB Host <sup>1</sup> Serial RS232C (DB9 male) Bluetooth Version.4.2 /MFi / SPP, OPP, HCRP (Bluetooth Classic), GATT (Bluetooth Low Energy) <sup>1</sup> Wireless LAN 802.11a/b/g/n supporting 2.4GHz & 5GHz (supporting AirPrint® from iOS® devices) <sup>1</sup> Wired LAN 10/100BASE-TX <sup>2</sup>
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<b>Operating system support</b>	Microsoft® Windows® 10 / Windows® 11 Microsoft® Windows® Server 2016 / Server 2019 / Server 2022 (TD-4420DN, TD-4520DN, TD-4550DNWB, TD-4420DNFC, TD-4550DNWBFC)  Linux
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<b>Mobile OS Support</b>	Android 8 or later iOS® 12 or later (TD-4420DN, TD-4520DN, TD-4550DNWB, TD-4420DNFC, TD-4550DNWBFC) Requires 3 <sup>rd</sup> party app development using Brother SDK, further information available at <a href="https://support.brother.com/g/s/es/dev/en/indx.html">https://support.brother.com/g/s/es/dev/en/indx.html</a>
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<b>Software</b>	<b>P-touch Editor:</b> barcode label design software  <b>Mobile Deploy App:</b> remote printer configuration <sup>1</sup> <b>Brother Font Manager:</b> font download tool (Windows® only via USB)  <b>Printer Settings Tool:</b> device configuration software (Windows® only via USB)
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<b>Printer commands</b>	Raster, ESC/P, P-touch Template, ZPL 2, EPL 2, DPL & CPCL emulations (for additional command support contact your local Brother office)
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<b>Internal fonts &amp; sizes</b>	<b>&lt;ESC/P&gt;</b> Bitmap font: LetterGothicBold (16,24,32,48dot), Helsinki (16,24,32,48dot), Brussels (24,32,48dot), Brougham (24,32,48dot), San Diego (24,32,48dot), Gothic (16,24,32dot) Outline font: LetterGothic, Helsinki, Brussels, Gothic (1 – 400dots) <b>&lt;P-touch Template&gt;</b> Outline font: LetterGothic, Helsinki, Brussels, Gothic (1 – 400dots)  Downloadable font support* via Font Manager software
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<b>Internal Barcode</b>	<b>Linear:</b> CODE 39, ITF(I-2/5), EAN-8(JAN8), EAN-13(JAN13), UPC-A, UPC-E, CODABAR (NW-7), CODE 128, GS1-128(UCC/EAN 128), GS1 Databar (Standard ( Omnidirectional/Truncated/Stacked/Omnidirectional/Limited/Expanded) , CODE93, POSTNET, UPC/EAN EXTENSION, MSI, Intelligent Mail Barcode  <b>2-dimensional:</b> QR Code (model 1, model 2, micro QR), Maxicode, PDF417 (Standard, Truncate, MicroPDF417) Data Matrix (ECC200 Square, ECC200 Rectangular), Aztec
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## Environmental

<b>Operating Temperature</b>	5°C to 40°C
<b>Operating Humidity</b>	20% to 85% non-condensing
<b>Storage Temperature</b>	-20°C to 60° C
<b>Storage Humidity</b>	10% to 90% non-condensing

## Supplies

<b>Receipts<sup>6</sup></b>	BDL-7J000102-058: 101.6mm x 32.2m BDL-7J000076-066: 76mm x 42m BDL-7J000058-102: 58mm x 101.6m BDL-7J000058-040: 58mm x 13.8m
	BDE-1J152102-058: 85 labels - 102mm x 152mm
<b>Labels<sup>6</sup></b>	BDE-1J000102-102: Continuous labels - 102mm x 58m
	BDE-1J050102-102: 1,050 labels - 102mm x 50mm
	BDE-1J152102-102: 350 labels - 102mm x 152mm
	BDE-1J026076-102: 1,900 labels - 76mm x 26mm
	BDE-1J044076-066: 400 Labels - 76mm x 44mm
	BDE-1J026051-102: 1,900 labels - 51mm x 26mm
	BDE-1J026051-060: 500 Labels - 51mm x 26mm

## Optional Accessories (User Option)

<b>Label Peeler</b>	PA-LP-002 <sup>6</sup>
<b>Cutter</b>	PA-CU-001 <sup>6</sup>
<b>Linerless cutter</b>	PA-LCU-002 <sup>3</sup>
<b>Thermal print head</b>	203dpi: PA-HU2-001 300dpi: PA-HU3-001
<b>Platen Roller</b>	203dpi: PA-PR2-001 <sup>6</sup> 300dpi: PA-PR3-001 <sup>6</sup>
<b>Linerless Platen Roller</b>	203dpi: PA-LPR2-002 <sup>4</sup> 300dpi: PA-LPR3-002 <sup>5</sup>

<sup>1</sup>TD-4550DNWB / TD-4550DNWBFC only

<sup>2</sup>TD-4420DN/TD-4520DN/TD-4550DNWB/ TD-4420DNFC / TD-4550DNWBFC only

<sup>3</sup>TD-4420DNFC / TD-4550DNWBFC only (Linerless models)

<sup>4</sup>TD-4420DNFC only (Linerless model)

<sup>5</sup>TD-4550DNWBFC only (Linerless model)

<sup>6</sup>Not compatible with TD-4420DNFC / TD-4550DNWBFC (Linerless models)

\*Font Licensee permissions are required

## Model Comparison

	TD-4210D	TD-4410D	TD-4420DN / TD-4420DNFC	TD-4520DN	TD-4550DNWB / TD-4550DNWBFC
<b>Maximum print width</b>	104mm	104mm	104mm	108mm	108mm
<b>Print resolution</b>	203dpi	203dpi	203dpi	300dpi	300dpi
<b>Printing speed</b>	5ips (127mm/sec)	8ips (203mm/sec)	8ips (203mm/sec)	6ips (152mm/sec)	6ips (152mm/sec)
<b>USB / USB Host</b>	Yes / No	Yes / No	Yes / No	Yes / No	Yes / Yes
<b>Serial</b>	Yes	Yes	Yes	Yes	Yes
<b>Wired LAN</b>	-	-	Yes	Yes	Yes
<b>Bluetooth</b>	-	-	-	-	Yes
<b>Wi-Fi</b>	-	-	-	-	Yes
<b>LCD (incl. Real Time Clock)</b>	-	-	-	-	Yes

All specifications are correct at the time of printing and are subject to change without notice. Brother and the brother logo are both trademarks of Brother Industries, Ltd., registered in Japan and certain other countries. Any trade names, logos and product names of other companies appearing are trade names or trademarks of those respective companies.

BIE Product Planning: Last updated 15/04/2024

# **EFFECTIVE DATES**

## State Effective Dates

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

This document is effective and may be used in the following states, where the document is filed, registered or exempt from registration, as of the Effective Date stated below:

<b>State</b>	<b>Effective Date</b>
California	February 5, 2026, amended
Hawaii	January 28, 2026, amended
Illinois	January 7, 2026, amended
Indiana	December 29, 2025, amended
Maryland	Pending
Michigan	July 31, 2025, amended December 17, 2025
North Dakota	December 29, 2025, amended
New York	April 13, 2026, amended
Rhode Island	January 7, 2026, amended
South Dakota	December 29, 2025
Virginia	Pending
Washington	Pending
Wisconsin	December 29, 2025, amended

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

**EXHIBIT O**

**RECEIPTS**

**RECEIPT  
(Franchisee's Copy)**

This disclosure document summarizes provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If AFC offers you a franchise, AFC must provide this disclosure document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

New York requires that we give you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. 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 that relates to the franchise relationship, whichever occurs first.

If AFC 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 and state law may have occurred and should be reported to the Federal Trade Commission, Washington D.C. 20580 and the state administrator listed in Exhibit K to the disclosure document.

The name, principal business address and phone number of each franchise seller offering the franchise is:

**Franchisor:**

Advanced Fresh Concepts Franchise Corp.  
19700 Mariner Avenue  
Torrance, California 90503  
Telephone: 310-604-3200  
info@afcsushi.com  
www.afcsushi.com

**Franchise Seller:**

Name of Individual(s) selling on behalf of Franchisor:

\_\_\_\_\_  
\_\_\_\_\_

Advanced Fresh Concepts Franchise Corp.  
19700 Mariner Avenue  
Torrance, California 90503  
Telephone: 310-604-3200

Issuance Date: November 26, 2025, amended May 7, 2026.

We authorize Incorp Services, Inc. 5716 Corsa Avenue, Suite 110, Westlake Village, California 91362-7354 to receive service of process for us or see Exhibit K if you are located outside California.

I received a Disclosure Document dated November 26, 2025, amended May 7, 2026, that included the following Exhibits:

A.	Financial Statements	I.	Table of Contents of Operating Manual and SSOP Manual
B.	Franchise Application	J.	List of Franchisees, Company Owned Locations, Transfers, Terminations, Non-Renewals, Ceased Operations/Other in our Last Fiscal Year
C.	Franchise Agreement	K.	List of State Administrators and Agents for Service of Process
D.	General Release	L.	State Specific Addenda
E.	Assignment of Franchise Agreement and Franchisor Consent	M.	Confidentiality Agreement
F.	Asset Sale and Purchase Agreement	N.	Tablet Specifications
G.	Food Service Counter Transfer Agreement	O.	Receipts
H.	Promissory Note		

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

\_\_\_\_\_  
PROSPECTIVE FRANCHISEE'S SIGNATURE

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

**Keep This Copy for Your Records.**

**RECEIPT  
(Franchisor's Copy)**

This disclosure document summarizes provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If AFC offers you a franchise, AFC must provide this disclosure document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

New York requires that we give you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. 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 that relates to the franchise relationship, whichever occurs first.

If AFC 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 and state law may have occurred and should be reported to the Federal Trade Commission, Washington D.C. 20580 and the state administrator listed in Exhibit K to the disclosure document.

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19700 Mariner Avenue  
Torrance, California 90503  
Telephone: 310-604-3200  
info@afcsushi.com  
www.afcsushi.com

**Franchise Seller:**

Name of Individual(s) selling on behalf of Franchisor:

\_\_\_\_\_  
\_\_\_\_\_

Advanced Fresh Concepts Franchise Corp.  
19700 Mariner Avenue  
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Telephone: 310-604-3200

Issuance Date: November 26, 2025, amended May 7, 2026.

We authorize Incorp Services, Inc. 5716 Corsa Avenue, Suite 110, Westlake Village, California 91362-7354 to receive service of process for us or see Exhibit K if you are located outside California.

I received a Disclosure Document dated November 26, 2025, amended May 7, 2026, that included the following Exhibits:

A.	Financial Statements	I.	Table of Contents of Operating Manual and SSOP Manual
B.	Franchise Application	J.	List of Franchisees, Company Owned Locations, Transfers, Terminations, Non-Renewals, Ceased Operations/Other in our Last Fiscal Year
C.	Franchise Agreement	K.	List of State Administrators and Agents for Service of Process
D.	General Release	L.	State Specific Addenda
E.	Assignment of Franchise Agreement and Franchisor Consent	M.	Confidentiality Agreement
F.	Asset Sale and Purchase Agreement	N.	Tablet Specifications
G.	Food Service Counter Transfer Agreement	O.	Receipts
H.	Promissory Note		

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

\_\_\_\_\_  
PROSPECTIVE FRANCHISEE'S SIGNATURE

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

**Return this copy to us.**