



FRANCHISE DISCLOSURE DOCUMENT

3 Natives Franchising, LLC
(a Florida limited liability company)
250 Tequesta Drive, Suite 201
Tequesta, Florida 33469
(561) 301-9448
E-mail: info@3natives.com
www.3natives.com

The franchise is for the establishment and operation of a quick service restaurant offering customers a variety of premium fruit smoothies and cold-pressed juices prepared fresh in the store using proprietary recipes, in addition to acai bowls, salads, sandwiches, wraps and other healthy snacks (a "**3 Natives franchise**" or "**Franchised Business**"). We also offer multi-unit development rights to establish and operate multiple 3 Natives restaurants.

The total investment necessary to begin operation of a single-unit 3 Natives franchise is \$310,500 to \$523,500. This includes \$44,500 that must be paid to the franchisor or its affiliates. The total investment necessary to begin operating three 3 Natives restaurants as a multi-unit developer is \$345,000 to \$558,000. This includes \$74,000 that must be paid to the franchisor or its affiliates.

This Disclosure Document summarizes certain provisions of your franchise agreement (the "**Franchise Agreement**") and other information in plain English. Read this Disclosure Document and all of the accompanying exhibits and 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 or grant. **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 forms, contact Anthony Bambino, 18 Pine Hill Trail West, Tequesta, FL 33469 and (561) 308-2147.

The terms of your contract will govern your franchise relationship. Don't rely on the Disclosure Document alone to understand your contract. Read your contract carefully and in its entirety. It is strongly recommended you that show your contract and this Disclosure Document to an advisor, like a lawyer or an accountant.

Buying a franchise is a complex investment. The information in this disclosure document can help you make up your mind. More information on franchising, such as "Buying a Franchise: A Consumer Guide" 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 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.

Date of Issuance: April 28, 2025

How to Use This Franchise Disclosure Document

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

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

What You Need To Know About Franchising *Generally*

Continuing responsibility to pay fees. You may have to pay royalties and other fees even if your franchise is losing money.

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

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

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

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

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

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

Some States Require Registration

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

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

Special Risks to Consider About *This* Franchise

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

1. **Out-of-State Dispute Resolution**. The franchise agreement requires you to resolve disputes with the franchisor by mediation, arbitration and/or litigation only in Florida. Out-of-state mediation, arbitration, or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate, arbitrate, or litigate with the franchisor in Florida than in your own state.
2. **Financial Condition**. The Franchisor's financial condition, as reflected in its financial statements (see Item 21), calls into question the Franchisor's ability to provide services and support to you.

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.

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:

1. A prohibition on the right of a franchisee to join an association of franchisees.
2. 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.
3. A provision that permits a franchisor to terminate a franchise before 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 more than 30 days, to cure such failure.
4. A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration of the franchisee's inventory, supplies, equipment, fixtures and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applies only if: (i) the term of the franchise agreement 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 the franchisor's intent not to renew the franchise.
5. 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.
6. 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.
7. 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:
 - (a) The failure of the proposed transferee to meet the franchisor's then-current reasonable qualifications or standards;
 - (b) The fact that the proposed transferee is a competitor of the franchisor or subfranchisor;
 - (c) The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations

(d) 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.

8. 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).

9. 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.

If the franchisor's most recent financial statements are unaudited and show a net worth of less than \$100,000.00, the franchisee may request the franchisor to arrange for the escrow of initial investment and other funds paid by the franchisee until the obligations, if any, of the franchisor to provide real estate, improvements, equipment, inventory, training or other items included in the franchise offering are fulfilled. At the option of the franchisor, a surety bond may be provided in place of escrow.

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
Attorney General
Consumer Protection Bureau

G. Mennen Williams Building
525 West Ottawa Street
Lansing, Michigan 48909
Telephone Number: (517) 335-7569

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STATE LAW MIGHT REQUIRE ADDITIONAL DISCLOSURES RELATED TO THE INFORMATION CONTAINED IN THIS DISCLOSURE DOCUMENT, AND MIGHT REQUIRE AN ADDENDUM OR RIDER TO THE FRANCHISE AGREEMENT AND MULTI-UNIT DEVELOPMENT AGREEMENT, THESE ADDITIONAL DISCLOSURES, IF ANY, APPEAR IN EXHIBIT "E" AND ADDENDA OR RIDERS, IF ANY, APPEAR IN EXHIBIT I TO THE FRANCHISE AGREEMENT AND MULTI-UNIT DEVELOPMENT AGREEMENT.

ITEM 1 THE FRANCHISOR AND ANY PARENTS, PREDECESSORS AND AFFILIATES

To simplify the language in this Franchise Disclosure Document (the “**Disclosure Document**”), “**we**” or “**us**” or “**our**” means 3 Natives Franchising, LLC (“**3 Natives Franchising**”), the franchisor. “**You**” or “**your**” means the person who is awarded the franchise rights. If you are a corporation, partnership or other legal entity, certain provisions of the Franchise Agreement and related agreements will apply to your shareholders, partners, members and owners, as applicable. These provisions will be noted where applicable.

The Franchisor, its Parents, Predecessors and Affiliates

We are a Florida limited liability company formed on June 22, 2015. Our principal place of business is 250 Tequesta Drive, Suite 201, Tequesta, Florida 33469. We do business under our corporate name and under the trade names 3 NATIVES®, 3 NATIVES ACAI & JUICERY and 3 NATIVE ACAI CAFÉ. If we have agents in your state for service of process, they are disclosed in Exhibit "A" to this Disclosure Document.

We commenced offering 3 Natives franchises as of June 22, 2015. We do not engage in any business other than the offer and sale of 3 Natives franchises. We have never offered franchises in any other line of business and we do not otherwise operate a business of the type offered in this Disclosure Document.

We are a wholly-owned subsidiary of 3 Natives Holdco, LLC, a Florida limited liability company (“**3 Natives Holdco**”).

We have several affiliated companies which operate 3 Natives restaurants similar to the 3 Natives restaurants which we will offer and sell herein (the “**Affiliate-Owned Units**”).

Our first Affiliate-Owned Unit is owned and operated by 3 Natives Coffee Shop, LLC, a Florida limited liability company (“**3 Natives Coffee Shop**”), which shares our principal business address. 3 Natives Coffee Shop has operated a 3 Natives restaurant located in Tequesta, Florida since October 2013. 3 Natives Coffee Shop does not operate any 3 Natives franchises and has never offered franchises in any other line of business.

The second Affiliate-Owned Unit is owned and operated by 3 Natives Gardens, LLC, a Florida limited liability company (“**3 Natives Gardens**”), which shares our same principal business address. 3 Natives Gardens has operated a 3 Natives restaurant in Juno Beach, Florida since August 2015. 3 Natives Gardens is a wholly-owned subsidiary of 3 Natives Holdco. 3 Natives Gardens does not operate any 3 Natives franchises and has never offered franchises in any other line of business.

The third Affiliate-Owned Unit is owned and operated by 3 Natives Northlake, LLC, a Florida limited liability company (“**3 Natives Northlake**”), which has a principal business address at 4373 Northlake Blvd., Palm Beach Gardens, Florida 33410. 3 Natives Northlake has operated this 3 Natives restaurant in Palm Beach Gardens, Florida since October 2018. The owners of 3 Natives Holdco own a majority interest in 3 Natives Northlake. 3 Natives Northlake purchased this Affiliate Owned Unit from the existing franchisee that had operated the 3 Natives restaurant since April 2018. 3 Natives Northlake does not operate any 3 Natives franchises and has never offered franchises in any other line of business.

The fourth Affiliate-Owned Unit is owned and operated by 3 Natives Jacksonville, LLC, a Florida limited liability company (“**3 Natives Jacksonville**”), which has a principal business address at 11362 San Jose

Bld., Unit 4, Jacksonville, Florida 32223. 3 Natives Jacksonville has operated this 3 Natives restaurant in Jacksonville, Florida since September 2018. The owners of 3 Natives Holdco own a majority interest in 3 Natives Jacksonville. 3 Natives Jacksonville does not operate any 3 Natives franchises and has never offered franchises in any other line of business.

The fifth Affiliate-Owned Unit is owned and operated by 3 Natives TC, LLC, a Florida limited liability company ("**3 Natives TC**"), which has its principal address at 4601 Military Trail, Suite 107, Jupiter Florida. The owners of 3 Natives Holdco own a majority interest in 3 Natives TC. 3 Natives TC does not operate any 3 Natives franchises and has never offered franchises in any other line of business.

The sixth Affiliate-Owned Unit is owned by 3 Natives TC JPC, Inc., a Florida corporation ("**3 Natives TC JPC**"), which has its principal place of business at 931 Village Blvd., #908, West Palm Beach, FL 33409. 3 Natives TC JPC operates a 3 Natives restaurant in West Palm Beach, Florida that opened in May 2023. 3 Natives TC JPC has never offered franchise in this or any other line of business.

The seventh Affiliate-Owned Unit is owned by 3 Natives Wellington, LLC, a Florida limited liability company ("**3 Natives Wellington**"), which has its principal place of business at 11924 Forest Hill Blvd, #8, Wellington, FL 33414. 3 Natives Wellington operates a 3 Natives restaurant in Wellington, Florida that became affiliate-owned in November 2024. 3 Natives Wellington has never offered franchise in this or any other line of business.

Our other affiliate is 3 Natives Juice Company, LLC, a Florida limited liability company ("**3 Natives Juice Company**"), which shares our principal business address. 3 Natives Juice Company is an approved supplier of cold-pressed juices and prepared proteins and dressings for 3 Natives existing franchises and Affiliate-Owned Units. 3 Natives Juice Company does not operate any 3 Natives franchises and has never offered franchises in any other line of business.

We have no other predecessors or affiliates that offer franchises in any line of business, or that provide products or services to you on our behalf.

The Franchise

We grant 3 Natives franchises to qualified candidates for the right to develop and operate a 3 Natives restaurant, which is a customer-driven business that sells a variety of premium quality, proprietary fresh fruit smoothies and cold-pressed juices, along with acai bowls, salads, sandwiches, wraps and other healthy snacks. We refer to this business as the "Franchised Business" in this Disclosure Document. You must sign our standard Franchise Agreement (the "**Franchise Agreement**") in the form attached as Exhibit "B" to this Disclosure Document. The Franchise Agreement grants you the right to develop, own and operate a single 3 Natives at an approved location (the "**Unit Franchise**").

The Franchised Business will operate under the trade name and service marks 3 NATIVES®, and will use other trade names, service marks, trademarks, logos, emblems and indicia of origin that we designate for use by 3 Natives businesses (the "**Proprietary Marks**"). We use and license others to use the Proprietary Marks and our proprietary operating system, which includes trade secret recipes (the "System") developed for the operation of a Franchised Business.

We also may offer a Multi-Unit Development Agreement (the form of which is included as Exhibit "C" to this Disclosure Document) to qualified persons or entities (a "**Multi-Unit Developer**"), which grants the right to establish and operate multiple 3 Natives restaurants in a defined area (the "**Development Area**") at specific locations that must be approved by us, each under a separate franchise agreement entered into with us. We will enter into Multi-Unit Development Agreements under which at least three 3 Natives restaurants

will be developed. Multi-Unit Developers must open each 3 Natives following the Development Schedule set forth in the Multi-Unit Development Agreement. For each 3 Natives restaurant to be developed under the Multi-Unit Development Agreement, you will sign a separate franchise agreement, on our then-current form which may contain materially different terms than the Franchise Agreement attached to this Disclosure Document, except that the Royalty Fees shall not increase and shall be the same as stated in the first Franchise Agreement executed, subject to any non-material changes therein which are required to be made by changes in any applicable law, regulation or ordinance in effect from time to time

Through a separate disclosure document, we offer area representative rights. Area representatives act as our representative in a designated territory. An area representative solicits and recruits prospective franchisees to open and establish 3 Natives restaurants within their designated territory. When we complete a franchise sale within an area representative's territory, the area representative provides support, assistance and training to the franchise prior to and after the franchisee opens its 3 Natives. In exchange for their services, area representatives receive a portion of franchise fees and royalties.

Agents for Service of Process.

We disclose our agents for service of process in Exhibit "A".

The Franchised Business

A 3 Natives is a healthy, fast-casual, quick service restaurant and juice bar offering freshly prepared foods, juices and smoothies in a casual, friendly environment. Our customers enjoy fresh, great tasting and healthy cold-pressed juices and smoothies and can select from a large variety of fresh fruits and vegetables, as well as other healthy foods, or "super foods", including acai bowls, salads, sandwiches, wraps and other healthy snacks. Our hand-crafted smoothies and cold-pressed juice drinks are prepared using fresh fruit and vegetables to deliver fresh and flavorful experiences.

Our primary customer base are consumers who seek healthy offerings in every age group, both female and male. Our products inspire a healthy lifestyle.

A significant portion of the offerings at a 3 Natives involves the preparation and sale of cold-pressed juices. You will need to purchase the equipment necessary to produce cold-pressed juices on your premises, unless we agree otherwise. (See Item 7 below).

The Franchised Business will occupy approximately 1,350 to 1,600 square feet and will seat approximately 20 to 25 customers. We have developed a design package with Florida beach lifestyle themes, which conforms to our mandatory interior décor specifications.

The Market and Competition

3 Natives serve the general public. We believe that the market for quick service/fast casual restaurants offering fresh foods and drinks and healthier menu alternatives is expanding and that the quality and quantity of our fresh product offerings and our service will enable us to be competitive in the marketplace. The smoothie and juice business has become very competitive in recent years; however, not all smoothies and juices offered by competitors offer the nutritional and other natural supplements, in addition to the fruit ingredients, that is found in a 3 Natives. You will have to compete with other businesses offering smoothie beverages, as well as juice bars, and national and local restaurants that offer smoothie beverages as additional menu items. Many of our competitors are well-established national, regional and local chains which may have significant financial, marketing and other resources. Other competitors may include health food and general nutrition businesses. You may also encounter competition from other 3 Natives restaurants

operated by us or other franchisees. Restaurants compete on the basis of factors such as price, service, location, convenience and food quality. Additionally, you may find that there is competition for suitable locations.

Applicable Government Regulations

You should consider that certain aspects of the restaurant business are heavily regulated by federal, state and local laws, rules and ordinances. The U.S. Food and Drug Administration, the U.S. Department of Agriculture and various state and local health departments administer and enforce laws and regulations that govern food preparation and service, and sanitary conditions. State and local agencies inspect restaurants for compliance with these requirements. Certain provisions of these laws impose limits on emissions resulting from commercial food preparation.

You will also have to comply with laws and regulations of the U.S. Food and Drug Administration and Federal Trade Commission that relate to the presentation of nutritional information. Some states and local governments may require you to comply with laws relating to the labeling that is included on your menu, menu boards, and related materials. Some state and local authorities have also adopted, or are considering adopting, laws or regulations that would affect the content or make-up of food served in restaurants.

You must also comply with laws and regulations that apply to businesses generally (such as workers' compensation, Occupational Safety and Health Act (OSHA) and Americans with Disabilities Act (ADA) requirements.

There may be other laws applicable to your business. It is your responsibility to investigate any applicable laws as they relate to operating a 3 Natives franchise. You should consider these laws and regulations when evaluating your purchase of a franchise and you should consult with your attorney and local, state and federal government agencies to determine all legal requirements and consider their effects on you and cost of compliance. It is your sole responsibility to investigate, satisfy and remain in compliance with all local, state and federal laws, since they vary from place to place and can change over time. You must keep current all licenses, permits, and certifications required by any federal, state or local government agency in connection with the operation of a 3 Natives franchise.

ITEM 2 BUSINESS EXPERIENCE

CHIEF EXECUTIVE OFFICER: Anthony Bambino

Anthony Bambino is a co-founder of the 3 Natives franchise system, and he has served as our Chief Executive Officer since May 2020. Prior to that, Mr. Bambino served as our Chief Operating Officer since inception in June 2015. Mr. Bambino is also a manager of 3 Natives Holdco since inception in March 2015.

CHIEF FINANCIAL OFFICER: Philip Bambino

Philip Bambino is a co-founder of the 3 Natives franchise system, and he has served as our Chief Financial Officer since May 2020. Prior to that, Mr. Bambino served as our Chief Executive Officer since inception in June 2015. Mr. Bambino is also a manager of 3 Natives Holdco since inception in March 2015.

DIRECTOR OF CONSTRUCTION: Joao "J.P." Junqueira

Joao Junqueira has served as our Director of Construction since March 2024 in Tequesta, Florida. Prior to this position, Mr. Junqueira served as our Chief Operating Officer from January 2023 to March 2024 in

Tequesta, Florida. Mr. Junqueira was previously our Director of Franchise Operations and had that role from August 2020 to January 2023.

CHIEF TECHNOLOGY OFFICER: Jaclyn Bambino

Jaclyn Bambino has served as our Chief Technology Office since July 2024 in Tequesta, Florida. Prior to this position, Mrs. Bambino was our Director of Marketing from March 2024 to July 2024 in Tequesta, Florida. Mrs. Bambino served as Director of Construction from January 2023 to March 2024 in Tequesta, Florida. Prior to that, Mrs. Bambino served as our Chief Operating Officer from May 2020 until January 2023 in Tequesta, Florida.

DIRECTOR OF MARKETING: Brittney Scott

Brittney Scott has served as our Director of Marketing since October 2024 in Tequesta, Florida. Prior to her position with us, Ms. Scott served as a Marketing Manager for The Great Greek Mediterranean Grill in West Palm Beach, Florida from March 2024 to October 2024. From March 2020 to December 2024, Ms. Scott was a Senior Manager, Digital Marketing for Scenthound in Jupiter, Florida.

CHIEF OPERATING OFFICER: Michael Serra

Michael Serra has as our Chief Operating Officer since March 2025 in Tequesta, Florida. Prior to this position, he served as our Franchise Business Coach from January 2025 to March 2025 in Tequesta, Florida. Prior to this position, Mr. Serra was our Chief Operating Officer from March 2024 to December 2024 in Tequesta, Florida. Prior to his position with us, Mr. Serra was a store manager for Starbucks in Jupiter, Florida from August 2011 to March 2023.

FRANCHISE BUSINESS COACH: Carolina Junqueira

Carolina Junqueira has been our Chief Operations Officer since October 2024 in Jupiter, Florida. Prior to this position, Ms. Junqueira was our Franchise Operation Associate from October 2022 to October 2024 in Jupiter, Florida. Prior to that, Ms. Junqueira was a Manager at the 3 Natives location in Jupiter, Florida from October 2021 to October 2022. Ms. Junqueira served as the Manager of the 3 Natives location in Northlake, West Palm Beach, Florida from January 2021 to October 2021. Ms. Junqueira served as the Manager of the 3 Natives in Juno Beach, Florida, from May 2020 to January 2021. Ms. Junqueira was the store attendant for the 3 Natives location in Juno Beach, Florida from March 2018 to May 2020.

ITEM 3 LITIGATION

There is no litigation required to be disclosed in this Item.

ITEM 4 BANKRUPTCY

There is no bankruptcy information required to be disclosed in this Item.

ITEM 5 INITIAL FEES

Franchise Fee

Franchise Agreement: The initial franchise fee for a single Franchised Business is \$39,500, payable in full upon execution of the Franchise Agreement (the “**Initial Franchise Fee**”). At the time you sign your Franchise Agreement, you may purchase additional franchises for \$29,500 each. You must sign a separate

franchise agreement for each additional franchise that you purchase. The Initial Franchise Fee is uniform among all franchisees and is non-refundable. We have no intention, now or in the future, of reducing the Initial Franchise Fee for any prospective franchisee, although we reserve the right to do so in our sole discretion, on a case-by-case basis, or if we run a franchise marketing promotion.

In all cases, the Initial Franchise Fee is deemed fully earned by us upon receipt. We are not required to refund your Initial Franchise Fee under any conditions. We use the Initial Franchise Fee to provide support services to our franchisees. Except as provided herein, we charge the Initial Franchise Fee uniformly to all franchisees.

Grand Opening Advertising

Upon signing your Franchise Agreement, you will pay us \$5,000 for your grand opening advertising expense for the grand opening marketing program for the Franchised Business that will be conducted during the first sixty (60) days of operation. The grand opening advertising expense is nonrefundable.

Multi-Unit Development Agreement

We offer multi-unit development packages if you choose to purchase multiple 3 Natives franchise agreements. For each additional franchise purchased, the Initial Franchise Fee will be discounted. The Initial Franchise Fee for each additional 3 Natives franchises is \$29,500. You must pay us a “**Reservation Fee**” in an amount determined based upon the number and type of 3 Natives you agree to develop and operate. The Reservation Fee is calculated by multiplying \$14,750 (half of the reduced Initial Franchise Fee) by the number of 3 Natives restaurants we agree to sell to you.

For example, if you choose to purchase three 3 Natives franchises, you will pay the \$39,500 Initial Franchise Fee plus \$29,500 as a Reservation Fee (or \$69,000 total). The Initial Franchise Fee and Reservation Fee are due at the time you sign the Multi-Unit Development Agreement. The Reservation Fee equals 50% of the Initial Franchise Fee for the second and third franchise agreements. Your second franchise agreement must be signed within 30 days of opening your first 3 Natives, and your third franchise agreement must be signed within 30 days of opening your second 3 Natives. The balance of the remaining Initial Franchise Fee (\$14,750) that is owed for each 3 Natives restaurant, will be due upon your signing each respective franchise agreement.

In all cases, the Initial Franchise Fee and the Reservation Fee are fully earned by us upon receipt and non-refundable. Only multi-unit developers who have signed a Multi-Unit Development Agreement with us are eligible for the reduced Initial Franchise Fee. The Reservation Fee is imposed uniformly on all multi-unit developers.

ITEM 6 OTHER FEES

TYPE OF FEE (1)	AMOUNT	DUE DATE	REMARKS
Royalty Fee	6% of Gross Revenues ⁽²⁾	Payable on the 5 th day of each month for the prior month's Gross Revenues	You must pay the Royalty Fee by electronic funds transfer.
Marketing Fee	2% of Gross Revenues per month.	Due with the same frequency and collected in same	You must pay the Marketing Fee by electronic funds transfer. We may from time to time change the rate or

TYPE OF FEE (1)	AMOUNT	DUE DATE	REMARKS
		manner as the Royalty Fee.	rates required to be paid by you as a Marketing Fee to up to 3% of Gross Revenues. We reserve the right to change payment terms and due dates in our discretion.
Local Advertising	1% of Gross Revenues per month.	Monthly expenditure required to be spent by you on local advertising.	Uniformly imposed on all franchisees. All advertisements must be approved by us.
Technology Fee	Currently \$150 per month	Monthly	This fee covers the cost of the 3 Natives app, online ordering and rewards. We may increase this fee upon written notice to you based on vendor pricing and additional technology that we may add to our System periodically in our sole discretion. You must start paying the Technology Fee in the month you open your Franchised Business.
Interest Charge on Late Payments	1.5% per month or the highest amount allowed by applicable law, whichever is less (the " Default Rate ")	On demand	Only required if payment is late.
Late Fee	\$100	On demand.	Only required if any payment or report is late.
Management Fee	10% of Gross Revenue for the period in which we operate the Franchised Business plus expenses.	As agreed	Payable during the period that our appointed manager manages the Franchised Business to avoid interruption of business operations, at our option, in the event that (i) you or your majority owner dies or becomes disabled, (ii) we elect to purchase the business assets upon expiration or termination of the Franchise Agreement or (iii) you operate the Franchised Business in a manner that presents a danger to the health or safety of any person.

TYPE OF FEE (1)	AMOUNT	DUE DATE	REMARKS
Audit Fee	Cost of audit plus interest on underpayment at Default Rate	Immediately upon determination by audit.	Payable only if we find, based on an audit, that you have understated amounts owed to us by 2% or more.
Transfer Fee	50% of the then-current Initial Franchise Fee, subject to a minimum payment of \$19,750	Before transfer	Payable when Franchised Business is transferred to an unrelated 3rd party
Renewal Fee	25% of the then-current Initial Franchise Fee, subject to a minimum payment of \$9,875	Signing of renewal Franchise Agreement	You must provide us not less than six (6) months nor more than twelve (12) months and meet other renewal conditions.
Indemnification	Will vary under circumstances	On demand	You must indemnify us when certain of your actions result in loss or damages to us.
Costs and Attorneys' Fees	Will vary under circumstances	On demand	You will reimburse us for all costs, including reasonable attorneys' fees, as a result of your default and to enforce and terminate the Agreement.
Alternative Supplier Approval	Reasonable costs and expenses of inspection and testing estimated to range from \$500.00 to \$2,000.00.	As invoiced	We may require you to pay us for our reasonable costs and expenses if we evaluate a proposed product, service or supplier at your request.
Liquidated Damages	Amount equal to the average Royalty Fees for the last 12 months (or shorter period, if Franchised Business has been in operation less than 12 months), multiplied by: (i) 18 or (ii) the number of months remaining in the term, whichever is less.	On demand	We may require you to pay us this amount in the event you terminate the Franchise Agreement without cause or we terminate the Franchise Agreement for cause

TYPE OF FEE (1)	AMOUNT	DUE DATE	REMARKS
Insurance - Reimbursement of Costs	Amount of unpaid premiums and our reasonable expenses	As invoiced	Payable only if you fail to purchase and maintain or provide adequate evidence of any required insurance coverage.
Software License Fees	Monthly fees range from \$450 to \$550 for various software including POS System, digital menu boards and music software	As billed by applicable vendor	Fees are payable to applicable vendor and may increase over time
Supplemental Training	The fee for supplemental training is \$1,500 per person per day, plus expenses incurred.	As incurred, prior to commencement of supplemental training	Payable to us
Additional Email Fee	\$25 per month per email address	As incurred	You will receive one email address for your Franchised Business but can purchase additional email addresses for a monthly fee. The price is subject to change based on third party vendors.
Promotional Programs	Will vary under circumstances	As incurred	We may conduct promotional events, campaigns, customer reward programs or similar promotional programs. You will be required to participate at your own cost and expense in any temporary or permanent promotional program or event we require. Without limitation, this may include limited time offers, gift cards, coupons, loyalty programs, customer relationship management or other supplemental marketing program.
Promotional Materials	Will vary under circumstances	As incurred	You may be required to purchase promotional materials for promotional programs for your Franchised Business including sales materials, advertising materials, and other marketing materials. You will pay the vendor directly

NOTES:

(1) All fees and expenses described in this chart are non-refundable. All fees are uniformly imposed. Except as otherwise indicated in the chart above, we impose all of the fees and expenses listed,

and they are payable to us. We may require you to pay any or all periodic or recurring fees to us by electronic funds transfer. We require you to sign the Pre-Authorized Bank Form attached as **Exhibit “G”** to the Franchise Agreement.

(2) “Gross Revenues” means all sales generated through the Franchised Business including fees for any products sold by you, whether for cash or credit (and regardless of collectability), proceeds received by you in connection with any business interruption insurance, and income of every kind or nature related to the Franchised Business including barter or trade. Gross Revenues do not include the sales price of products returned by clients and any sales tax or other taxes collected from clients and paid to the appropriate taxing authority or any discount attributable to coupons.

A Multi-Unit Developer will experience the same fees and expenses since the Multi-Unit Developer has the obligation to develop, own and operate a 3 Natives after signing the Multi-Unit Development Agreement.

ITEM 7 INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment is to be Made
Initial Franchise Fee ¹	\$39,500	Lump Sum	When you sign the Franchise Agreement	Us
Leasehold Improvements ²	\$180,000 to \$280,000	Lump sum	As incurred	Contractor, Designated sources and other Third Parties
Furniture, Fixtures and Equipment (including point of sale/cash register system) ³	\$30,000 to \$100,000	Lump Sum	As arranged	Suppliers
Plans ⁴	\$5,000 to \$10,000	As Incurred	Before opening	Governmental Agencies
Permits & Licenses ⁴	\$3,000 to \$5,000	As Incurred	Before opening	Governmental Agencies
Signs ⁵	\$6,000 to \$15,000	Lump Sum	Before opening	Suppliers

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment is to be Made
Initial Inventory and Supplies ⁶	\$5,000 to \$7,000	Cash on Delivery; Invoice	As incurred	Approved Supplier
Grand Opening Advertising ⁷	\$5,000	Lump Sum	When you sign the Franchise Agreement	Us
Initial Training Expenses ⁸	\$2,000 to \$5,000	Lump Sum	As incurred	Airlines, Hotels, etc.
Professional Fees ⁹	\$1,500 to \$3,000	As Agreed	As agreed	Attorney, Accountant, Engineer
Utility Deposits ¹⁰	\$500 to \$2,000	As Arranged	As incurred	Utility Providers
Lease Deposits ¹¹	\$12,000 to \$14,000	As Agreed	As incurred	Landlord
Insurance and Utility Deposits ¹²	\$1,000 to \$3,000	As Agreed	As incurred	Insurance Companies
Additional Funds for First 3 Months (Working Capital) ¹³	\$20,000 to \$35,000	As Agreed	As agreed	Third Parties
Total¹⁴	\$310,500 to \$523,500			

ALL CHART FIGURES ARE ESTIMATES ONLY.

Note 1. See **Item 5** for information about the Initial Franchise Fee.

Note 2. The range in the chart reflects your estimated construction and build-out costs but does not include the cost of hiring a general contractor to supervise construction. To the extent you decide to retain a general contractor, the amounts reflected in this range may increase significantly. Also, the lower range of the estimates anticipates that landlord improvement incentives can vary widely depending on many factors including, without limitation: financial capacity of the landlord, competitive retail leasing locations, market conditions for rental rates, occupancy of the site and status of other leases. The use of landlord improvement money also results in higher rent or occupancy costs. Also, some sites may have shells left vacant from prior tenants so that it costs less to convert the leased space to conform to our specifications. This includes the possibility that existing walls, plumbing, concrete slab, lighting, HVAC and electricity can be utilized. The availability of such sites may be limited or absent in your market. There is no assurance that you will be able to find sites that have these options available to you. The amount does not reflect an investment in real estate, since it is assumed that you will lease your premises.

Note 3. Furniture and equipment needed to operate the Franchised Business include (without limitation) tables and chairs, ice machine, blenders, refrigerators, mixing bar, ice wells, freezers, menu boards, artwork, as well as equipment required to produce cold-pressed juices (if you will produce juices on your own premises as opposed to purchasing juice from our affiliate or other third party vendor), and a point of sales/cash register system. The estimated initial investment includes costs related to the purchase of specified computer hardware, software and computer peripherals and related items. You must subscribe to any other program(s) we designate, for the computer management operations of the Franchised Business. You must also purchase routers with Broadband or DSL access to the Internet. You must also provide us with access to certain information.

You must purchase the equipment, furnishings and other items from approved or designated suppliers before your Franchised Business opens. The cost of these items, purchased new, ranges from \$60,000 to \$80,000, depending on the type and quantity of equipment as well as freight and storage costs, and whether you will be producing your own cold-pressed juices. You will be required to produce cold-pressed juices on your own in your location and you will need to purchase the following additional equipment from our approved vendor: a Good Nature X1 Mini or Good Nature M1. We reserve the right to have you participate in our coffee program, which is currently optional, but if you purchase the equipment, your costs will be an additional \$7,000 to \$8,000 more than the estimated initial investment above.

Your total equipment costs will be lower if you purchase, subject to our approval, used equipment or if we give you permission to purchase cold-pressed juices from our affiliate or other approved third party vendors. The low end of this estimate assumes the purchase of some pre-owned equipment, subject to our approval. The types of costs are uniform among franchisees, but may vary depending on factors like the size and layout of the Franchised Business and whether new or used fixtures and equipment are utilized. To the extent available and subject to our prior written approval, we may allow you to purchase pre-owned equipment that meets our specifications and standards, and thus, reduce the cost of these items. Also, landlord improvement incentives are sometimes available for fixtures and equipment. Likewise, for sites recovered from closed restaurants, leftover fixtures and equipment held by the landlord that meets our specifications and standards can be utilized, subject to our prior written approval. This may include kitchen equipment, seating, bathroom fixtures, air conditioning and other items.

Note 4. This estimates your expenses to have an architect draw plans for your leasehold improvements, obtain permits and licensing for your Franchised Business. This may include building inspection fees, occupational license fees, and food service licenses and will vary from one jurisdiction to another.

Note 5. The actual cost of your exterior sign will depend upon the size and location of your Franchised Business, the particular requirements of the landlord, local and state ordinances and local zoning requirements.

Note 6. The estimate includes the cost to purchase the supplies necessary to begin operating a 3 Natives restaurant including without limitation: food products and ingredients developed by or for us through a special recipe, formula, or specifications; uniforms and shirts; business cards; bags, packaging and supplies bearing our Marks; and all other goods and/or services as we require, which we estimate will last for up to three months. Additional inventory expenses are included in Additional Funds estimate. Your supplier may require prepayment or may require that you pay cash on delivery (C.O.D.) for this inventory. We may change the selection of equipment, supplies and retail inventory that you must provide at any time.

Note 7. Upon signing your Franchise Agreement, you will pay us \$5,000 for your grand opening marketing program for the Franchised Business that will be conducted during the first sixty (60) days of operation. The grand opening program will use the marketing, advertising and public relations programs, media and materials we have developed or approved and is separate from your other marketing and advertising requirements. See **Items 8 and 11** for more information about grand opening advertising. The grand opening advertisement cost is nonrefundable.

Note 8. In addition to the Initial Training Fee, set forth in **Item 5** above, you are responsible for all transportation, meals, and other expenses associated with the initial training program incurred by our training staff. The cost will vary depending on the distance we must travel and other variables. See **Item 11**.

Note 9. This estimate includes legal and accounting expenses for negotiating your Franchise Agreement or other legal contracts and business entity organization expenses during the business entity formation period.

Note 10. Utility deposits may include gas, electric, water, telephone, cable and Internet. Utility deposits and the method of payment thereof will depend upon the location of the Franchised Business and your creditworthiness. Deposits are often refundable if you are current on all payments at the time of request for refund.

Note 11. 3 Natives typically occupy approximately 1,350 to 1,600 square feet of commercial space. The lease deposit in the chart assumes the payment of one month's rent as a security deposit, plus the first and last months' rent, based upon estimated annual base rents between \$25 and \$45 per square foot. Rents for leased premises will vary depending on size, condition and location of the 3 Natives and the then-current, local real estate rental market conditions. Lease rates in urban, downtown and more affluent areas may be higher. Estimates of rental costs may be obtained by contacting local commercial realtors. These amounts do not reflect carrying costs, common area maintenance or real estate taxes.

Note 12. See **Item 8** for a description of the current insurance requirements for a 3 Natives.

Note 13. This estimates your startup expenses. Additional Funds include additional operating expenses after the date you first begin operations of the Franchised Business that are not included in the individual line items included in the chart above. The Additional Funds is an estimate which is intended to cover such items such as possible initial operating losses, additional insurance, rent and security deposits, miscellaneous additional pre-opening costs, utilities, additional legal and accounting fees and payments to any governmental agency that is necessary to open the Franchised Business. In addition, you should be prepared to have cash available to pay your personal living expenses during the first 3 to 6 months of operation. This is only an estimate, however, and the necessary amount of working capital will vary

considerably with each franchisee. We cannot guarantee that this amount is sufficient. You may require additional working capital over and above this estimated amount if your sales are low or if your fixed costs are high.

Note 14. Your initial investment will vary depending upon the method and amount of financing that you use. The initial franchise fee, equipment and other items are shown in full, although they may be financed or leased through parties, except where the low ranges are based in part on either landlord incentives, conversions of prior tenant's locations and used fixtures and equipment.

In preparing these estimates, we relied on the experience of our principals in owning and operating multiple 3 Natives restaurants. These figures are estimates only, and we cannot guarantee that you will not have additional expenses starting your Franchised Business. Your actual costs will depend on factors such as: how well you follow the system; your management skill; experience; business acumen; local economic conditions; the local market for the services offered by the Franchised Business; prevailing wage rates; and the level of competition. In estimating what your local initial investment expenses will be, you should allow for inflation, discretionary expenditures, fluctuating interest rates and other financing costs, and local market conditions, all of which are highly variable factors that can result in sudden and unexpected increases in costs. You must bear all cost escalations and budget for these contingencies. You should review these numbers carefully with a business advisor such as a lawyer or accountant before making any decision to purchase a 3 Natives franchise.

The amounts described above are not refundable unless otherwise stated.

We do not offer direct or indirect financing to franchisees for any part of your initial investment at this time.

Multi-Unit Development Agreement

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment is to be Made
Reservation Fee for 3 Units ¹	\$29,500	Lump Sum	When you sign the MUDA	Us
Additional Funds ²	\$5,000	Lump sum	As incurred	Contractor, Designated sources and other Third Parties
Total Investment for Single Unit Including Initial Franchise Fee	\$310,500 to \$523,500	<i>See Table Above</i>		

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment is to be Made
Total Estimated Initial Investment ³	\$345,000 to \$558,000			

Note 1. If you sign a MUDA, you will be required to pay us a Reservation Fee that will vary significantly depending on the number of 3 Natives restaurants you opt to develop. This estimate includes the Reservation Fee for the development of three 3 Natives restaurants.

Note 2. You will need funds for working capital to pursue your development obligations depending on the number of 3 Natives restaurants we agree to sell to you. This amount should cover the costs needed to begin looking for sites in the Development Area and for general business expenses and preparation during the initial 3-month period after signing the MUDA. The estimated initial investment for a single 3 Natives restaurant will apply to your development and operation of your Franchised Business and each 3 Natives restaurant you develop and operate but there is no additional investment required under the MUDA except for what is included in this chart.

Note 3. These figures are estimates based upon our experience in opening and operating affiliate-owned 3 Natives restaurants, and we cannot assure you that you will not have additional expenses toward the development of units under the MUDA. We recommend you review these estimates carefully with your business advisor, accountant or attorney before making any decision to sign the MUDA. We do not offer any financing for your initial investment toward developing 3 Natives restaurants.

ITEM 8 RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

You must establish and operate your Franchised Business in compliance with your Franchise Agreement and the standards and specifications contained in the Manual. In order to maintain the reputation, goodwill, high standards, quality and uniformity of the System, the Franchise Agreement restricts the sources of products and services you utilize in establishing and operating your Franchised Business. We have the right to require some items to be purchased from us or our affiliates. Some items can only be purchased from suppliers we have designated or approved, and others only in accordance with our standards and specifications. In addition, we also have standards and specifications for the design and construction of your Franchised Business, including furniture, fixtures and equipment.

All equipment and products necessary for the operation of your Franchised Business shall comply with our specifications and quality standards, and if required by us, shall be purchased only from approved suppliers that we designate or approve, which may be us or an affiliate. We estimate that your required purchases and leases from us or our designated or approved sources, or those meeting our standards and specifications, will be approximately 35% of your total cost to establish your Franchised Business and approximately 55% of your total cost of operating your Franchised Business.

Purchases from Us

You may be required to purchase certain products, equipment, and services directly from us or our affiliates. We may designate ourselves, or an affiliate as a supplier, or the exclusive supplier, of any of the products or services used at your Franchised Business effective upon written notice to you. You will be required to

produce your own cold-pressed juices from your franchised premises according to our standards and procedures, which includes purchasing any necessary additional equipment as we mandate and operating the equipment in accordance with our standards. Our affiliate 3 Natives Juice Company is the Approved Supplier to existing franchisees only of cold-pressed juices and prepared proteins and dressings. Our officers Anthony Bambino and Phil Bambino have an interest in 3 Natives Juice Company. In the fiscal year ending December 31, 2024, 3 Native Juice Company derived \$210,667.70 in revenue as a result of franchisee purchases. We did not derive any revenue or other material consideration as a result of franchisee's purchases.

Purchases from Approved Suppliers

To maintain the superior quality of the goods and services sold by our Franchised Businesses and the reputation of the 3 Natives franchise network, you must purchase or lease fixtures, equipment and supplies, furnishings, beverage and food products and related items from suppliers that we designate or approve. In certain instances, we may designate a single source for these items that you must use. We and our affiliates reserve the right to derive revenue from designated suppliers.

While certain suppliers are currently mandated, approved and/or recommended, we reserve the right to change this list from time to time. Approval of suppliers may be revoked in writing, with 30 days' notice. We may change approved suppliers periodically upon written notice to you. We will identify all designated and approved suppliers in our Manual or other written or electronic communications. We do not make any express or implied warranties for any products or goods that we recommend for your use.

Purchases According to Standards and Specifications

In order to maintain the uniformly high standards and reputation of the System, you are required to purchase or lease certain items in accordance with the specifications and guidelines issued by us. This requirement applies to design and build-out standards, a computerized point-of-sale and cash register system, signage, menu boards, uniforms, beverage and food products, branded paper goods and supplies to be used in developing and operating the Franchised Business (some of which must be purchased from approved suppliers). Specifications may include minimum standards for quality, quantity, delivery, performance, design, appearance, durability, style, warranties, price range, and other related restrictions. We consider these specifications to be of critical importance to the success of the System. (All specifications and guidelines are more fully described in our Manual).

Site Selection – You will have 90 days following the Effective Date of this Agreement to locate and receive our written approval of a site for the Franchised Business. The location for your Franchised Business must satisfy our site selection criteria, which we may modify. You may engage the services of a local real estate service provider to assist with site selection and lease negotiations. Before you acquire the premises for the Franchised Business, you must submit to us all information that we request. We will have 30 days after we receive the information from you to determine whether the proposed site meets our site selection criteria. We will not unreasonably withhold our approval, but no site will be deemed to conform to our criteria unless we have expressly indicated that in writing. We have the right to ensure that the proposed lease or sublease for the premises satisfied the leasing standards we prescribe before you sign it. We require you and your landlord to sign our standard Addendum to Lease/Conditional Assignment of Lease. **(See Item 11)**

Construction and Opening – You must prepare, or cause to be prepared, all required construction plans and specifications to suit the shape and dimensions of the premises and insure that these plans and specifications comply with applicable ordinances, building codes, permit requirements and lease requirements and restrictions. Our mandatory and suggested specifications and layouts for a 3 Natives,

including requirements for dimensions of the premises, design, color scheme, image, décor, interior layout, signs, furniture, fixtures, equipment and decor, will be included in our Manual. You are required, at your expense, to have an architect prepare all required construction plans and specifications to suit the shape and dimensions of the accepted site and to ensure that the plans and specifications comply with applicable ordinances, building codes, permit requirements, lease requirements, and restrictions and the mandatory specifications and layout provided by us. We have the right to review and approve all plans and specifications to ensure that they meet our design specifications and requirements. We may inspect your Franchised Business during its development. You must complete construction and begin operations of the Franchised Business within one year from the date that you sign the Franchise Agreement. You may not open the Franchised Business to the public until you have received our prior written approval.

Computer Hardware and Software – You are required to purchase the point-of-sale system and computer hardware and software described in **Item 11** of this Disclosure Document.

Advertising and Promotional Materials – All of your advertising and promotions must conform to our standards and requirements. We must approve all advertising and promotional materials before you use them. You must submit to us samples of all promotional and marketing materials in whatever form you propose to use them at least 15 days before their intended use, and we will make reasonable efforts to approve or disapprove them within 15 days after we receive them. You must not use the advertising or marketing materials until we have approved them, and must promptly discontinue using any advertising or promotional materials if we notify you to do so.

As noted in **Items 7 and 11**, you will pay us \$5,000 for your grand opening advertising and promotional program for the Franchised Business that will be conducted in accordance with our standards and specifications during the period encompassing sixty (60) days after the opening of your 3 Natives restaurant.

Insurance – You must obtain and maintain, at your own expense, insurance coverage that we require. We may regulate the types, amounts, terms and conditions of insurance coverage required for your Franchised Business, and standards for underwriters of policies providing required insurance coverage, including (a) our protection and rights under these policies as an additional insured; (b) required or permissible insurance contract provisions; (c) assignment of policy rights to us; (d) periodic verification of insurance coverage that must be furnished to us; (e) our right to obtain insurance coverage at your expense if you fail to obtain required coverage; and (f) similar matters relating to insured and uninsured claims. Each insurance policy required under the Franchise Agreement must be issued by an issuer we approve, in accordance with the standards and specifications we prescribe in the Manual or otherwise in writing; must have a current Best's rating of at least "A", and must be licensed to do business in the state(s) in which the franchised restaurant or business is located.

You are currently required to purchase and maintain throughout the term of the Franchise Agreement:

1. Comprehensive general liability insurance, including contractual liability, broad form property damage, premises liability, personal injury, advertising injury, product liability, automobile liability, employee liability, completed operations and independent contractors coverage, and fire damage coverage in the amount of \$1,000,000 per occurrence, with \$2,000,000 aggregate coverage (or such higher amount as required by the lease for the premises);

2. Property Insurance: Coverage for the physical premises, equipment, and inventory at the Franchisee's location(s) against fire, theft, vandalism, and natural disasters, with a minimum coverage limit applicable to individual store.

3. Worker's compensation and employer's liability insurance minimum limit of \$1,000,000, as well as such other insurance as may be required by applicable law;
4. Automobile Liability Insurance (if a corporately owned vehicle): Coverage for any vehicles used in the operation of the Franchised Business, with minimum limits of \$1,000,000 liability for bodily injury.
5. Fire, vandalism and extended coverage insurance with primary and excess limits of at least the full replacement value of the Franchised Business and its furniture, fixtures and equipment;
6. Business interruption and extra expense insurance for a minimum of 12 months to cover net profits and continuing expenses, including royalty fees;
7. Umbrella Liability Insurance for claims arising from products or services provided by the Franchisee, with a minimum coverage of \$1,000,000;
8. Employment Practices Liability Insurance including claims made by employees, applicants, or former employees: for wrongful termination, failure to promote, discrimination, retaliation, sexual harassment, and defamation Minimum limit \$1,000,000;
9. Cyber Liability Insurance including risks related to cyber incidents, such as data breaches or network and extortion, minimum limit \$1,000,000;
10. All other insurance required by the state or locality in which the Franchised Business is operated in such amounts as required by statute; and
11. Any other insurance coverage as we may reasonably require.

The cost of this coverage will vary depending on the insurance carrier's charges, terms of payments, and your history. All insurance policies, except workers' compensation policies, must name us, as well as our officers and directors, as an additional insured party. You must provide us with a copy of each certificate of insurance at least 15 days before the opening of the Franchised Business and on each policy renewal date. No policy may be cancelled or materially altered without 30 days advance written notice to us. We do not derive revenue as a result of your purchase of insurance. If you fail to purchase and maintain any required insurance coverage or furnish satisfactory evidence of coverage to us, in addition to our other remedies (including without limitation declaring you in default of the Franchise Agreement), we may, but are not obligated to, purchase the insurance coverage for you. If we do purchase insurance on your behalf, you must pay us on our demand the amount of any premiums and reasonable expenses we incur in obtaining the insurance. The failure to maintain insurance coverage at any time is a material default under the Franchise Agreement.

In connection with any construction, leasehold improvements, renovation, refurbishment or remodeling of the premises of the Franchised Business, your general contractor must maintain comprehensive general liability insurance (with comprehensive automobile liability coverage for both owned and non-owned vehicles, builder's risk, product liability and independent contractors coverage) in at least the amount of \$1,000,000, with us named as an additional insured, as well as worker's compensation and employer's liability insurance as required by state law.

Supplier Approval Procedure

If you propose to purchase or lease any services or products not previously approved by us in writing (for services and products that require supplier approval), you must first notify us. We may require (among other things) submission of sufficient information, specifications and/or samples for us to determine whether the product or service complies with our standards and specifications, or whether the supplier meets our approved supplier criteria. We generally apply the following criteria (among others) in considering whether the supplier will be designated as an approved supplier:

1. Ability to produce the products, services, supplies, or equipment and meet our standards and specifications for quality and uniformity;
2. Production and delivery capabilities and ability to meet supply commitments;
3. Integrity of ownership (to assure that its association with us would not be inconsistent with our image or damage our goodwill); and
4. Financial stability.

You are responsible for all reasonable expenses incurred by us in connection with evaluating the product, service or supplier. Although we are not required to approve or disapprove supplier requests within any particular time period, we generally respond within 30 days after we receive your written request. Suppliers must maintain our standards in accordance with written specifications and any modifications. Failure to correct a deviation from the System's specifications will result in the termination of status as an approved supplier.

Purchasing Arrangements

We have negotiated purchase arrangements for the benefit of our franchisees with multiple suppliers including Fresh Point which provides for a price per unit rebate. We reserve the right to negotiate and collect rebates, commissions, promotional allowances, volume discounts and other payments and/or benefits from all current and future suppliers of goods and services to our franchisees. We have the right to retain payments and benefits that we receive, including those based on purchases from franchisees. In the event we will seek rebates, we may use some of the rebates for the benefit of our franchisees (although we are under no obligation to do so). Our rebate programs may vary depending on the supplier and the nature of the product or service. In the last fiscal year ending December 31, 2024, our affiliate 3 Native Juice Company derived \$81,052.80 as revenue as result of franchisee required purchases from third-party vendors that we designate. We did not derive any revenue or other material consideration as a result of franchisee's purchases from third-party vendors that we designate.

Miscellaneous

We are not obligated to establish and have not established any purchasing or distribution cooperatives. When possible, we make our best efforts to negotiate discounts for your benefit for all mandated, designated, and recommended suppliers which we have done with our acai supplier; however, we are under no obligation to do so. We do not provide any material benefits, such as renewal or granting of additional franchises, to you based on your purchase of a particular product or service or use of particular suppliers. In doing so, we seek to promote the overall interests of the 3 Natives franchise system.

Except as described above, neither we nor our affiliates have derived any revenue or other material consideration as a result of your required purchases or leases.

ITEM 9 FRANCHISEE’S OBLIGATIONS

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

OBLIGATION	SECTION IN FRANCHISE AGREEMENT (FA) /MULTI-UNIT DEVELOPMENT AGREEMENT (MUDA)	DISCLOSURE DOCUMENT ITEM
Site selection and acquisition/lease	FA: Sections 4.A. and 6.B. MUDA: Sections 1 and 3	Items 7, 8 and 11
Pre-opening purchases/leases	FA: Sections 6.C., 6.M., 6.P., 6.S. and 6.V. MUDA: Not applicable	Items 5, 7, 8 and 11
Site development	FA: Sections 6.B., 6.C. and 6.M. MUDA: Sections 1 and 3	Items 5, 7, 8 and 11
Initial and ongoing training	FA: Sections 6.E. and 6.G. MUDA: Not applicable	Item 11
Opening	FA: Section 6.D. MUDA: Section 4	Item 11
Fees	FA: Sections 5, 10.E., 11.B., 11.C., 11.D., 13.B., 13.G. and 26 MUDA: Section 2	Items 5 and 6
Compliance with standards and policies/operating manuals	FA: Sections 6, 7 and 8 MUDA: Section 7	Item 11
Trademarks & proprietary information	FA: Sections 7, 8 and 9 MUDA: Section 7	Items 13 and 14
Restrictions on Products and Services Offered	FA: Section 6 MUDA: Not applicable	Items 8 and 16
Warranty and customer service requirements	FA: Not applicable MUDA: Not applicable	Not applicable
Territorial development and sales quota	FA: Not applicable MUDA: Not applicable	Not applicable
Ongoing product/service purchases	FA: Section 6 MUDA: Not applicable	Item 8
Maintenance, appearance and remodeling requirements	FA: Sections 6.I. and 13.B.2. MUDA: Not applicable	Item 11
Insurance	FA: Section 12 MUDA: Not applicable	Items 7 and 8
Advertising	FA: Section 11 MUDA: Not applicable	Items 6, 8 and 11

OBLIGATION	SECTION IN FRANCHISE AGREEMENT (FA) /MULTI-UNIT DEVELOPMENT AGREEMENT (MUDA)	DISCLOSURE DOCUMENT ITEM
Indemnification	FA: Section 19.B. MUDA: Sections 12 and 14	Item 6
Owners participation/management/staffing	FA: Sections 3.B., 6.F. and 6.M. MUDA: Section 7	Items 11 and 15
Records and reports	FA: Sections 6.F. and 10 MUDA: Not applicable	Item 17
Inspections and audits	FA: Sections 6.R., 10.D. and 10.E. MUDA: Not applicable	Items 6 and 11
Transfer	FA: Section 13 MUDA: Section 11	Items 6 and 17
Renewal	FA: Section 2.B. MUDA: Not applicable	Items 6 and 17
Post-termination obligations	FA: Section 15 and 16.C. MUDA: Not applicable	Item 17
Non-competition covenants	FA: Section 16 MUDA: Section 12	Item 17
Dispute resolution	FA: Section 25 MUDA: Section 19	Item 17
Owner's Guaranty	FA: Section 3.B; Exhibit "C" MUDA: Attachment "A"	Item 15

ITEM 10 FINANCING

We do not offer any direct or indirect financing. If you request and we agree, our parent company, 3 Natives Holdco, may provide a lease guarantee to a lessor of a 3 Natives franchised business. 3 Natives Holdco will provide the lease guarantee without interest or financing charges. There is no repayment of the guarantee of the lease; however, if a franchisee defaults on the lease agreement 3 Natives Holdco has guaranteed, Franchisee shall be obligated to pay the landlord as stated in its lease agreement. Franchisee would also be in default of the Franchise Agreement which can be subjected to automatic termination along with all agreements between us and Franchisee. 3 Natives Holdco does not receive any material consideration for offering to guarantee a lease for Franchisee. Other than as described herein, we do not guarantee your note, lease or other obligation.

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

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

Franchise Agreement:

Pre-Opening Obligations: Before you open your Franchised Business, we will:

1. If the location for your Franchised Business has not been approved at the time you sign the Franchise Agreement, designate a geographic area (“**Designated Area**”) within which the Franchised Business is to be located. The Designated Area for your Franchised Business will be inserted into the Franchise Agreement before you sign the Franchise Agreement. The Designated Area is delineated for the sole purpose of site selection and does not confer any territorial exclusivity or protection. (Section 1.C. of the Franchise Agreement).

2. We will provide to you our criteria for 3 Natives locations. We will review and advise you regarding potential locations that you submit to us. (Section 4.A.2 of the Franchise Agreement). Generally, we do not own the premises and do not lease it to you.

3. We will approve or disapprove your site for the Franchised Business. (Section 4.A.2 of the Franchise Agreement) We will approve or disapprove a site that you propose within 30 days after we receive from you a complete site report and any other materials that we may require for assessing potential. If you have not heard from us within such 30 day period, the proposed site is deemed disapproved. The factors that will affect our approval are demographic characteristics of the proposed site, traffic patterns, parking, the predominant character of the neighborhood, competition from other businesses providing similar services within the area, the proximity to other businesses (including other 3 Natives locations), the nature of other businesses in proximity to the proposed site, and other commercial characteristics (including the purchase price or rental obligations and other lease terms for the proposed site) and the size of the premises, appearance and other physical characteristics of the premises, financing, building permits, zoning, local ordinances, and anticipated timetable for the installation of equipment, furniture and signs. You will have ninety (90) days following the Effective Date of this Agreement to locate and receive our written approval of a site for the Franchised Business. If we do not approve a site for your Franchised Business within ninety (90) days, we may terminate your Franchise Agreement and the Initial Franchise Fee will be forfeited. You must open your Franchised Business within one year of the date of your Franchise Agreement. If you fail to do so, we may terminate the Franchise Agreement. (Sections 6.B and 6.D of the Franchise Agreement). We do not provide assistance conforming your site for the Franchised Business to local ordinances and building codes, obtaining any required permits, constructing, remodeling, decorating and/or hiring and training your employees.

4. Review and approve or disapprove the lease for your site. (Section 4.A.2 of the Franchise Agreement) You must obtain our approval of the lease or sublease (or any modification or amendment) for the location before you sign it, or any renewal of it. A condition to our approval of the lease (or sublease) is the execution by you, the landlord and us of the Addendum to Lease Agreement/Conditional Assignment of Lease (a copy of which is attached as Exhibit “D” to the Franchise Agreement). We also require you to sign and deliver to us a Conditional Assignment of Telephone Numbers and Listings in the form attached as Exhibit “G” to the Franchise Agreement. (Section 15.J. of the Franchise Agreement).

5. Furnish you with mandatory and suggested specifications for a 3 Natives, including requirements for dimensions, design, color scheme, image, interior layout, décor, fixtures, equipment, signs and furnishings. You are solely responsible for developing and constructing the site for your Franchised Business, for all expenses associated with it, and for compliance with the requirements of any applicable federal, state or local law. (Section 4.A.3. of the Franchise Agreement).

6. Provide you with written specifications for the operation and management of the Franchised Business, as well as our lists of approved suppliers. (Section 4.A.4. of the Franchise Agreement).

7. Provide you with our initial training program, which is described below. (Section 4.A.5. of the Franchise Agreement).

8. We will have a representative support your business opening with at least 5 days onsite pre-opening and opening assistance (except that if you already have 2 or more 3 Natives in operation, then we are not obligated to provide on-site pre-opening and opening assistance. (Section 4.A.6. of the Franchise Agreement).

9. Loan to you a single set of our Operations Manuals (the “**Manual**”), which will include specifications for equipment, supplies, inventory, management, and operation. The Manual is confidential and remains our property. (Section 4.A.7. of the Franchise Agreement). A copy of the Table of Contents of our Manual is attached as Exhibit “D” to this Disclosure Document. The Manual has 26 total pages.

Multi-Unit Development Agreement:

1. We will grant to you rights to an Exclusive Area within which you will establish and operate an agreed-upon number of 3 Natives under separate franchise agreements. (Multi-Unit Development Agreement, Section 1.A.).

2. We will review the information regarding potential sites that you provide to us to determine whether the sites meet our standards and criteria, and if the site meets our criteria, accept the site. (Multi-Unit Development Agreement, Section 8.A.).

3. We will assist you in determining the layout and configuration of each 3 Natives once the location has been approved. After you and we have determining the layout and configuration of each 3 Natives, you must arrange for site plan and build-out plans and specifications to be prepared and submitted to us for our review. (Multi-Unit Development Agreement, Section 8.B.).

4. We will review your site plan and final build-out plans and specifications for conformity to our standards and specifications. (Multi-Unit Development Agreement, Section 8.C.).

5. We will provide other resources and assistance as may be developed and offered to our Multi-Unit Developers. (Multi-Unit Development Agreement, Section 8.D.).

Continuing Obligations: During the operation of the Franchised Business, we will:

1. Provide the general advisory assistance and field support deemed by us, in our discretion, to be helpful to you in the ongoing operation, advertising and promotion of the Franchised Business. (Section 4.B.1. of the Franchise Agreement).

2. Continue our efforts to establish and maintain high standards of quality, customer satisfaction and service. (Section 4.B.2. of the Franchise Agreement).

3. Provide you with updates, revisions and amendments to our Manual. We may periodically modify the Manual, but these modifications will not alter your fundamental status and rights under the Franchise Agreement. (Section 4.B.3. of the Franchise Agreement).

4. On a periodic basis, conduct (as we deem advisable) inspections of the Franchised Business and its operations and evaluations of the methods and the staff. (Section 4.B.4. of the Franchise Agreement).

5. Furnish guidance to you with respect to: (a) specifications, standards and operating procedures, including providing suggested retail prices; (b) purchasing approved equipment, fixtures, signs, inventory, and operating materials and supplies; and (c) development and implementation of local advertising and promotional programs. Such guidance will, in our discretion, be furnished in the form of the Operations Manual, bulletins, written reports and recommendations, other written materials, refresher training programs and/or telephonic consultations or consultations at our offices. (Section 4.B.5. of the Franchise Agreement).

6. At your request, or if we in our sole discretion deem it necessary, we will provide you additional refresher or continuing training and operational assistance. You are required to pay any costs we incur in connection with providing such training. We also reserve the right to charge you our then-current supplemental training fee, which as of the date of this Disclosure Document is \$1,500. We may, in our sole discretion as we deem necessary, require you or any employee of the Franchised Business to participate in, at your expense, additional or refresher training programs at location we designate. (Section 4.B.6. of the Franchise Agreement).

7. At your request, or if we in our sole discretion deem it necessary, we may periodically furnish you the services of a representative, whether in person or telephonically or via consultations held at our office, to provide additional operating assistance. (Section 4.B.7. of the Franchise Agreement)

Although we may voluntarily provide additional services, no additional duties may be implied because we provide those additional services (if any). We have no implied duties or other duties not expressly stated in the Franchise Agreement. We have the right to delegate to a third party the performance of any pre-opening or continuing obligation for any franchisee.

Advertising and Promotion

Approval of Advertising

Your advertising, promotion, and marketing must be completely clear, factual, and not misleading and conform to both the highest standards of ethical advertising and marketing. All promotional and marketing materials that you propose to use must conform to our standards and requirements as specified in our Manuals. You must provide us with all samples of promotional and marketing materials in whatever form you desire to use for our approval at least 15 days before your proposed use of the materials. We will make reasonable efforts to notify you of our approval or disapproval of the materials within 15 days of receiving them. If you do not receive our written approval within this time period, we will be deemed to have disapproved the materials. ***You may not use any advertising plans or materials until we have approved them.*** However, our approval does not (a) constitute a determination that the advertising, promotions and marketing that you conduct complies with applicable laws and regulations or (b) provide assurance that such approved materials will be successful. You must consult your own advisors at your own expense.

Even if we have approved specified materials, we may later withdraw our approval if we reasonably believe it necessary to make the advertising conform to changes in our System or to correct unacceptable features of the advertising, including but not limited to any misrepresentation in the advertising material.

Promotional Obligations

We may conduct promotional events, campaigns, customer reward programs or similar promotional programs. You will be required to participate at your own cost and expense in any temporary or permanent promotional program or event we require and purchase all required promotional materials. Without limitation, this may include limited time offers, gift cards, coupons, loyalty programs, customer relationship

management or other supplemental marketing program. Advertising, promotional and marketing initiatives may be conducted internationally, nationally, regionally and locally and may vary from region to region or locality to locality; all other franchisees using the System shall not necessarily be required to participate in the initiatives in which you must participate. You must also participate in the launch of any new menu items and products we may require, and you must honor all coupons, gift certificates and other promotional offers authorized by us including without limitation, you must honor all coupons, certificates and promotional offers presented to you.

Grand Opening Advertising

You must pay us \$5,000 upon signing your Franchise Agreement for the grand opening marketing program for your Franchised Business that will be conducted during the first 60 days of operations. The grand opening program must use marketing, advertising and public relations programs, media and materials that we develop or approve, and is in addition to your other marketing and advertising requirements under the Franchise Agreement.

Local Advertising

You must spend at least 1% of your Gross Revenues each month on local advertising in your Protected Territory (as defined in **Item 12**) (“**Local Advertising**”) (See **Item 12**). At our request, you must give us an advertising expenditure report to show your compliance with the Local Advertising requirement. Local Advertising expenses consists of the costs of purchasing and producing marketing materials (including, but not limited to, camera-ready advertising and point of sale materials), media (space or time), and those direct out-of-pocket expenses related to costs of “marketing” you spend in your local market or area, advertising agency fees and expenses, postage, shipping, telephone, and photocopying. We must approve all advertising and promotional plans and materials we do not prepare before you use them

National Advertising Program

We impose an advertising and promotion obligation (the “**Marketing Fee**”) to advertise franchised 3 Natives restaurants and Affiliate-Owned Units in the amount of 2% of your Gross Revenues each month. We may from time to time increase or decrease the rate or rates required to be paid by you as a Marketing Fee, provided that (a) your total Marketing Fee will not exceed 3% of your Gross Revenues; and (b) no change in the rate will take effect unless we give you at least 30 days’ prior written notice. You will be required to pay the Marketing Fee to the Marketing Fee Account (the “**MF Account**”).

We or our designee maintain and administer the MF Account. You must contribute the Marketing Fee per month at the same frequency and in the same manner as Royalty Fees are paid for each Franchised Business owned by you or your affiliates.

You will not be able to make any decision or exercise any authority over the manner in which the MF Account monies are used or allocated by us, and you will not have any ownership interest in material produced or commissioned by the MF Account. We will direct all programs financed by the MF Account, with sole discretion over the creative concepts and materials. The MF Account may periodically furnish you with samples of marketing, brand building and promotional formats and materials, which you may use during the term of your Franchise Agreement. We will direct all advertising programs and will have sole discretion to approve the creative concepts, materials, and media used in the advertising programs and their placement and allocation. The MF Account is intended to maximize general public recognition and acceptance of the Proprietary Marks and improve the collective success of all franchised 3 Natives restaurants and Affiliate-Owned Units.

In administering the MF Account, we and our designees are not required to make expenditures for you that are equivalent or proportionate to your contribution or to ensure that any particular franchisee benefits directly or pro rata from the placement of advertising. The MF Account may be used to satisfy the costs of maintaining, administering, directing, creating, and producing advertising. This includes the cost of preparing and conducting television, internet, radio, magazine, and newspaper advertising campaigns; direct mail and outdoor billboard advertising; public relations activities; employing advertising agencies; and providing other advertising materials to franchised 3 Natives restaurants and Affiliate Owned Units. We will keep all sums you pay to the MF Account in a separate account and will not use them to defray any of our general operating expenses, except for reasonable administrative costs and overhead that we may incur in the administration or direction of the MF Account and advertising programs for franchised 3 Natives restaurants and Affiliate-Owned Units. The MF Account and its earnings will not otherwise benefit us. The MF Account will be operated solely as a conduit for collecting and expending the advertising fees as outlined above.

We will prepare an annual statement of the operations of the MF Account that will be made available to you on request. We are not required to have this statement audited. Although the MF Account is intended to be perpetual, we may terminate the MF Account. We will not terminate the MF Account, however, until all monies in the MF Account have been spent for advertising or promotional purposes or returned to contributors on a basis determined by us in our sole discretion. We expect to advertise the franchised 3 Natives restaurants and Affiliate Owned Units and the services they offer in various media, including television, internet, radio, magazine and newspaper advertising campaigns, direct mail and outdoor billboard advertising. We expect to use outside advertising agencies, which may be regional or national. Advertising may be conducted on a national, regional, and local basis through use of the MF Account and Local Advertising. In the fiscal year ending December 31, 2024, we collected \$119,846.54 in Marketing Fees and we spent \$121,272.92 in Marketing Fees which equaled 14% on production, 31% on media placement and 55% on administrative expenses.

The MF Account is not a trust fund. We will not have any fiduciary duty to any franchisee in connection with the collections or expenditures of MF Account monies or any other aspect of the MF Account's monies. We are under no obligation to ensure that expenditures of the Marketing Fees are or will be proportionate or equivalent to contributions of Marketing Fees by 3 Natives operating in any geographic area or that any 3 Natives will benefit directly or in proportion to the amount of Marketing Fees it has paid.

Although the MF Account may not be used to directly solicit the sales of franchises, as a result of such advertising and promotions, persons may become interested in owning franchises. The development of marketing campaigns and websites may also detail available franchises within the System, and this is not considered to constitute direct marketing efforts.

Except as described above, we are not obligated to spend any amount on advertising in the area where your Franchised Business is located.

Local Advertising Cooperative

You may, at your discretion, participate in a local advertising cooperative with other franchisees in your area. Cooperatives ("Co-op") will usually be based on practical geographic divisions like cities, counties and states. A Co-op, if established, will allow franchisee members to coordinate advertising and marketing efforts and programs, and to maximize the efficient use of local advertising media.

If you join the Co-op, if established, then you must participate with other franchisees in the Co-op's marketing programs and pay your share of the Co-op's marketing expense. Any payments you make for the Co-op's marketing will be applied towards your local marketing requirement but will not affect your

obligation to make Marketing Fees under the Franchise Agreement. If the amount you contribute to a Co-op is less than the local marketing requirement, then you shall nevertheless spend the difference locally but you will not have to contribute more than your local marketing requirement. Franchisor or affiliate-owned locations have the discretion to join the Co-op, if established. The Co-op's marketing expenses will be allocated among its members based on the number of participating franchisees or on some other reasonable basis as may be determined by the franchise advisory council, if established, or us. We or our designee will be responsible for administering the Co-op; however, we may delegate this authority to the franchise advisory council or some other committee of franchisees. We do not currently have an advertising council composed of franchisees that advises us on advertising materials, but we may in the future. The Co-op will operate under written governing documents prepared by us or our designee, which will be made available to you upon reasonable written request. An accounting of the operation of the Co-op will be prepared annually by the Co-op, at the Co-op's expense, and made available to Co-op members upon request. We have the right, in our sole discretion, to modify, merge or dissolve any Co-op upon written notice to its members; however, a Co-op will not be dissolved until all of the money in the Co-op has been spent for marketing purposes.

3 Natives® Website and Internet Advertising

In addition to our general rights over all advertising, promotion and marketing, we have the exclusive right to conduct and manage all marketing on the Internet or other electronic medium, including all websites and "social media" marketing related to the 3 Natives® brand. You may not conduct such marketing, or establish any website or social media presence independently, except as we may specify and only with our written consent. We retain the right to approve any linking to or other use of our website. You must comply with any Internet and social media policy that we may prescribe.

We or one or more of our designees may establish a website or series of websites for the 3 Natives network to advertise, market and promote the 3 Natives® brand, the amenities and other products and services they offer, and the 3 Natives® franchise opportunity, and/or for any other purposes that we determine are appropriate (collectively, the "**System Website**"). If we include information about your 3 Natives® franchise on the System Website, then you must give us the information and materials that we periodically request and otherwise participate in the System Website in the manner that we periodically specify. We have the final decision concerning all information that appears on the System Website and will update or modify the System Website according to a schedule that we determine.

By posting or submitting to us information or materials for the System Website, you are representing to us that the information and materials are accurate and not misleading and do not infringe any third party's rights. You must notify us whenever any information about you or your 3 Natives® franchise on the System Website changes or is not accurate. We own all intellectual property and other rights in the System Website and all information it contains, including the domain name or URL for the System Website and all subsidiary websites, the log of "hits" by visitors, and any personal or business data that visitors (including you and your personnel) supply. We may use the Marketing Fund's assets and your Marketing Fee contributions to develop, maintain, support and update the System Website. We may implement and periodically modify System standards relating to the System Website and, at our option, may discontinue the System Website, or any services offered through the System Website, at any time.

Social Media Policy

We also may establish, develop and maintain one or more social media sites (e.g., Twitter, Facebook, Instagram, Snapchat, Pinterest, etc.) and/or applications for smart phones or other mobile devices. You may not establish or maintain any social media sites utilizing any user names, or otherwise associated with the Marks, without our advance written consent. You must adhere to the social media policies that we

establish from time to time and must require your employees to do so as well. You are responsible for ensuring that all of your managers, associates and owners comply with our social media policy.

Advertising Advisory Council

We do not currently have a franchisee advertising council. At our discretion, we may, in the future, form an Advertising Advisory Council (the “**Council**”) once there are a sufficient number of franchisees in the System. The Council members will be the 3 Natives franchisees. The Council shall serve in an advisory capacity only, advising us on operations, marketing and other subjects. We have the authority to dissolve, change and reform the Council in our discretion. There are currently no advisory councils.

Training Program

The initial training is mandatory for you (or your Operating Principal) and one other member of your staff and must be successfully completed before opening the Franchised Business. The initial training program will be held entirely at your location and will consist of approximately ten days of hands on instruction. One or more of the members of our corporate staff will travel to your location to train and oversee the program. You are responsible for all travel and living expenses we incur in traveling to your location to provide such pre-opening training and assistance.

You must sign and deliver to us the Training Acknowledgement Form (a copy of which is attached as Exhibit “E” to the Franchise Agreement). We expect to conduct the initial training for your attendees after you sign the Franchise Agreement and while your Franchised Business is being developed. We expect to initially conduct an initial training program on an as-needed basis, but we plan to be flexible in scheduling the training.

We will, in our discretion, make available other ongoing continuing education and training programs, seminars or meetings (on an optional or mandatory basis) that we deem advisable. We may also host one or more conventions per calendar year, as well as conference telephone calls, which may include education and training. You and your designated employees must attend and successfully complete all ongoing continuing education and training programs and must attend all meetings, seminars, conventions and conference telephone calls as we require. We may charge a reasonable fee for instruction and training materials. You are responsible for all other expenses, including travel, lodging and meals, incurred by you and your employees.

TRAINING PROGRAM

Subject	Hours of Classroom Training	Hours of On-the-Job Training	Location
Inhouse Training	0	80	At an Affiliate-Owned location
Store setup	0	8	Your Franchised Business location.

Subject	Hours of Classroom Training	Hours of On-the-Job Training	Location
Daily operations training, consisting of: <ul style="list-style-type: none"> • Train management and staff on opening duties • Train management on opening the register • Train management and staff on operation of Shopkeep • Train management and staff on all FOH food items • Train management on FOH duties • Train management on produce ordering and inventory • Train management on CBI ordering and inventory • Train management and staff on closing duties • Train management on closing of register • Train management on tip reconciliation • Train management on Shopkeep Back Office • BOH food and Juice prep 	0	8	Your Franchised Business location.
Soft Opening - Daily Operations Training – Family and Friends Event from 1pm to 4pm.	0	8	Your Franchised Business location.
Soft Opening - Daily Operations Training	0	8	Your Franchised Business location.
Soft Opening- Daily Operations Training	0	Normal business hours*	Your Franchised Business location.
TOTALS	0	112	

*“Normal business hours” refers to the operational hours of your Franchised Business. Our trainers are expected to provide training for 8 hours on those days. Training hours may vary and will be discussed with you after the first seven days of training.

The time periods allocated to the subjects listed above are approximations, and the time actually spent by you and your personnel may vary based on the experience and performance of those persons being trained. Additional training may also be provided as needed. The instructional materials used in the initial training program will consist primarily of our Manual, marketing and promotional materials, videos and other handouts. Our training is conducted by the following members of our team. Their experience relating to the subjects taught and our operations are as follows:

Carolina Junqueira, our Franchise Business Coach, has substantial experience in overseeing the operations of our Affiliate-Owned Units and our franchised 3 Natives restaurants. **Michael Serra, our Chief Operating Officer**, has been working for Franchisor for over the past year and in the industry for almost 15 years. See Item 2 for additional information regarding the experience of these 3 Natives team members.

Computer Systems

You must, at your sole cost, purchase, use, maintain and update the computer systems (collectively, the “**Computer System**”) we specify from time to time for use in the operation of the Franchised Business, and will follow the procedures related thereto that we specify in the Manuals or otherwise in writing. The Computer System has various components, including (without limitation), designated computer hardware and software, a computerized point-of-sale system (the “**POS System**”), and related services, such as maintenance, service and support, internet access and data polling. You may be required to obtain some of these components and services directly from us, our affiliates or designated or approved suppliers. You may incur monthly fees for ISP, ASP, data polling services and the like. You must, at your sole cost, purchase, use, maintain and update the POS System and other computer systems that we specify for use in the operation of the Franchised Business and must follow all policies and procedures that we specify in the Manuals or otherwise in writing.

You must use your Computer System to (i) enter and track sales receipts, products purchased and customer information, (ii) enter and manage your customer contact information, (iii) generate sales reports and analysis relating to your Franchised Business, (iv) maintain electronic records, and (v) provide other services relating to the operation of your Franchised Business.

You must maintain the POS System and other computer systems in good working order at all times and upgrade or update the computer hardware and software during the term of the Franchise Agreement, as we may require. You must enter into contracts for maintenance, support, upgrades and updates to the POS System and other computer systems with approved suppliers described in the Manuals, and you must purchase any updated software upgrades for the POS System or other computer systems.

The POS System and all other computer systems must be capable of connecting with our computer systems. To this end, you must maintain a high-speed Internet connection (including e-mail capabilities) and participate in our mandated management information system (the “**MIS System**”), which allows us to communicate with you and poll and review results of your Franchised Business's operations, including, without limitation, sales data, consumer trends, food and labor costs, and other financial and marketing information. (See Section 6.V. of the Franchise Agreement).

You must license from one of our suppliers the POS System and related materials and any other required software. We estimate that the cost of the POS System, which is currently Toast, will be approximately \$2,000 to \$3,000 depending on the size of your premises and the number of registers you require. The monthly subscription price for the POS system, is \$450 to \$550 per month. You will be required to add any additional software we require for your Franchised Business and pay the additional licensing fee, if any.

You will pay us our then current monthly Technology Fee for access to the 3 Natives app, 3 Natives rewards and online ordering capabilities. As of the date of this Disclosure Document, the Technology Fee is \$150 per month but we may increase this fee upon written notice to you based on vendor pricing and additional technology that we may add to our System periodically in our sole discretion. You must start paying the Technology Fee the month your Franchised Business opens.

Your Computer System must be capable of connecting with our computer systems, performing the functions we designate for the Franchised Business, permitting us to review the results of your Franchised Business' operations, and engaging in any e-commerce activities that we designate. In addition to any access we may have to your Computer System through the MIS System, you must: (a) supply us with any and all codes, passwords and information necessary to have access to your Computer System, and not change them without first notifying us; and (b) not load or utilize any software on the Computer System that we have not specified or approved for use. You will continuously comply with each of our then-current terms of

use and privacy policies (and all other requirements) regarding the Computer System, including (but not limited to) internet use.

We reserve the right to download sales, other data and communications from your computer systems. There is no contractual limitation on our right to receive this information. We will exclusively own all data provided by you, downloaded from your computer systems, and otherwise collected from your computer systems. We will have the right to use such data in any manner that we deem appropriate without compensation to you. Any customer lists compiled or amassed through the POS System or otherwise, shall be our proprietary property. You further agree that you will not sell or use any such customer lists for any purpose other than in connection with the operation of your Franchised Business.

Franchisees are responsible for hardware repairs or replacement for systems that are no longer covered under warranty. There are no contractual limitations on the frequency or cost of this obligation. The total annual cost of maintaining, updating, upgrading, or support contracts cannot be estimated due to the continually changing nature of today's technology.

Except as described above (a) neither we, our affiliates, nor any third parties are required to provide ongoing maintenance, repairs, upgrades, or updates to your computer system; and (b) there are no optional or required maintenance/upgrade contracts for the point-of-sale or computer system. The initial cost of the Computer System is \$1,500, and the estimated annual cost of optional or required maintenance, updating, upgrading, or support contracts to your Computer System is \$500.

You must install any other hardware or software for the operation of the Franchised Business that we may require in the future, including any enhancements, additions, substitutions, modifications, and upgrades. Specifically, we may require that you install and maintain systems that permit us to access and retrieve electronically any information stored in your computer systems, including information regarding your Gross Revenue, at the times and in the manner we specify. There is no contractual limitation on the frequency or cost of these obligations. We may also require you to license from us, or others we designate, any computer software we develop or acquire for use by 3 Natives restaurants.

Typical Length of Time Before You Open Your Franchised Business

We estimate that the typical length of time between the signing of the Franchise Agreement and the opening of the Franchised Business is approximately 9 to 12 months. Some factors which may affect this timing include your ability to locate a site, the time to acquire the site through lease or purchase negotiations, your ability to secure any necessary financing, your ability to comply with local zoning, other state and local requirements and any necessary licenses and permits, the timing of the delivery and installation of equipment, supplies and leasehold improvements, and the time to convert, renovate or build out the site with possible construction delays, as well as your ability to attend the Initial Training Program. The Franchised Business must be open for business within twelve months from the date of execution of the Franchise Agreement (the "Commencement Deadline"), unless we grant you an extension, which we may choose to grant in our sole discretion.

You may not open your Franchised Business until: (a) we notify you in writing that all of your pre-opening obligations have been fulfilled; (b) initial training is completed to our satisfaction; (c) all amounts due to us have been paid; (d) we have received copies of all insurance policies and certificates required by the Franchise Agreement; (e) you notify us that all approvals and conditions set forth in the Franchise Agreement have been met; (f) you have received all required permits and licenses; and (g) you have ordered, received and installed your equipment, supplies, and inventory. You must be prepared to begin operating your Franchised Business immediately after we state that it is ready for opening. Your failure to commence

operations by the Commencement Deadline will constitute a default of your Franchise Agreement and allow us to terminate your Franchise Agreement.

Operating Manual

The Operating Manual is confidential and remain our property. We may add to or otherwise modify the Manual from time to time as we deem necessary. The table of contents of our Manual is attached as Exhibit “D.”

ITEM 12 TERRITORY

Franchise Agreement

You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control.

We will not, except in certain circumstances, establish or license anyone else to establish another 3 Natives restaurant at any location within a designated area surrounding your Franchised Business, (the “**Protected Territory**” or “**Territory**”).

The size of the Protected Territory will vary from franchise to franchise and will depend on whether your location is in a rural, suburban or high density urban area. The Protected Territory will be delineated by streets, highways, zip codes or other boundaries and will be based upon a variety of measures, including geographic barriers, radius of travel time and distance, and population counts. The Protected Territory will be described in Exhibit “A” to the Franchise Agreement prior to the purchase of a franchise, or in some cases, prior to the execution of a lease agreement.

You will operate the Franchised Business at a specific location that you choose and we approve. You may operate the Franchised Business only at the approved premises and may not relocate without our prior written approval. Except as expressly limited by the terms of your Franchise Agreement, we have the right, in our sole discretion, to grant additional Franchised Businesses or establish Affiliate-Owned Units at any time and at any location outside of your Protected Territory, even at a location in close proximity to your Franchised Business, on such terms as we deem appropriate.

The size of your Protected Territory is not negotiable, and you will not have the right to amend or modify your Territory. We may not modify your Territory without your written consent. However, if you are in breach of your Franchise Agreement, we may terminate the Franchise Agreement pursuant to its terms.

Any relocation will be at your sole expense and must be within your Territory. All leases, subleases or other agreements you enter into to relocate the Franchised Business must conform to the provisions of the Franchise Agreement. You may not relocate to another location without first obtaining our written approval, which may be withheld for any reason.

If, through no fault of your own, you lose possession of the premises due to an event of force majeure, we will allow you to relocate the Franchised Business to another location, which we must approve within 60 days of the event of force majeure. You must reopen for business at the new location within three months after we approve the location, and we may charge you an agreed minimum royalty fee during the period in which the Franchised Business is not in operation. We reserve the right to establish company-owned or franchisee-operated businesses that sell similar products and/or services under different trade names or trademarks other than the Proprietary Marks.

You do not have the right under the Franchise Agreement to open or operate more than one 3 Natives restaurant regardless of its location. You will not have the right of first refusal or any similar rights in the contiguous territories or areas surrounding or near your Territory should we decide to sell a 3 Natives restaurant outside of your Protected Territory, wherever located.

We retain all other rights with respect to the System, the 3 Natives® name, the Marks, the sale of products and services which are and are not part of the System, anywhere in the world, including, without limitation, the right to: (a) own and operate 3 Natives restaurants anywhere outside your Protected Territory, as we consider appropriate, including within close proximity to the location of your Franchised Business or your Protected Territory; (b) offer and sell products and services within and outside your Protected Territory that are not part of the System through any distribution method; (c) solicit, market or advertise the products and services that are and are not part of the System, to any person or entity, both within and outside your Protected Territory and under the Marks and/or other names and marks; (d) establish and operate, and grant rights to other persons to establish and operate, on any terms, restaurant businesses or any similar or dissimilar businesses that are not primarily identified by the Marks at any locations, whether within or outside the Territory; (e) acquiring the assets or ownership interests of, or being acquired (regardless of the form of transaction) by any businesses providing products and services similar or dissimilar to those that 3 Natives restaurants provide, and franchising, licensing or creating other arrangements for these businesses once acquired, wherever these businesses (or the franchisees or licensees of these businesses) are located or operating, whether within or outside the Territory; (f) using or licensing the use of the Marks, and all products and services associated with any of the Marks, in any other alternative methods of distribution, except as specifically described above. Certain of our or our affiliates' products or services, whether now existing or developed in the future, may be distributed in your Territory by us, our affiliates, or our franchisees, licensees, designees, in such manner and through such channels of distribution as we, in our sole discretion, shall determine. These alternate channels of distribution include, but are not limited to, the sale of merchandise under the Marks via the Internet, mail order catalog, through wholesale and resale stores, and direct marketing via television and radio. We are not required to pay you any compensation for soliciting or accepting orders from inside your Protected Territory.

Under the Franchise Agreement, you have no options, rights of first refusal, or similar rights to acquire additional franchises within your Territory or contiguous territories. Continuation of your rights within your Territory does not depend on your achieving a certain sales volume, market penetration, or other contingency. If anything happens that would allow us to terminate the Franchise Agreement, we may instead temporarily or permanently reduce the size of the Territory, in which case the restrictions on us and our affiliates described above will not apply in the geographic area that was removed from the Territory. Otherwise, we may not alter your Territory, reduce or lift the restrictions on us and our affiliates within your Territory before your Franchise Agreement expires or is terminated (although we may do so for a successor franchise).

The Territory described above will affect where you and other franchisees may solicit business. You may not offer products or services outside your Territory without our prior written consent. Except in conjunction with approved advertising promotions, you may not directly market or solicit business outside your Territory without prior written authorization from us, including Internet marketing, postcards, letters, fliers, emails, or other marketing communications. You may not make telemarketing calls to customers or prospective customers located outside your Territory or advertise in print or other media where two-thirds or more of the media circulation base or broadcast area is located outside your Territory.

In the future, we and our affiliates may acquire or develop additional business concepts that use different trademarks, and those business concepts may also be located within your Territory. We do not have a method to resolve conflicts between you and other franchisees of other systems we control involving

territory, customers, or franchisor support. Except as disclosed above, neither we nor our affiliates currently plan to operate or franchise any business under any different trademarks or that sells or distributes similar goods or services to those that you will offer.

Multi-Unit Development Agreement

Under the Multi-Unit Development Agreement, we grant you the right to develop and operate the number of 3 Natives restaurants in the Development Area that is specified in the Minimum Performance Schedule, which is an exhibit to the Multi-Unit Development Agreement. The Development Area is typically described in terms of municipal or county boundaries but may be defined as a specified trade area in a municipality. The actual size of the Development Area will vary depending upon the availability of contiguous markets, our long-range development plans, your financial and operational resources, population and market conditions. Our designation of a particular Development Area is not an assurance or warranty that there are a sufficient number of suitable sites for 3 Natives restaurants in the Development Area for you to meet your Minimum Performance Schedule. The responsibility to locate and prepare a sufficient number of suitable sites is solely yours and we have no obligation to approve sites which do not meet our criteria for you to meet the Minimum Performance Schedule.

Except as described below, during the term of the Multi-Unit Development Agreement, we and our affiliates will not operate or grant a franchise for the operation of 3 Natives restaurants to be located within the Development Area. However, we may reduce or terminate this territorial protection within the Development Area if you are not in full compliance with all of the terms and conditions of the Multi-Unit Development Agreement and all of the Franchise Agreements signed under it. Whether you will have the right to develop 3 Natives restaurants at any Non-Traditional Sites within your Territory is solely within our discretion.

Except as expressly limited by the Multi-Unit Development Agreement, we and our affiliates retain all rights with respect to 3 Natives restaurants, the Proprietary Marks, and any products and services anywhere in the world including the right: (a) to produce, offer and sell and to grant others the right to produce, offer and sell any of the products or services offered at 3 Natives restaurants and any other goods or services displaying the Marks or other trade and service marks through alternative distribution channels, as described above, both within and outside your Development Area, and under any terms and conditions we deem appropriate; (b) to operate and to grant others the right to operate 3 Natives restaurants located outside the Development Area under any terms and conditions we deem appropriate and regardless of proximity to your Franchised Business; (c) to operate and to grant others the right to operate 3 Natives restaurants at Non-Traditional Sites within and outside the Development Area under any terms and conditions we deem appropriate. If a Non-Traditional Site becomes available within the Development Area during the term of the Multi-Unit Development Agreement, we may, in our sole discretion, offer you the opportunity to develop a 3 Natives restaurant at the Non-Traditional Site. You will have 30 days after we notify you that the site is available to accept this right of first refusal; and (d) the right to acquire and operate a business operating one or more competing businesses located or operating in your Development Area.

After the final 3 Natives restaurant under your Minimum Performance Schedule has opened, if we believe that it is desirable to establish additional 3 Natives restaurants within the Development Area, and if you complied with the terms of your Multi-Unit Development Agreement and are in compliance with your Franchise Agreements, we will offer you the right to develop these additional 3 Natives restaurants. You must exercise this option, in full, within 60 days after our notice to you. If you do not exercise or you decline this right of first refusal, we shall have the right to sell these development rights to another multi-unit developer or to develop the 3 Natives restaurants ourselves.

To maintain your rights under the Multi-Unit Development Agreement you must have open and in operation the cumulative number of 3 Natives restaurants stated on the Minimum Performance Schedule by the dates

agreed upon in the Minimum Performance Schedule. Failure to do so will be grounds for either a loss of your Development Area or a termination of the Multi-Unit Development Agreement. You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control.

In addition, upon the expiration of the Multi-Unit Development Agreement, which is when the last 3 Natives restaurant to be developed within the Development Area opens for business, your rights under the Multi-Unit Development Agreement with respect to the Development Area will terminate, and we and our affiliates will have the right to operate and to grant to others development rights and franchises to develop and operate 3 Natives restaurants within the Development Area. This right will be subject only to any restrictions on us or rights granted to you under your franchise agreements for 3 Natives restaurants in the Development Area and the right of first refusal described above. The Development Area may not be altered unless you fail to meet the Minimum Performance Schedule or we and you mutually agree to do so. It will not be affected by the sales volume of any 3 Natives restaurant you establish and operate. You are not granted any other option, right of first refusal or similar right to acquire additional 3 Natives restaurants in your Development Area under the Multi-Unit Development Agreement, except as described above.



ITEM 13 TRADEMARKS

The Proprietary Marks are owned by 3 Natives Holdco and are exclusively licensed to us and our affiliates. On March 1, 2016, 3 Natives Holdco granted us an exclusive license (“**Trademark License**”) to use the Proprietary Marks for purposes of franchising the System around the world. The Trademark License extends until March 1, 2026 and will be automatically renewed for subsequent five (5) year periods provided we are not in default or do not materially breach the Trademark License by engaging in any activity which damages the Proprietary Marks or the goodwill of the System. In the event the Trademark License is terminated, 3 Natives Holdco has agreed to license the use of the Proprietary Marks directly to our franchisees until such time as each franchise agreement expires or is otherwise terminated. There are no other agreements currently in effect which significantly limit our rights to use or license the use of the Proprietary Marks listed above in a manner material to the franchises.


Pursuant to the terms of the Franchise Agreement, we grant you the right and license to operate a Franchised Business pursuant to the System and using the Proprietary Marks and related names and marks that may be developed in the future and used as part of the System. We grant you the right to operate a 3 Natives franchise under the names “3 Natives®,” “3 Natives Acai & Juicery,” and “3 Native Acai Café.” You may also use our other current or future trademarks to operate your Franchised Business with our approval. By “trademarks,” we mean trade names, trademarks, service marks and logos used to identify your Franchised Business.

As of the date of issuance of this Disclosure Document, the following trademarks are registered on the Principal Register, United States Patent and Trademark Office (“USPTO”):

MARK	REGISTRATION NUMBER	REGISTRATION DATE	INTERNATIONAL CLASS OF GOODS
3 NATIVES	4881167	January 5, 2016	43

MARK	REGISTRATION NUMBER	REGISTRATION DATE	INTERNATIONAL CLASS OF GOODS
	4900911	February 16, 2016	43
	6099237	July 14, 2020	43

We intend to renew the registrations and file all appropriate affidavits for the marks at the times required by law. All required affidavits will be filed for the registered trademarks. As of the date of issuance of this Disclosure Document, the following service mark is filed for protection and awaiting registration:

MARK	SERIAL NUMBER	FILING DATE	INTERNATIONAL CLASS OF GOODS
	98481202	April 3, 2024	043

We do not have a federal registration for this trademark as of the date of this Disclosure Document. Therefore, this trademark does not have as many legal benefits and rights as our federally registered trademarks. If our right to use these trademarks is challenged, you may have to change to an alternative trademark, which may increase your expenses.

You must use all names and marks in full compliance with provisions of the Franchise Agreement and in accordance with the rules we periodically prescribe. Any display of the Proprietary Marks by you must be accompanied with notice of registration or claims by use of the symbol “®” as required in the Manual. The Proprietary Marks may be used only in connection with your Franchised Business. You may not use

any such name or mark as a part of any corporate name or with any prefix, suffix or other modifying words, terms, designs or symbols (other than logos licensed by us to you). In addition, you may not use any name or mark for the sale of any unauthorized product or services, or in any other manner not explicitly authorized in writing by us.

There is no currently effective material determination of the USPTO, the Trademark Trial and Appeal Board, the trademark administrator of any state, or any court, and no pending infringement, opposition or cancellation proceeding or any pending material litigation involving the principal trademarks.

There are no agreements currently in effect which significantly limit our rights to use or license the use of the trademarks, service marks, trade names, logotypes or other commercial symbols in any manner material to the Franchised Business.

If there is any infringement of, or challenge to, your use of any name, mark or symbol, you must immediately notify us, and we will have the sole discretion to take any action as we deem appropriate, in order to fulfill our obligation to preserve and protect the ownership, identity and validity of the Proprietary Marks. We are not obligated to protect your rights in the Proprietary Marks, nor are we obligated to indemnify you for losses associated with any infringement of, or challenge to, our rights in the Proprietary Marks. We are not obligated to participate in your defense and/or indemnify you for damages or expenses if you are party to an administrative or judicial proceeding involving the Proprietary Marks if the proceeding is resolved unfavorably to you.

If it becomes advisable at any time, in our sole discretion, to modify or discontinue the use of any name or mark and/or use one or more additional or substitute names or marks, you must pay for the tangible costs (such as replacing signs and materials) associated with a change. We and our affiliates have invested substantial time, energy and money in the promotion and protection of our Marks. We have no present intention of altering them. However, we recognize that rights in intangible property such as the Marks are often difficult to establish and defend, and that changes in the cultural and economic environment within which our System operates may make changes in the Marks desirable or necessary. Accordingly, we reserve the right to change our Marks and the specifications for each when we believe that such changes will benefit the System. You agree that you will promptly conform, at your own expense, to any such changes.

You may not contest, directly or indirectly, our ownership, title, right or interest in any of our names or marks, trade secrets, methods, procedures, and advertising techniques which are part of the System, or contest our sole right to register, use or license others to use such names, marks, trade secrets, methods, procedures, or techniques.

We do not actually know of either superior or infringing uses that could materially affect your use of such trademarks, service marks, trade names, logotypes or other commercial symbols in this state or any state in which a Franchised Business is to be located.

ITEM 14 PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

We do not own any patents that are material to the franchise. We do claim copyright protection and proprietary rights to the confidential information contained in our Manual. The Manual is described in **Item 11**. We claim common law copyrights on our operational materials and on other proprietary materials specifically created by us in connection with the System, including the proprietary advertisements, all of our materials presented to your prospective customers, printed materials, and forms used in connection with the operation of a Franchised Business. The Manual and other proprietary materials have not been registered with any copyright office, but we reserve the right to register these copyrights in the future.

There currently are no effective determinations of the Copyright Office (Library of Congress) or any court regarding any of the copyrighted materials. Nor are there any agreements currently in effect that significantly limit our right to use or authorize franchisees to use the copyrighted materials. Furthermore, there are no infringing uses actually known to us that could materially affect a franchisee's use of the copyrighted materials in any state.

Item 11 describes limitations on the use of the Manual by you and your employees. You must also promptly tell us when you learn about unauthorized use of this proprietary information. We are not obligated to take any action but will respond to this information as we deem appropriate. We will not indemnify you for losses brought by a third party concerning your use of this information. If you develop any new concept, process or improvement in the operation or promotion of your Franchised Business, you must promptly notify us and give us all necessary information about the new process or improvement, without compensation. You agree that any of these concepts, processes or improvements will become our property, and we may use or disclose them to other franchisees, as we deem appropriate.

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

You are not required to participate personally in the direct operation of your business. However, we recommend that you participate.

During the term of the Franchise Agreement, you (if you are a natural person) or your Operating Principal (if you are a corporation, limited liability company, partnership or other business entity (a “**Business Entity**”)) must devote full time and best efforts to the development and operation of the Franchised Business. Your Operating Principal must have and maintain at least 5% ownership of the Franchised Business and have full authority to bind you regarding all operational decisions about the Franchised Business. We must approve your Operating Principal, and you must designate a qualified replacement from among your owners if your Operating Principal can no longer fulfill its responsibilities under the Franchise Agreement.

The Franchised Business must be under the direct, on-site supervision of you (or your Operating Principal) or a manager who has been selected by you and approved by us. You (or your Operating Principal) and your approved manager must successfully complete our initial training program. The manager cannot have an interest or business relationship with any of our business competitors. The manager need not have an ownership interest in your corporation or partnership. You must require the manager and all employees to sign a confidentiality agreement and a non-compete agreement.

You (or your Operating Principal) are not required to be directly involved in the day-to-day operations of the Franchised Business, although you (or your Operating Principal) must participate in the Franchised Business as follows:

- a. You must submit an initial business plan for the Franchised Business before beginning operations and an annual business plan each year; you also must submit annual financial statements, including an income statement and balance sheet, prepared in accordance with generally accepted accounting principles, within 90 days of your fiscal year end, and a profit and loss statement within 10 days following the end of each month;
- b. You must be directly responsible for all accounting, reporting and bookkeeping;
- c. You (and your approved manager, if you will not be the on-site supervisor) must complete initial training and any ongoing or other training that we require;

- d. You must attend any meeting of franchisees that is called by us;
- e. You must be directly involved with the site selection, construction, remodeling and all financial components of the Franchised Business; and
- f. You and/or your approved manager (who is your employee) must be directly involved in all personnel decisions; and
- g. You must comply with all of our requirements relating to the supervision of your Franchised Business, including inspections, reports and guidance.

You must obtain covenants against the use and disclosure of any confidential information and covenants not to compete from your managers and any other employees or agents who have received or will have access to our training or Confidential Information. All of the required covenants must be in substantially the form of Nondisclosure and Noncompetition Agreement attached as **Exhibit "H"** to the Franchise Agreement.

If you are a Business Entity, each of your owners must sign the Franchise Agreement and each of your owners, must individually, jointly and severally, guaranty your obligations under the Franchise Agreement and be personally bound by each term of the Franchise Agreement. Our current form of Owners' Guaranty is included in the Franchise Agreement and attached as **Exhibit "C"** thereto.

Unless your spouse is an owner of the Franchised Business or an owner of the Business Entity that owns the Franchised Business, he or she will not be required to sign the Franchise Agreement or a personal guaranty.

ITEM 16 RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

The Franchise Agreement provides that you must offer only the products and services that conform to our standards and specifications. These are described in our Manual and other writings, as they may be updated periodically. Unless you obtain our prior written approval, you are prohibited from (a) offering or selling services or products not authorized by us; (b) using the premises of the Franchised Business for any purpose not related to the Franchised Business; and (c) soliciting other franchisees either directly or indirectly for any other business or investment activity. You must prepare all menu items using the procedures for preparation contained in our Manual or other written instructions, and the smoothies, specialty sandwiches and wraps must be sold immediate after their preparation. You may not advertise, offer for sale, or sell any products that are damaged, deteriorated, "or out of date", as provided in the Manual or as specified on the product itself. All such inferior or nonconforming items must be withdrawn from sale and removed from the premises of the Franchised Business. We have the right to add or delete services, products, or merchandise and you must do the same on notice from us. There are no limits in our right to do so.

You must operate your Franchised Business in complete compliance with the standards and specifications set forth in the Manual, the Franchise Agreement, other agreements and instructions we provide and the requirements of the laws of the location in which your Franchised Business is located. We are entitled to make changes in our standards and specifications when, in our discretion, change is needed as a result of the market and for the development of the System. These changes may require your purchase of equipment, supplies, furnishings or other goods, the completion of additional training by your employees, or other cost to you. We cannot predict the future costs to you of such items. You must promptly conform to the modified standards and specifications at your expense.

In addition, we may, from time to time, send you promotional materials and bulletins on new systems and new sales and marketing developments and techniques. You must promptly implement and/or use the ideas and implement the changes described in these materials within your Franchised Business in a commercially reasonable manner.

There are no limitations imposed by us on the persons to whom you may provide services and products, other than you cannot violate any applicable laws.

ITEM 17 RENEWAL, TERMINATION, TRANSFER & DISPUTE RESOLUTION **THE FRANCHISE RELATIONSHIP**

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

Provision	Section In Franchise Agreement	Summary
a. Length of the franchise term	Section 2.A.	Term is equal to 10 years. If the lease for the premises terminates sooner, we may, at our option, terminate the Franchise Agreement. We may require renovation of premises once every 5 years, beginning with the date of opening.
b. Renewal or extension of the term	Section 2.B.	If you are in good standing and satisfy certain conditions, you may renew for 1 additional 10-year term (or such lesser period as remains on the lease for the premises). You will be required to pay a renewal fee equal to 25% of the then-current initial franchise fee, subject to a minimum payment of \$9,875. You will sign a release (provided that any release will not be inconsistent with any state law regulating franchising).
c. Requirements for franchisee to renew or extend	Section 2.B.	Renewal means that you are allowed to remain as a franchisee after the initial term of your Franchise Agreement expires. Your renewal right permits you to remain as a franchisee after the initial term of your Franchise Agreement expires. However, to remain a franchisee, you must meet all required conditions to renew, including signing our then-current form of Franchise Agreement, which may have materially different terms and conditions than the form attached to this Disclosure Document.

Provision	Section In Franchise Agreement	Summary
		Other conditions are: advance written notice, not be in default, satisfy all monetary obligations to us and suppliers, pass inspection, complete training, remodel and sign general release. You must have the right to remain in possession of the premises for the duration of the renewal term.
d. Termination by franchisee	Section 15.G.	If we terminate the Franchise Agreement for cause, or you terminate the Franchise Agreement without cause, we can recover an amount equal to the average of the prior twelve (12) months Royalty Fees (or shorter period if the Franchised Business has been in operation for less than twelve (12) months) multiplied by: (i) 18 or (ii) the number of months remaining in the term of the Franchise Agreement, whichever is less.
e. Termination by franchisor without cause	Not Applicable	Not Applicable
f. Termination by franchisor with cause	Sections 14.A. and 14.B.	We can terminate only if you default.
g. “Cause” defined – curable defaults	Section 14.B.	You have 30 days to cure certain defaults listed within the section, such as failure to file reports or financial reports, failure to comply with standards and specifications, or failure to obtain required consents or approvals.
h. “Cause” defined – non-curable defaults	Section 14.A.	Non-curable defaults include: failure to pay amounts due within 10 days after notice; insolvency, bankruptcy, general assignment for the benefit of creditors, appointment of a receiver or custodian, or final judgment remains unsatisfied for 30 days or more; failure to locate an approved location or to open for business within the required time periods; abandonment of the franchise; loss of right to occupy the premises; failure to operate or maintain, or unapproved modification of the POS System or other required systems;

Provision	Section In Franchise Agreement	Summary
		understatement of Gross Revenues by 2% or more; material misrepresentation or omissions; repeated excessive use of alcohol or drugs; failure to comply with applicable laws and license requirements; unauthorized use of any marks or disclosure of confidential information; operation of the Franchised Business as a health, safety or welfare hazard
		conviction or plea of no contest or guilty to a felony or other serious crime or offense likely to adversely affect the Proprietary Marks or the System; judgment or consent decree entered against you or your owners involving fraud or unfair/deceptive trade practices; unauthorized transfers; failure to comply with restrictive covenants, including non-solicitation and non-competition; knowingly maintain false books or records; unlawful or deceptive trade practices; failure to comply with standards and specifications not cured within 10 days after notice; termination of another franchise agreement between you and us; repeated defaults, even if cured; engaging in illegal, immoral or unethical acts in violation of our mission and values; default under the lease or any other agreement and failure to cure such default within the applicable cure period, regardless of whether such agreement is terminated; unapproved relocation of the Franchised Business; violation of existing confidentiality or non-competition agreements with third parties upon entering into franchise agreement; failure to maintain a qualified Operating Principal; or blocking of your or your owners' property or interests under Anti-Terrorism laws.

Provision	Section In Franchise Agreement	Summary
i. Franchisee's obligations on termination/ non-renewal	Section 15	Obligations include, among others: You must cease operating the Franchised Business, cease using the Proprietary Marks and System, completely de-identify the Franchised Business, pay all amounts due to us or our affiliates, return the Manual and other proprietary materials, assign telephone numbers and listings to us, and comply with confidentiality requirements and post-term restrictive covenants.
j. Assignment of contract by franchisor	Section 13.A.	No restriction on our right to assign as long as the transferee or assignee assumes our obligations under the Franchise Agreement.
k. "Transfer" by franchisee – defined	Section 13.B.1.	Includes transfer of any interest in the Franchise Agreement, Franchised Business (including the assets) or Franchisee.
l. Franchisor approval of transfer by franchisee	Section 13.B.	We have the right to approve all transfers (even to a business entity controlled by you), but will not unreasonably withhold approval.
m. Conditions for franchisor approval of transfer	Sections 13.B. and 13.C.	You may transfer a non-controlling interest in you to a qualified transferee, with our prior written consent. For transfer of the Franchise Agreement or a controlling interest in you, we may require, among other things, that you (a) pay all amounts due us or our affiliates; (b) not otherwise be in default, (c) sign a general release; and (d) pay a transfer fee. The proposed transferee must meet our criteria, assume all of your obligations, attend training, renovate the 3 Natives restaurant and sign our then-current form of Franchise Agreement.
n. Franchisor's right of first refusal to acquire franchisee's business	Section 13.D.	We can match any offer for sale of your business or any ownership interest in you.
o. Franchisor's option to purchase franchisee's business	Section 15.K.	We have the right to purchase any or all of the tangible assets of the Franchised Business at your cost or fair market

Provision	Section In Franchise Agreement	Summary
		value, whichever is less, by written notice to you within 30 days after termination or expiration of the Franchise Agreement.
p. Death or disability of franchisee	Section 13.E.	The interest must be assigned to an approved transferee within 6 months and is subject to the same conditions as an <u>inter vivos</u> transfer.
q. Non-competition covenants during the term of the franchise	Section 16.B.	You and your owners may not: (a) divert any business or customer to a competitor, or do or perform any act injurious or prejudicial to the goodwill of the Proprietary Marks and System; (b) recruit or hire any person employed by us or our franchisees; (c) solicit other franchisees, nor use available lists of franchisees, for any commercial purpose unrelated to the operation of the Franchised Business; or (d) have any involvement or interest in a competitive business.
r. Non-competition covenants after the franchise is terminated or expires	Section 16.C.	You and your owners may not, for 2 years after expiration or termination of the Franchise Agreement: (a) divert any business or customer to a competitor, or do or perform any act injurious or prejudicial to the goodwill of the Proprietary Marks and System; (b) recruit or hire any person employed by us or our franchisees; (c) solicit other franchisees nor use available lists of franchisees for any commercial purpose or (d) have any involvement or interest in a competitive business located within a 5-mile radius of the premises of the Franchised Business or the location of any company-owned or franchised location in existence on the date of termination or expiration of the Franchise Agreement.
s. Modification of the Agreement	Sections 23, 24.B. and 24.C.	You must comply with the Manual as amended. Franchise Agreement may not be modified unless mutually agreed to in writing, except we may reduce the scope of the covenants.

Provision	Section In Franchise Agreement	Summary
t. Integration/merger clause	Section 23	Only the terms of the Franchise Agreement and other related written agreements are binding (subject to applicable state law). No other representations or promises will be enforceable. Nothing in the Franchise Agreement or any related agreement is intended to disclaim our representations made in this Disclosure Document.
u. Dispute resolution by arbitration or mediation	Section 25.A.	<p>Except for certain claims, all claims must first be mediated prior to arbitration or litigation. Except for certain claims, all disputes must be arbitrated in Florida. The arbitration will occur with each respective party paying their own costs.</p> <p>Before you take any legal or other action against us, whether for damages, injunctive, equitable or other relief (including rescission), upon any alleged act or omission of ours, you must first give us 90 days prior written notice and an opportunity to cure such alleged act or omission or otherwise resolve such matter (see Franchise Agreement, Section 25.B.)</p>
v. Choice of forum	Section 25.D.	Any disputes shall be instituted exclusively in a court of competent jurisdiction in Palm Beach County, Florida (subject to applicable state law).
w. Choice of law	Section 25.C.	Florida law applies (subject to applicable state law).

In addition to the provisions noted in the chart, the Franchise Agreement contains a number of provisions that may affect your legal rights, including a waiver of a right to a jury trial, waiver of punitive or exemplary damages, and limitations on when claims may be raised. See Franchise Agreement, Section 25. We recommend that you carefully review all of these provisions with an attorney.

THE MULTI-UNIT DEVELOPER RELATIONSHIP

Provision	Section in Multi-Unit Development Agreement	Summary
a. Length of the franchise term	5	Length of the Minimum Performance Schedule
b. Renewal or extension of the term	5	After all 3 Natives restaurants have been developed, we will negotiate in good faith another Multi-Unit Development Agreement
c. Requirements for multi-unit developer to renew or extend	Not applicable	
d. Termination by multi-unit developer	Not applicable	The Agreement does not provide for this. But you may seek to terminate on any grounds available to you at law
e. Termination by franchisor without cause	Not applicable	
f. Termination by franchisor with cause	9	We can terminate if you commit any one of several listed violations
g. "Cause" defined – curable defaults	9	If you use the Marks or System without our consent; participating in a competing business; failure to pay money to us when due; you begin developing a 3 Natives restaurant before all of your pre-development obligations are met; failure to obtain our consent when required; you open any 3 Natives restaurant before a Franchise Agreement for that Store has been signed
h. "Cause" defined – non-curable defaults	9	Failure to meet your minimum performance schedule; failure to comply with applicable laws; if all of your 3 Natives restaurant stop operating; unauthorized transfer; you make a material misrepresentation to us; conviction by you or your owners of an indictable offense; bankruptcy or insolvency; if a Franchise Agreement with us is terminated according to its terms (this is a cross-default provision)
i. Multi-unit developer's obligations on termination/non-renewal	10	You must stop selecting sites for the 3 Natives restaurants, and you may not open anymore 3 Natives restaurants

Provision	Section in Multi-Unit Development Agreement	Summary
j. Assignment of contract by franchisor	11	No restriction on our right to assign. However, no assignment will be made except to an assignee who, in our good faith judgment, is willing and able to assume our obligations under the Multi-Unit Development Agreement
k. “Transfer” by multi-unit developer – defined	11	Includes transfer of any interest in the Multi-Unit Development Agreement
l. Franchisor approval of transfer by multi-unit developer	11	We have the right to approve all transfers, our consent not to be unreasonably withheld
m. Conditions for franchisor approval of transfer	11	Conditions for transfer include not being in default, at least 25% of all 3 Natives restaurants required to be developed are open or under construction, all debts are paid, the buyer meets our current criteria for new Multi-Unit Developers, execution of a general release (where legal), payment of transfer fee, buyer personally guarantees all obligations
n. Franchisor’s right of first refusal to acquire multi-unit developer’s business	11	We have the right to match the offer
o. Franchisor’s option to purchase multi-unit developer’s business	Not applicable	
p. Death or disability of multi-unit developer	11	Interest must be transferred to an approved party within 12 months
q. Non-competition covenants during the term of the franchise	12	Includes prohibition on engaging in any other competitive business
r. Non-competition covenants after the franchise is terminated or expires	12	Includes a two-year prohibition similar to “q” (above), within the Development Area, within 5 miles of the Development Area, or within a 5 mile radius of any 3 Natives restaurants operating under the System at the time of termination or expiration.
s. Modification of the agreement	18	Multi-Unit Development Agreement may not be modified unless mutually agreed to in writing

Provision	Section in Multi-Unit Development Agreement	Summary
t. Integration/merger clause	18	Only the terms of the Multi-Unit Development Agreement are binding (subject to state law). Any representations or promises outside the disclosure document and Multi-Unit Development Agreement may not be enforceable.
u. Dispute resolution by arbitration or mediation	19	Mediation and arbitration in Florida, subject to applicable state and federal law
v. Choice of forum	19	Any disputes shall be instituted exclusively in a court of competent jurisdiction in Palm Beach County, Florida, subject to applicable state law.
w. Choice of law	18	Florida, subject to applicable state and federal law

Please refer to the disclosure addenda and contractual amendments appended to this Disclosure Document for additional terms that may be required under applicable state law. These additional disclosures, if any, appear in an addendum or rider in Exhibit “D”. Please note, though, that if you would not otherwise be covered under those state laws by their own terms, then you will not be covered merely because we have given you an addendum that describes the provisions of those state laws.

ITEM 18 PUBLIC FIGURES

We have partnered with Tyler Cameron in an Affiliate-Owned Unit and a franchised store. Mr. Cameron has agreed to promote and does promote the 3 Natives brand on social media.

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.

The financial performance representation below is derived from the actual historic performance of our franchised outlets (the “**Franchised Outlets**”) and our affiliate-owned units (the “**Affiliate-Owned Outlets**”) that have been open and operating for a full twelve months as of December 31, 2024.

Table I below details the Gross Revenue from twenty-four (24) Franchised Units from January 1, 2024 to December 31, 2024 (the “**Measurement Period**”).

TABLE I - GROSS REVENUE- FRANCHISED OUTLETS

Franchised Outlet²	Gross Revenue³ for the Measurement Period	Average During Measurement Period	Median During Measurement Period
Wellington, Florida	\$1,176,459	Average of Top 25% of Franchised Outlets: \$966,195	Median of Top 25% of Franchised Outlets: \$936.185
Jupiter (West), Florida	\$990,845		
West Palm Beach, Florida (El Cid)	\$936,185		
Sarasota- LWR, Florida	\$927,205		
Boca Raton, Florida	\$916,186		
Stuart, Florida	\$850,291		
Sarasota- UTC, Florida	\$847,660	Average of Top 25%- 50% of Franchised Outlets: \$766,520	Median of Top 25% to 50% of Franchised Outlets: \$767,878
Tradition, Florida	\$810,216		
Pembroke Pines, Florida	\$767,878		
Port St. Lucie (West), Florida	\$761,864		
Tulsa, Oklahoma	\$742,395		
Owasso, Oklahoma	\$669,108		
Palm City, Florida	\$647,559	Average of Top 50% to 75% of Franchised Outlets: \$564,533	Median of Top 50% to 75% of Franchised Outlets: \$578,296
Orlando, Florida	\$613,175		
Sarasota-Pelican	\$578,296		
Hope Sound, Florida	\$574,119		
Satellite Beach, Florida	\$490,582		
East Stuart, Florida	\$483,469		
Boca Raton (Del Mar), Florida	\$461,959	Average of Top 75% to 100% of Franchised Outlets: \$398,109	Median of Top 75% to 100% of Franchised Outlets: \$430,069
Delray Beach, Florida	\$460,519		
Sarasota- Landings, Florida	\$430,069		

Lake Mary, Florida	\$373,104		
East Boca Raton, Florida	\$344,070		
Windermere, Florida	\$318,936		
Total Franchised Units	\$16,172,148		

Table II below details the Gross Revenue for the Affiliate-Owned Outlets during the Measurement Period.

TABLE II - GROSS REVENUE- AFFILIATE-OWNED OUTLETS

Affiliate-Owned Outlets⁴	Gross Revenue³ for The Measurement Period	Average During Measurement Period	Median During Measurement Period
Jupiter (Abacoa), Florida	\$1,225,673	Average of Top 50% of Affiliate-Owned Units: \$1,114,275	Median of Top 50% of Affiliate-Owned Units: \$1,174,520
Palm Beach Gardens (Northlake), Florida	\$1,174,520		
Tequesta, Florida	\$942,633		
Juno Beach, Florida	\$828,911	Average of Top 50% to 100% of Affiliate-Owned Units: \$727,506	Median of Top 50% to 100% of Affiliate-Owned Units: \$826,294
Village Commons, Florida	\$826,294		
Jacksonville, Florida	\$527,309		
Total Gross Revenue of Affiliate-Owned Outlets	\$5,525,340		

Table III below details the Gross Revenue for both the Affiliate-Owned Outlets and the Franchised Outlets during the Measurement Period.

TABLE III - GROSS REVENUE- FRANCHISED OUTLETS AND AFFILIATE-OWNED OUTLETS

Franchised Outlet² or Affiliate-Owned Outlet⁴	Gross Revenue³ for the Measurement Period	Average During the Measurement Period	Median During the Measurement Period
Jupiter (Abacoa), Florida	\$1,225,673	Average of Top 25% of All 3 Natives Units: \$1,036,213	Median of Top 25% of All 3 Natives Units: \$990,845
Wellington, Florida	\$1,176,459		
Palm Beach Gardens	\$1,174,520		

(Northlake), Florida			
Jupiter (West), Florida	\$990,845		
Tequesta, Florida	\$942,633		
West Palm Beach, Florida (El Cid)	\$936,185		
Sarasota- LWR, Florida	\$927,205		
Boca Raton, Florida	\$916,186		
Stuart, Florida	\$850,291	Average of Top 25% to 50% of All 3 Natives Units: \$813,302	Median of Top 25% to 50% of All 3 Natives Units: \$826,294
Sarasota- UTC, Florida	\$847,660		
Juno Beach, Florida	\$828,911		
Village Commons, Florida	\$826,294		
Tradition, Florida	\$810,216		
Pembroke Pines, Florida	\$767,878		
Port St. Lucie (West), Florida	\$761,864	Average of Top 50% to 75% of All 3 Natives Units: \$621,709	Median of Top 50% to 75% of All 3 Natives Units: \$613,175
Tulsa, Oklahoma	\$742,395		
Owasso, Oklahoma	\$669,108		
Palm City, Florida	\$647,559		
Orlando, Florida	\$613,175		
Sarasota-Pelican	\$578,296		
Hope Sound, Florida	\$574,119		
Jacksonville, Florida	\$527,309		
Satellite Beach, Florida	\$490,582	Average of Top 75% to 100% of All 3 Natives Units: \$420,338	Median of Top 75% to 100% of All 3 Natives Units: \$460,519
East Stuart, Florida	\$483,469		
Boca Raton (Del Mar), Florida	\$461,959		
Delray Beach, Florida	\$460,519		

Sarasota- Landings, Florida	\$430,069		
Lake Mary, Florida	\$373,104		
East Boca Raton, Florida	\$344,070		
Windermere, Florida	\$318,936		
Total of All 3 Natives Outlets	\$21,697,488		

Table IV below details the Gross Revenue, Cost of Goods Sold, Expenses and Net Revenue for the Jupiter (Abacoa) Affiliated-Owned Outlet for the Measurement Period.

TABLE IV – JUPITER AFFILIATE-OWNED OUTLET

	Jupiter (Abacoa), Florida	Percentage
Gross Revenue³	\$1,225,673	
Cost of Goods Sold⁵	\$407,912	33.28%
Labor	\$272,760	22.25%
Rent	\$74,823	6.10%
Insurance	\$4,267	0.34%
Utilities	\$15,977	1.30%
Supplies and Office Expenses	\$11,208	0.91%
Third Party Fees	\$52,969	4.32%
Bank and Credit Card Fees	\$19,872	1.62%
Professional Fees	\$4,200	0.34%
Repair and Maintenance	\$13,286	1.08%
Commissary Usage Fee	\$23,317	1.90%
Technology	\$2,650	0.22%
Imputed Royalty Fees⁶	\$73,540	6.00%
Imputed Marketing Fee⁷	\$12,257	1.00%
Imputed Local Marketing⁸	\$12,257	1.00%
Total Expenses	\$1,001,295	81.69%
Net Revenue⁹	\$224,378	18.30%

Table V below details the Gross Revenue, Cost of Goods Sold, Expenses and Net Revenue for the Palm Beach Gardens (Northlake), Florida Affiliated-Owned Outlet for the Measurement Period.

TABLE V – PALM BEACH GARDENS AFFILIATE-OWNED OUTLET

	Palm Beach Garden (Northlake), Florida	Percentage
Gross Revenue³	\$1,174,520	
Cost of Goods Sold⁵	\$379,258	32.29%
Labor	\$279,117	23.76%
Rent	\$58,566	4.99%
Insurance	\$3,654	0.31%
Utilities	\$16,174	1.38%
Supplies and Office Expenses	\$12,186	1.04%
Third Party Fees	\$58,831	5.00%
Bank and Credit Card Fees	\$17,876	1.52%
Professional Fees	\$4,200	0.36%
Repair and Maintenance	\$ 9,755	0.83%
Commissary Usage Fee	\$44,221	3.77%
Technology	\$2,650	0.23%
Imputed Royalty Fees⁶	\$70,471	6.00%
Imputed Marketing Fee⁷	\$11,745	1.00%
Imputed Local Marketing⁸	\$11,745	1.00%
Total Expenses	\$980,449	83.48%
Net Revenue⁹	\$194,071	16%

Table VI below details the Gross Revenue, Cost of Goods Sold, Expenses and Net Revenue for the Tequesta, Florida Affiliated-Owned Outlet for the Measurement Period.

TABLE VI – TEQUESTA AFFILIATE-OWNED OUTLET

	Tequesta, Florida	Percentage
Gross Revenue³	\$942,633	
Cost of Goods Sold⁵	\$300,836	31.91%
Labor	\$259,009	27.48%
Rent	\$34,780	3.69%
Insurance	\$7,659	0.81%

Utilities	\$12,392	1.31%
Supplies and Office Expenses	\$ 9,633	1.02%
Third Party Fees	\$19,152	2.03%
Bank and Credit Card Fees	\$21,974	2.33%
Professional Fees	\$0	0.00%
Repair and Maintenance	\$14,996	1.59%
Commissary Usage Fee	\$38,314	4.06%
Technology	\$2,650	0.28%
Imputed Royalty Fees⁶	\$56,558	6.00%
Imputed Marketing Fee⁷	\$9,426	1.00%
Imputed Local Marketing⁸	\$9,426	1.00%
Total Expenses	\$796,805	84.53%
Net Revenue⁹	\$145,828	15.47%

Table VII below details the Gross Revenue, Cost of Goods Sold, Expenses and Net Revenue for the Juno Beach, Florida Affiliated-Owned Outlet for the Measurement Period.

TABLE VII –JUNO BEACH AFFILIATE-OWNED OUTLET

	Juno Beach, Florida	Percentage
Gross Revenue³	\$828,911	
Cost of Goods Sold⁵	\$261,278	31.52%
Labor	\$190,223	22.95%
Rent	\$35,121	4.24%
Insurance	\$3,923	0.47%
Utilities	\$10,977	1.31%
Supplies and Office Expenses	\$12,741	1.54%
Third Party Fees	\$26,690	3.22%
Bank and Credit Card Fees	\$15,524	1.87%
Professional Fees	\$0	0.00%
Repair and Maintenance	\$6,451	0.78%
Commissary Usage Fee	\$33,593	4.05%
Technology	\$2,650	0.32%
Imputed Royalty Fees⁶	\$49,735	6.00%

Imputed Marketing Fee⁷	\$8,289	1.00%
Imputed Local Marketing⁸	\$8,289	1.00%
Total Expenses	\$665,484	80.28%
Net Revenue⁹	\$163,427	19.72%

Table VIII below details the Gross Revenue, Cost of Goods Sold, Expenses and Net Revenue for the Village Commons, Florida Affiliated-Owned Outlet for the Measurement Period.

TABLE VIII –VILLAGE COMMONS AFFILIATE-OWNED OUTLET

	Village Commons, Florida	Percentage
Gross Revenue³	\$826,294	
Cost of Goods Sold⁵	\$290,718	35.18%
Labor	\$204,006	24.69%
Rent	\$39,644	4.80%
Insurance	\$6,434	0.78%
Utilities	\$16,879	2.04%
Supplies and Office Expenses	\$10,088	1.22%
Third Party Fees	\$43,049	5.21%
Bank and Credit Card Fees	\$16,112	1.95%
Professional Fees	\$0	0.00%
Repair and Maintenance	\$3,043	0.37%
Commissary Usage Fee	\$16,411	1.99%
Technology	\$2,650	0.32%
Imputed Royalty Fees⁶	\$49,578	6.00%
Imputed Marketing Fee⁷	\$8,263	1.00%
Imputed Local Marketing⁸	\$8,263	1.00%
Total Expenses	\$715,138	86.55%
Net Revenue⁹	\$111,156	13.45%

Table IX below details the Gross Revenue, Cost of Goods Sold, Expenses and Net Revenue for the Jacksonville, Florida Affiliated-Owned Outlet for the Measurement Period.

TABLE IX –JACKSONVILLE AFFILIATE-OWNED OUTLET

	Jacksonville, Florida	Percentage
Gross Revenue³	\$527,308	
Cost of Goods Sold⁵	\$206,192	39.10%
Labor	\$97,872	18.56%
Rent	\$54,133	10.27%
Insurance	\$3,832	0.73%
Utilities	\$14,051	2.66%
Supplies and Office Expenses	\$12,732	2.41%
Third Party Fees	\$37,818	7.17%
Bank and Credit Card Fees	\$8,614	1.63%
Professional Fees	\$4,475	0.85%
Repair and Maintenance	\$16,412	3.11%
Commissary Usage Fee	\$0	0.00%
Technology	\$2,650	0.50%
Imputed Royalty Fees⁶	\$31,638	6.00%
Imputed Marketing Fee⁷	\$5,273	1.00%
Imputed Local Marketing⁸	\$5,273	1.00%
Total Expenses	\$500,965	95.00%
Net Revenue⁹	\$26,343	5.00%

Notes:

1. Some outlets have earned this amount. Your individual results may differ. There is no assurance that you'll earn as much.

2. At the end of 2024, there were 34 total 3 Natives franchised restaurants. 10 franchised restaurants were excluded from the financial performance representation because they were either not open and did not report sales during the Measurement Period. Our Wellington, Florida location was a Franchised Outlet until it was reacquired by Franchisor in November 2024.

3. The term “**Gross Revenue**” as used in this Item 19 represents aggregate sales of products sold during the Measurement Period, as reported by the point-of-sale system used by the Franchised Outlets and the Affiliate-Owned Outlets. The Gross Revenue information was prepared from the sales records and reports and has not been audited and has not been independently verified.

4. Each of our Affiliate-Owned Outlets and franchised locations offers products similar to the products that will be offered by you and therefore are described below (“**Reporting Criteria**”). The Affiliate-Owned Outlets have been operated by two of our founders, Philip Bambino and Anthony Bambino.

5. “Costs of Goods Sold” represents the cost of general supplies, inventory and other materials during the Measurement Period.

6. “Imputed Royalty Fee” includes Royalty Fees in the amount that would have been paid during the Measurement Period based on the standard 6% royalty fee rate as required by franchisees during the Measurement Period.

7. “Imputed Marketing Fee” includes the Marketing Fees in the amount that would have been paid during the Measurement Period based on the standard 1% marketing fee rate as required by franchisees during the Measurement Period.

8. “Imputed Local Marketing” includes the local marketing expense in the amount that would have been paid during the Measurement Period based on the standard 1% local marketing requirement as required by franchisees during the Measurement Period.

9. “Net Revenue” represents the Gross Revenue of the Affiliate-Owned Outlet minus the Cost of Goods Sold and the expenses of the Affiliate-Owned Outlet.

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

Other than the preceding financial performance representation, we do not make any financial performance 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 our management by contacting Anthony Bambino, 18 Pine Hill Trail West, Tequesta, Florida 33469, and (561) 301-9448, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20**OUTLETS AND FRANCHISEE INFORMATION**

Table No. 1
System wide Outlet Summary
For Years 2022 to 2024

Column 1 Outlet Type	Column 2 Year	Column 3 Outlets at the Start of the Year	Column 4 Outlets at the End of the Year	Column 5 Net Change
Franchised	2022	11	14	+3
	2023	14	24	+10
	2024	24	34	+10
Company or Affiliate-Owned	2022	6	5	-1
	2023	5	6	+1
	2024	6	7	+1
Total Outlets	2022	17	19	+2
	2023	19	30	+11
	2024	30	41	+11

Table No. 2
Transfers of Outlets From Franchisees
To New Owners
(Other Than The Franchisor)
For years 2022 to 2024

State (1)	Year	Number of Transfers
Florida	2022	0
	2023	2
	2024	2
TOTAL	2022	0
	2023	2
	2024	2

Table No. 3
Status of Franchised Outlets
For Years 2022 to 2024

State (1)	Year	Outlets at the Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations - Other Reasons	Outlets at End of the Year
Arizona	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	1	0	0	0	0	1
Florida	2022	11	2	0	0	0	0	13
	2023	13	9	0	0	0	0	22
	2024	22	8	0	0	1	0	29
Georgia	2022	0	0	0	0	0	0	0

State (1)	Year	Outlets at the Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations - Other Reasons	Outlets at End of the Year
New York	2023	0	0	0	0	0	0	0
	2024	0	1	0	0	0	0	1
	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	1	0	0	0	0	1
Oklahoma	2022	0	1	0	0	0	0	1
	2023	1	1	0	0	0	0	2
	2024	2	0	0	0	0	0	2
Texas	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	1	0	0	0	1	0
TOTAL	2022	11	3	0	0	0	0	14
	2023	14	10	0	0	0	0	24
	2024	24	12	0	0	1	1	34

Table No. 4
Status of Company and Affiliate-Owned Outlets
For Years 2022 to 2024

State (1)	Year	Outlets at the Start of Year	Outlets Opened	Outlets Reacquired From Franchisees	Outlets Closed	Outlets sold to Franchisees	Outlets at End of the Year
Florida	2022	6	0	0	0	1	5
	2023	5	2	0	0	1	6
	2024	6	0	1	0	0	7
TOTAL	2022	6	0	0	0	1	5
	2023	5	2	0	0	1	6
	2024	6	0	1	0	0	7

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

Column 1 State	Column 2 Franchise Agreements Signed But Outlets Not Opened	Column 3 Projected New Franchised Outlets in the Next Fiscal Year	Column 4 Projected New Company or Affiliate-Owned Outlets in the Next Fiscal Year
Florida	9	4	0
Georgia	0	4	0
North Carolina	0	1	0
Oklahoma	1	2	0
Pennsylvania	0	1	0

South Carolina	0	2	0
Texas	0	2	0
Total	10	16	0

(1) Only the states in which franchises are located are listed.

Attached to this Disclosure Document as Exhibit “F” is a schedule that lists (a) the names of all current franchisees with their business address and business telephone number, or (b) the name, city, state, and current business telephone number (or, if unknown, the last known home telephone number) of our franchisees who had an outlet terminated, cancelled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the Franchise Agreement during the most recently completed fiscal year, or has not communicated with us within 10 weeks of the issuance date of this Disclosure Document.

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

As of the date of this Disclosure Document, we are not offering any existing franchised outlets to prospective franchisees. If we begin to offer any such outlet, specific information about the outlet will be provided to you in a separate supplement to this Disclosure Document.

We have no current or former franchisees who have signed provisions during the last 3 fiscal years restricting their ability to speak openly to you about their experience with the 3 Natives franchise system.

As of the date of this Disclosure Document, there are no franchisee organizations sponsored or endorsed by us and no independent franchisee organizations have asked to be included in this Disclosure Document.

ITEM 21 FINANCIAL STATEMENTS

The following documents are attached to this Disclosure Document as Exhibit “G”:

- Audited Financial Statements as of December 31, 2024, 2023 2022, and related statements of income, changes in members’ equity, and cash flows for the years ended December 31, 2024, 2023, 2022 dated April 14, 2025 and Audited Financial Statements as of December 31, 2023 2022, and 2021 and related statements of income, changes in members’ equity, and cash flows dated April 19, 2024.

Our fiscal year end is December 31.

ITEM 22 CONTRACTS

Copies of the following forms, contracts and/or agreements are attached as exhibits to this Disclosure Document:

Exhibit B	Franchise Agreement (with attachments) and Guaranty
Exhibit C	Multi-Unit Development Agreement (with attachments)
Exhibit I	Assignment and Assumption of Franchise Agreement
Exhibit J	Franchisee Disclosure Questionnaire

ITEM 23 RECEIPTS

You will find 2 copies of a detachable Receipt in Exhibit “L” at the end of the Disclosure Document. One Receipt must be signed, dated and delivered to us. The other Receipt should be retained for your records.

EXHIBIT A TO THE DISCLOSURE DOCUMENT

STATE AGENCIES AND ADMINISTRATORS/AGENTS FOR SERVICE OF PROCESS

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

Our registered agent in the State of Florida is:

Anthony Bambino
18 Pine Hill Trail West
Tequesta, FL 33469

STATE	STATE REGULATORY AGENCY	AGENT TO RECEIVE PROCESS IN STATE, IF DIFFERENT THAN THE STATE REGULATORY AGENCY
California	Department of Financial Protection & Innovation 320 West Fourth Street, Suite 750 Los Angeles, California 90013 (213) 576-7500 Toll Free: (866) 275-2677	Commissioner of the Department of Financial Protection & Innovation 320 West Fourth Street, Suite 750 Los Angeles, California 90013 (213) 576-7500 Toll Free: (866) 275-2677
Connecticut	Banking Commissioner Department of Banking Securities and Business Investments Division 260 Constitution Plaza Hartford, CT 061031800 (860) 240-8299	

STATE	STATE REGULATORY AGENCY	AGENT TO RECEIVE PROCESS IN STATE, IF DIFFERENT THAN THE STATE REGULATORY AGENCY
Hawaii	Commissioner of Securities of the State of Hawaii Department of Commerce & Consumer Affairs Business Registration Division Securities Compliance Branch 335 Merchant Street, Room 205 Honolulu, Hawaii 96813 (808) 586-2722	Commissioner of Securities of the State of Hawaii Department of Commerce & Consumer Affairs Business Registration Division Securities Compliance Branch 335 Merchant Street, Room 205 Honolulu, Hawaii 96813 (808) 586-2722
Illinois	Illinois Office of the Attorney General Franchise Bureau 500 South Second Street Springfield, Illinois 62706 (217) 782-4465	Illinois Attorney General 500 South Second Street Springfield, Illinois 62706 (217) 782-4465
Indiana	Secretary of State Franchise Section 302 West Washington, Room E-111 Indianapolis, Indiana 46204 (317) 232-6681	Secretary of State Franchise Section 302 West Washington, Room E-111 Indianapolis, Indiana 46204 (317) 232-6681
Maryland	Office of the Attorney General Securities Division 200 St. Paul Place Baltimore, Maryland 21202-2020 (410) 576-6360	Maryland Securities Commissioner 200 St. Paul Place Baltimore, Maryland 21202-2020 (410) 576-6360
Michigan	Michigan Attorney General's Office Corporate Oversight Division, Franchise Section 525 West Ottawa Street G. Mennen Williams Building, 1st Floor Lansing, Michigan 48913 (517) 335-7567	Michigan Attorney General's Office Corporate Oversight Division, Franchise Section 525 West Ottawa Street G. Mennen Williams Building, 1st Floor Lansing, Michigan 48913 (517) 335-7567

STATE	STATE REGULATORY AGENCY	AGENT TO RECEIVE PROCESS IN STATE, IF DIFFERENT THAN THE STATE REGULATORY AGENCY
Minnesota	Minnesota Department of Commerce 85 7th Place East, Suite 280 St. Paul, Minnesota 55101 (651) 539-1600	Commissioner of Commerce Minnesota Department of Commerce 85 7th Place East, Suite 280 St. Paul, Minnesota 55101 (651) 539-1600
New York	New York State Department of Law Investor Protection Bureau 28 Liberty Street, 21st Floor New York, New York 10005 (212) 416-8222	Secretary of State 99 Washington Avenue Albany, NY 12231 (518) 473-2492
North Dakota	North Dakota Securities Department State Capitol Department 414 600 East Boulevard Avenue, Fifth Floor Bismarck, North Dakota 58505-0510 (701) 328-4712	North Dakota Securities Commissioner State Capitol 600 East Boulevard Avenue, Fifth Floor Bismarck, North Dakota 58505-0510 (701) 328-4712
Rhode Island	Department of Business Regulation Securities Division, Building 69, First Floor John O. Pastore Studio 1511 Pontiac Avenue Cranston, Rhode Island 02920 (401) 462-9527	Director of Department of Business Regulation Department of Business Regulation Securities Division, Building 69, First Floor John O. Pastore Studio 1511 Pontiac Avenue Cranston, Rhode Island 02920 (401) 462-9527
South Dakota	Division of Insurance Securities Regulation 124 South Euclid Avenue, Suite 104 Pierre, South Dakota 57501 (605) 773-3563	Division of Insurance Director of the Securities Regulation 124 South Euclid Avenue, Suite 104 Pierre, South Dakota 57501 (605) 773-3563

STATE	STATE REGULATORY AGENCY	AGENT TO RECEIVE PROCESS IN STATE, IF DIFFERENT THAN THE STATE REGULATORY AGENCY
Virginia	State Corporation Commission Division of Securities and Retail Franchising 1300 East Main Street, 9th Floor Richmond, Virginia 23219 (804) 371-9051	Clerk of the State Corporation Commission 1300 East Main Street, 1st Floor Richmond, Virginia 23219 (804) 371-9733
Washington	Department of Financial Institutions Securities Division – 3rd Floor 150 Israel Road, Southwest Tumwater, Washington 98501 (360) 902-8760	Director of Department of Financial Institutions Securities Division – 3rd Floor 150 Israel Road, Southwest Tumwater, Washington 98501 (360) 902-8760
Wisconsin	Division of Securities 4822 Madison Yards Way, North Tower Madison, Wisconsin 53705 (608) 266-2139	Division of Securities 4822 Madison Yards Way, North Tower Madison, Wisconsin 53705 (608) 266-2139

EXHIBIT B TO THE DISCLOSURE DOCUMENT

FORM OF FRANCHISE AGREEMENT



3 NATIVES FRANCHISING, LLC

FRANCHISE AGREEMENT

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Exhibit C	Owners' Guaranty
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Exhibit F	Electronic Funds Authorization Form
Exhibit G	Conditional Assignment of Telephone Numbers and Listings
Exhibit H	Nondisclosure and Noncompetition Agreement
Exhibit I	State Specific Addenda and Riders to Franchise Agreement

3 NATIVES FRANCHISING, LLC
FRANCHISE AGREEMENT

THIS FRANCHISE AGREEMENT (the “**Agreement**”) is made and entered into this ____ day of _____, 20__ (the “**Effective Date**”) by and between **3 Natives Franchising, LLC**, a Florida limited liability company, whose principal place of business is 250 Tequesta Drive, Suite 201, Tequesta, FL 33469 (the “**Franchisor**,” “**we**,” “**us**,” or “**our**”) and _____ with the current address of _____ (the “**Franchisee**,” “**you**,” or “**your**”).

WITNESSETH:

WHEREAS, we have developed a proprietary system through significant expenditures of time, skill, effort and money (the “**System**”) relating to the establishment, development and operation of a 3 NATIVES franchise which offers premium quality fruit smoothies and cold-pressed juices prepared fresh in the restaurant using proprietary recipes, and acai bowls, sandwiches, wraps and other healthy snacks (the “**Franchised Business**” or a “**3 Natives franchise**”);

WHEREAS, we have developed the uniform standards, specifications, methods, policies and procedures for 3 Natives franchise operations, including, but not limited to, proprietary recipes, training and operational assistance, as well as advertising and promotional programs, all of which may be changed, improved upon and further developed from time to time;

WHEREAS, we, through our dedicated operations, merchandising policies and marketing methods, have developed the reputation, public image and goodwill of our System;

WHEREAS, the System is identified by means of certain trade names, service marks, trademarks, logos, emblems and indicia of origin, including, but not limited to, the marks 3 NATIVES®, 3 NATIVES ACAI & JUICERY and 3 NATIVE ACAI CAFÉ and such other trade names, service marks and trademarks as are now, and may hereafter be designated for use in connection with the System (all of which are referred to as the “**Proprietary Marks**”), which Proprietary Marks are owned by us;

WHEREAS, you desire to operate a Franchised Business under the System and the Proprietary Marks and to obtain a license from us for that purpose, as well as to receive the training and other assistance provided by us in connection therewith;

WHEREAS, you acknowledge that you have read this Agreement and our Franchise Disclosure Document, and that you have no knowledge of any representations about the Franchised Business or about us or our franchising program or policies made by us or our officers, directors, shareholders, employees or agents which are contrary to the statements in our Franchise Disclosure Document or to the terms of this Agreement, and that you understand and accept the terms, conditions and covenants contained in this Agreement as being reasonably necessary to maintain our high standards of quality and service and the uniformity of those standards at all facilities which operate pursuant to the System and thereby to protect and preserve the goodwill of the Proprietary Marks; and

WHEREAS, you acknowledge that any assistance, approval or advice given by us under or in connection with this Agreement shall not constitute a warranty or guaranty of the financial success of your Franchised Business. You further acknowledge that we have advised you that prior business management experience is critical for the success of your Franchised Business, and prior business ownership experience is highly desirable. We grant 3 Natives franchises to qualified candidates for the right to develop and operate a 3 Natives (each a “**3 Natives restaurant**”).

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

1. GRANT OF FRANCHISE

A. Grant. You have applied for a 3 Natives franchise to operate a 3 Natives restaurant at a specific location that we approve in accordance with Section 4.A.2. below. Your application has been approved by us in reliance upon and subject to all representations made in your application. We therefore grant to you, upon the terms and conditions contained in this Agreement, the right and license to (a) independently manage and operate one 3 Natives restaurant in strict conformity with our quality control standards and specifications, as they may be changed, improved and further developed from time to time; (b) use the Proprietary Marks and the System, but only in connection with the Franchised Business (recognizing that we may periodically change or improve the Proprietary Marks and the System), and in accordance with the marketing strategies that we establish for the System, and (c) do all of the things described in (a) and (b) above only at the Approved Location (defined below) selected by you and agreed to by us. You accept this license and agree to perform all of your obligations in connection therewith as set forth in this Agreement.

B. Approved Location. The term “Approved Location” means the street address of the location for the Franchised Business that we approve under the terms of this Agreement, and is specified in Exhibit “A” to this Agreement. If, as of the Effective Date, the Approved Location is not agreed-upon and specified in Exhibit “A”, then instead, you agree to identify and secure a Site to be the Approved Location under the terms of Section 4.A.2. below. Upon our approval of the Site you secure pursuant to Section 4.A.2. below, we will insert its address into Exhibit “A” and it will be the Approved Location. The establishment by you of additional 3 Natives restaurants requires additional franchises from us and the payment to us of additional franchise fees.

C. Protected Territory and Exclusions. You will not be granted an exclusive territory. If the Site of the Franchised Business has not been determined as of the Effective Date of this Agreement, then the geographical area in which the Franchised Business is to be located will be within a defined area which is described or otherwise mapped out in Exhibit “A” attached hereto (the “**Protected Territory**”). When the Site is determined, its address will be inserted into Exhibit “A”. During the term of this Agreement, and except as otherwise provided in this Agreement, we agree not to establish, nor license any other person to establish, another 3 Natives restaurant at locations within the Protected Territory specified in Exhibit “A” to this Agreement.

D. Reservation of Certain Rights. We reserve all rights that we have not expressly granted to you, including the right to establish other 3 Natives restaurants whether franchised or company-owned or affiliate-owned, at any site we deem appropriate outside the Protected Territory, regardless of proximity to your location, on such terms and conditions as we deem appropriate. We also retain the right to establish company-owned or affiliate-owned or franchisee operated businesses that sell similar products and/or services under different trade names or trademarks other than the Proprietary Marks. We may also sell services or products under the Proprietary Marks, or any other marks through any other retail outlets, and we may establish other channels of distribution providing the same or similar services under the same or a different trade name or trademark. We also reserve the right to sell smoothie drinks, juices, and related products in other channels of distribution (like grocery stores, kiosks, Internet or other forms of e-commerce). We reserve the right to offer, grant and support franchises in other lines of business whether within or outside the Protected Territory (but not under the name “3 Natives”), and we make no representation or warranty you will have any right to participate in such franchises. We and/or our affiliates can acquire, be acquired by, merge, affiliate or dual brand with, or engage in any transaction with other businesses (whether competitive or not), with franchises or outlets located anywhere, without any liability

to you. We may engage in any activity, action or undertaking that we are not expressly prohibited from taking under this Agreement.

We may establish policies regarding your off-site marketing and promotion, and catering and delivery services, which will be set forth in the Manual or otherwise in writing.

E. Relocation. You must not relocate the Franchised Business without our express prior written consent. Except as otherwise set forth herein, you may relocate the Franchised Business to a new location only upon the following conditions:

1. You must not be in default of any provision of this Agreement or the lease for the former location;
2. You must deliver to us a current financial statement, including a profit and loss statement for the Franchised Business during the last twelve months of operation at the former location and a copy of the proposed lease for the new location;
3. You must comply with such reasonable site selection and construction procedures as we may require;
4. The new location must be constructed, furnished and equipped in accordance with our then-current design specifications and standards for a 3 Natives restaurant;
5. You must be current on all of your financial obligations to us and our affiliates;
and
6. You must give us written notice of the proposed relocation at least ninety (90) days before the relocation date.
7. At our option, you must enter into an amendment of this Agreement to conform it to our then-current form of Franchise Agreement except that the term of such amended franchise agreement will expire on the same date that this Agreement would have expired and there will be no requirement for a new initial franchise fee.

The Franchised Business must be open for business in the new location within thirty (30) days (which may be extended for an additional thirty (30) days for good cause upon our prior written consent of the date on which the Franchised Business in the old location closed). Any failure to provide us with ninety (90) days advance written notice of the proposed relocation, or to relocate the Franchised Business within the required time period, will be a material default under this Agreement, and we will have the right to terminate this Agreement. If you lose the right to possession of the premises due to the exercise of eminent domain or a Force Majeure event (as defined herein), then you must relocate the Franchised Business in accordance with the terms of Section 14 of this Agreement.

2. TERM AND RENEWAL

A. Initial Term. Except as otherwise provided in this Agreement, the term of this Agreement will be for ten (10) years commencing on the Effective Date of this Agreement; provided, however, that if you lease the business premises, and the lease agreement for your business premises is terminated prior to the expiration of the term of this Agreement, we may, at our option, terminate this Agreement.

B. Renewal Term. You may, subject to our approval in our sole discretion, continue the Franchised Business for one (1) additional ten (10) year term, or such period as remains on the lease underlying the initial term of this Agreement, if such period is shorter than ten (10) years, subject to the following conditions which must be met prior to the renewal period, unless and to the extent expressly waived in writing by us:

1. You must give us written notice of your election to renew this Agreement not less than six (6) months nor more than twelve (12) months prior to the end of the current term of this Agreement;

2. At least four (4) months prior to the expiration of the current term of this Agreement, we will have the right to inspect the Franchised Business and give notice of all required modifications to the nature and quality of the services and products offered at the Franchised Business, your advertising, marketing and promotional programs, your financial and inventory control systems, and the maintenance, refurbishing, equipment upgrade and replacement, renovating and remodeling necessary to comply with our then current standards and specifications and with the requirements of the lease for the Franchised Business. If you elect to renew this Agreement, then you shall complete, to our satisfaction, all such required modifications, as well as adopt and implement any new methods, programs, modifications, techniques or operational systems required by our notice no later than one (1) month prior to expiration of the current term of this Agreement;

3. You must not be in default of any provision of this Agreement, any amendment of or successor to this Agreement, or any other agreement between you and us or our subsidiaries, affiliates and suppliers. You must have substantially complied with all of the terms and conditions of such agreements during the terms thereof;

4. You must have satisfied all monetary obligations owed to us and suppliers and shall have timely met those obligations throughout the term of this Agreement;

5. You must execute upon renewal our then current form of Franchise Agreement. The new Franchise Agreement shall supersede in all respects this Agreement, and may differ from the terms of this Agreement, including, without limitation, the requirement of a higher percentage royalty fee and/or advertising contributions, and the term will expire in accordance with the renewal term as outlined above;

6. You must pay us a renewal fee equal to Twenty-Five Percent (25%) of the then-current initial franchise fee, subject to a minimum payment of \$9,875, payable by new franchisees;

7. You (or your Operating Principal) and your approved manager must attend and successfully complete, to our satisfaction, our then current qualification and training program(s), at your expense;

8. You, your owners, directors and officers must execute a general release, in a form prescribed by us, of any and all claims against us and our affiliates, and our respective officers, directors, agents and employees; however, such release will not be inconsistent with any state law regulating franchising;

9. You must present evidence satisfactory to us that you have the right to remain in possession of the premises where the Franchised Business is located for the duration of the renewal term;

10. You must refurbish the Franchised Business (if necessary) to conform to the then-current 3 NATIVES® design and decor, trade dress, color scheme and presentation of trademarks and

service marks consistent with the design concepts then in effect for new 3 Natives restaurants licensed to operate under the System;

11. Your operation and management of the Franchised Business shall be in full compliance with the System; and

12. You must maintain and be in good standing with all necessary and applicable licenses and permits.

In the event that any of the foregoing conditions to renewal have not been met at least one (1) month prior to the expiration of the current term of this Agreement, then we will have no obligation to renew this Agreement and will give you at least thirty (30) days prior written notice of our intent not to renew this Agreement, which notice shall set forth the reasons for such refusal to renew. Your right to renew this Agreement is subject to your continued compliance with all of the terms and conditions of this Agreement through the date of expiration, in addition to your compliance with the obligations described above. We have the right to extend the term of this Agreement for such period of time as we deem necessary in order to provide you with thirty (30) days' notice of our refusal to renew this Agreement.

3. YOUR REPRESENTATIONS, WARRANTIES AND COVENANTS

A. Your Investigation of this Franchise.

1. You acknowledge having received our Franchise Disclosure Document within the time period required by applicable law before you executed this Agreement or paid any consideration to us or an affiliate. You further acknowledge that you have read this Agreement (including all Exhibits) and our Franchise Disclosure Document and that you understand the terms of this Agreement (including all Exhibits) and accept them as being reasonably necessary for us to maintain the uniformity of 3 Natives restaurant franchises and to protect the goodwill of the Proprietary Marks and the integrity of the System.

2. You have conducted an independent investigation of the business contemplated by this Agreement and recognize that an investment in a 3 Natives franchise involves business risks, that your success is largely dependent on your own abilities, efforts and active participation in the daily affairs of the Franchised Business, and that the nature of 3 Natives franchises may change over time. **You have not received or relied on any guaranty or assurance, express or implied, as to the revenues, profits or potential success of the business contemplated by this Agreement.**

3. You understand and agree that we may operate and change the System and our business in any manner that is not expressly and specifically prohibited by this Agreement.

4. Whenever we have expressly reserved in this Agreement, or are deemed to have, a right and/or discretion to take or withhold an action, or to grant or decline to grant you a right to take or withhold an action, then except as otherwise expressly and specifically provided in this Agreement, we may make our decision or exercise our right and/or discretion on the basis of our judgment of what is in our best interests, including, without limitation, our judgment of what is in the best interests of our franchise network, at the time our decision is made or our right or discretion is exercised, without regard to whether: (i) other reasonable alternative decisions or actions could have been made by us; (ii) our decision or the action we take promotes our financial or other individual interest; (iii) our decision or the action we take applies differently to you and one or more other franchisees or our company-owned operations; or (iv) our decision or the exercise of our right or discretion is adverse to your interests. In the absence of an applicable statute, we will have no liability to you for any such decision or action. We and you intend that the exercise of our right or discretion will not be subject to limitation or review. If applicable law implies a covenant

of good faith and fair dealing in this Agreement, we and you agree that such covenant shall not imply any rights or obligations that are inconsistent with a fair construction of the terms of this Agreement and that this Agreement grants us the right to make decisions, take actions and/or refrain from taking actions not inconsistent with your rights and obligations hereunder.

5. You expressly understand and acknowledge that you are relying solely on us, and not on any affiliated entities or parent companies related to us, with regard to our financial and other obligations under this Agreement, and no employee or other person speaking on behalf of, or otherwise representing, us has made any statement or promise to the effect that our affiliated entities or parent companies guarantee our performance or financially back us.

B. Your Organization. If you are a corporation, partnership, limited liability company or other legal entity:

1. You are duly organized and validly existing under the law of the state of your formation;

2. You are duly qualified and authorized to do business in each jurisdiction in which your business activities or the nature of the properties you own require such qualification;

3. Your corporate charter or written partnership or limited liability company agreement, as applicable, will at all times provide that your activities are confined exclusively to the operation of 3 Natives restaurant. You warrant and represent that neither you nor any of your owners own, operate or have any financial or beneficial interest in any business that is the same as or substantially similar to a 3 Natives restaurant;

4. The execution of this Agreement and the performance of the transactions contemplated by this Agreement are within your corporate power, or if you are a partnership or a limited liability company, are permitted under your written partnership or limited liability company agreement, and have been duly authorized;

5. You will provide to us, at our request, copies of your articles of incorporation and bylaws or, as applicable, your written partnership or limited liability company agreement, other governing documents, any amendments to them, resolutions authorizing your entry into and performance of this Agreement, and any certificates, buy-sell agreements or other documents restricting the sale or transfer of your stock or other ownership interests and any other documents that we may reasonably request;

6. Your organizational or governing documents will recite that the issuance and transfer of any ownership interests in you are restricted by the terms of this Agreement, and all certificates and other documents representing ownership interests in you will bear a legend referring to the restrictions of this Agreement;

7. **Exhibit “B”** accurately and completely describes all of your owners and their ownership interests in you as of the Effective Date. You agree to sign and deliver to us revised **Exhibit “B”** to reflect any permitted changes in the information **Exhibit “B”** now contains (no ownership changes may be made without our prior written approval);

8. Each of your owners during the term of this Agreement will sign and deliver to us our standard form of Owners’ Guaranty, undertaking to be bound, jointly and severally, by all provisions of this Agreement. A copy of our current form of Owners’ Guaranty is attached as **Exhibit “C”** to this Agreement; and

9. You must, subject to our approval, designate at least one (1) of your owners as your “**Operating Principal.**” The Operating Principal must maintain direct or indirect ownership interest of not less than five percent (5%) of the Franchised Business and must have full authority to bind you with respect to all operational decisions with respect to your Franchised Business. If you are an individual, you will perform all obligations of the Operating Principal. The Operating Principal must devote best efforts to the development and operation of the Franchised Business, and shall not engage in any other business or activity, directly or indirectly, that requires substantial management responsibility or time commitments (except other 3 Natives franchises operated under valid agreements with us) or otherwise may conflict with your obligations under this Agreement. If, at any time, your Operating Principal cannot fulfill its responsibilities under this Agreement, you must appoint a qualified replacement from among your owners, subject to our approval, to serve as the replacement Operating Principal. The Operating Principal must at all times be on-site or on-call to oversee the operations of the Franchised Business and meet our initial and ongoing requirements for serving as an Operating Principal.

C. **Legal Compliance.** In addition to complying with your obligations under this Agreement, you agree to comply with all applicable federal, state and local laws, rules, regulations, ordinances and orders. Such laws, rules, regulations, ordinances and orders vary from jurisdiction to jurisdiction and may be amended or implemented or interpreted in a different manner from time to time. It is your sole responsibility to apprise yourself of the existence and requirements of all such laws, rules, regulations, ordinances and orders, and to adhere to them at all times during the term of this Agreement.

D. **Anti-Terrorism Activities.** You certify that neither you nor any of your owners, employees or anyone associated with you is listed in connection with any Anti-Terrorism Law (as defined below) and you agree not to hire or have any dealings with a person so listed. You further certify that you have no knowledge or information that, if generally known, would result in you, your owners, employees, or anyone associated with you being so listed. You agree to comply with and/or assist us to the fullest extent possible in our efforts to comply with the Anti-Terrorism Laws and, in connection with such compliance, you represent and warrant that none of your property or interests are subject to being “blocked” under any of the Anti-Terrorism Laws and that you and your owners are not otherwise in violation of any of the Anti-Terrorism Laws. Any misrepresentation by you under this Section or any violation of the Anti-Terrorism Laws by you, your owners or employees will constitute grounds for immediate termination of this Agreement and any other agreement you have entered into with us or one of our affiliates in accordance with the terms of Section 14.A. of this Agreement. For purposes of this Agreement, “**Anti-Terrorism Laws**” means Executive Order 13224 issued by the President of the United States, the Terrorism Sanctions Regulations (Title 31, Part 595 of the U.S. Code of Federal Regulations), the Foreign Terrorist Organizations Sanctions Regulations (Title 31, Part 597 of the U.S. Code of Federal Regulations), the Cuban Assets Control Regulations (Title 31, Part 515 of the U.S. Code of Federal Regulations), the USA PATRIOT Act, and all other present and future federal, state and local laws, ordinances, regulations, policies, lists and any other requirements of any Governmental Authority (including, without limitation, the United States Department of Treasury Office of Foreign Assets Control) addressing or in any way relating to terrorist acts and acts of war.

E. **Continuing Obligations.** You and your owners make the foregoing representations, warranties and covenants understanding that such representations, warranties and covenants are continuing obligations. You agree to cooperate with us to verify you and your owners’ continuing compliance with such representations, warranties and covenants. Any failure to comply with these representations, warranties and covenants will constitute a material event of default under this Agreement.

4. DUTIES OF FRANCHISOR

A. Pre-Opening Obligations. Our duties prior to the opening of the Franchised Business are as follows:

1. If the location for your Franchised Business has not been approved at the time you sign the Franchise Agreement, we will designate a geographic area within which the Franchised Business is to be located.

2. We will provide you our general criteria for 3 Natives restaurant locations. You will have ninety (90) days following the Effective Date of this Agreement to locate and receive our written approval of a site for the Franchised Business in accordance with the provisions of Section 6.B. We will review and approve or disapprove a site that you propose for the Franchised Business within thirty (30) days after we receive from you a complete site report and any other materials that we may require from time to time for assessing potential sites for 3 Natives restaurants. If you have not heard from us within such thirty (30) day period, the proposed site is deemed disapproved. You will conduct a market evaluation of the proposed site to determine its suitability for a Franchised Business. The factors that will affect our approval are demographic characteristics of the proposed site location, traffic patterns, parking, the predominant character of the neighborhood, competition from other businesses providing similar services within the area, the proximity to other businesses (including other 3 Natives restaurants), the nature of other businesses in proximity to the proposed site, and other commercial characteristics (including the purchase price or rental obligations and other lease terms for the proposed site) and the size of the premises, appearance and other physical characteristics of the premises, financing, building permits, zoning, local ordinances, and anticipated timetable for the installation of equipment, furniture and signs. Our approval of the proposed site as being suitable for a Franchised Business is not to be deemed to be a representation or warranty as to the likelihood of your success.

We will review and approve or disapprove the lease or sublease (or any modification or amendment) for the proposed site of the Franchised Business. You must obtain our approval of any lease or sublease (or any modification or amendment) for the site before you sign it, or any renewal of it. A condition to our approval of the lease or sublease is the execution by you, the landlord and us of the Addendum to Lease Agreement/Conditional Assignment of Lease, a copy of which is attached as **Exhibit "D"** to this Agreement. Our review and approval of the lease or sublease is solely to ensure that the lease or sublease contains terms that we accept or require for our benefit and the franchise system; it is not a substitute for careful review by you and your advisors. Our approval of the lease or sublease does not constitute a warranty or assurance that the lease or sublease contains terms and conditions for your benefit. You must deliver a copy of the signed lease or sublease to us within ten (10) days after it is signed by you and the landlord. You must open the Franchised Business for business within twelve (12) months from the Effective Date of this Agreement, unless otherwise agreed to in writing by us, or we may terminate this Agreement.

3. We will furnish you with mandatory and suggested specifications for a 3 Natives restaurant, including requirements for dimensions, design, color scheme, image, interior layout, décor, fixtures, equipment, signs and furnishings. You are solely responsible for developing and constructing the site for your Franchised Business, for all expenses associated with it, and for compliance with the requirements of any applicable federal, state or local law;

4. We will provide you with written specifications for the operation and management of the Franchised Business, as well as our lists of approved suppliers; and

5. The initial training is mandatory for you (or your Operating Principal) and your designated manager and must be successfully completed before opening the Franchised Business. The initial training program will be held at the location of your Franchised Business starting approximately two (2) weeks prior to the time that your Franchised Business is ready to open for business by one of the members of our corporate staff, who will travel to your location and spend approximately ten (10) days there. Our trainers will provide you and your staff onsite pre-opening and opening assistance. You (or your Operating Principal) and your designated manager or other approved key personnel shall attend and successfully complete the initial training program in its entirety. We will be responsible for training and materials only. You shall reimburse us for all meals, travel, lodging and other expenses incurred by our staff members during the initial training program. Initial training is conducted by us and/or our designee.

You must sign and return to us a Franchisee Training Acknowledgement Form (a copy of which is attached as **Exhibit “E”** to this Agreement) upon your completion of the initial training program. At our sole discretion, we will make available other ongoing continuing education and training programs, meetings or seminars (on an optional or mandatory basis), as we deem appropriate. We may also host one (1) or more conventions per calendar year, as well as conference telephone calls, which may include education and training. All additional training programs, meetings, seminars, conventions and conference telephone calls provided by us shall be subject to the terms and conditions set forth in Section 6.G. of this Agreement. You and your designated employees must attend and successfully complete all mandatory ongoing continuing education and training programs, and must attend all meetings, seminars, conventions and conference telephone calls, as we may require, and you are responsible for all expenses, which may include travel, lodging, and meals, as well as for the payment of any additional training fees in connection with such additional training, as we may reasonably require.

6. If you already have two or more 3 Natives restaurants in operation, then we are not obligated to, but may, provide on-site pre-opening and opening assistance. You are not required to pay a fee in connection with such on-site assistance, but you will be responsible to pay for all travel and living expenses that we incur in traveling to your Franchised Business in order to provide such opening assistance.

7. We will loan you (or provide access to) a single set of our operating manuals (the “**Manual**” or “**Manuals**”), which shall include specifications for equipment, supplies, inventory, management and operation of the Franchised Business. The Manual may consist of one (1) or more separate manuals and other materials as designated by us and may be in written or electronic form. The Manual is confidential and shall remain our property at all times.

B. Post-Opening Obligations. Our obligations following the opening of the Franchised Business are as follows:

1. We will provide such general advisory assistance and field support deemed by us to be helpful to you in the ongoing operation, advertising and promotion of the Franchised Business.

2. We will continue our efforts to establish and maintain high standards of quality, cleanliness, safety, customer satisfaction and service.

3. We will provide updates, revisions and amendments to our Manual, which may be provided to you from time to time. We may modify the Manual from time to time, but these modifications shall not alter your fundamental status and rights under this Agreement.

4. We will, on a periodic basis, conduct, as we deem advisable, inspections of the Franchised Business and its operations, and evaluations of the methods and the staff employed therein.

5. We will, in our discretion, furnish guidance to you with respect to (a) specifications, standards operating procedures, including provided suggested retail prices; (b) purchasing approved equipment, fixtures, signs, inventory and operating materials and supplies and (c) development and implementation of local advertising and promotional programs. Such guidance will, in our discretion, be furnished in the Manual, bulletins, written reports and recommendations, other written materials, refresher training programs and/or telephonic consultations or consultations at our office.

6. At your request, or if we in our sole discretion deem it necessary, we will provide you additional refresher or continuing training and operational assistance. You are required to pay any costs we incur in connection with providing such training. We also reserve the right to charge you our then-current supplemental training fee, which as of the date of this Disclosure Document is \$1,500. We may, in our sole discretion as we deem necessary, require you or any employee of the Franchised Business, to participate in, at your expense, such additional or refresher training programs at locations we designate.

7. At your request, or if we in our sole discretion deem it necessary, we may periodically furnish you the services of a representative, whether in person or telephonically or via consultations held at our office, to provide additional operating assistance.

All of our obligations under this Agreement are to you, and no other party is entitled to rely on, enforce or obtain relief for breach of such obligations either directly or by subrogation. Although we may voluntarily provide additional services, no additional duties may be implied because we provide those additional services (if any). We have no implied duties or other duties not expressly stated herein.

We have exclusive right and authority to post and maintain a 3NATIVES® internet website, and related websites, and your use, or participation in such websites, if any, will be exclusively under our supervision and authority. We may provide you with a link on our website to a sub-website to be maintained by you upon our written approval.

C. Delegation of Performance. You agree that we have the right to delegate performance of any portion or all of our obligations under this Agreement to third-party designees, whether these designees are our agents or independent contractors with whom we have contracted to perform these obligations. If we do so, such third-party designees will be obligated to perform the delegated functions for you in compliance with this Agreement.

5. FEES

A. Initial Franchise Fee. The initial franchise fee is Thirty-Nine Thousand Five Hundred Dollars (\$39,500), payable by you to us upon execution of this Agreement. The initial franchise fee is non-refundable and deemed fully earned upon receipt by us. At the time you sign your Franchise Agreement, you may purchase additional franchises from us at a discounted rate of Twenty-Nine Thousand Five Hundred Dollars (\$29,500) for each additional franchise. You must sign a separate franchise agreement for each additional franchise that you purchase.

B. Royalty Fees. You will pay to us a continuing nonrefundable monthly royalty fee (the “**Royalty Fee**”) equal to Six Percent (6%) of your monthly Gross Revenue.

Subject to applicable banking laws and regulation, we will establish a direct debit program with your bank to allow for the electronic transfer of the monthly royalty payment, pursuant to your instructions as contained in a pre-authorized bank form substantially in the form set forth in **Exhibit “F”** to this Agreement. In the event that the direct debit program is not available, you must pay us directly, and the payment must

be received by us by 1:00PM Eastern on the fifth calendar day each month for the immediately preceding month for which the payment is due.

C. **MIS Fees.** You will pay to our designated vendor the fees we designate from time to time (the “**MIS Fees**”) for the use of our mandated management information system, as described in Section 6.V. This fee does not cover, and we will not perform, bookkeeping, reporting or tax return services for your Franchised Business.

D. **Marketing Fees.** You will pay us a continuing nonrefundable marketing and advertising fee of Two Percent (2%) of your Gross Revenues per month (the “**Marketing Fee**”). We may from time to time increase or decrease the rate or rates required to be paid by you as a Marketing Fee, provided that (a) your total Marketing Fee will not exceed 3% of your Gross Revenues; and (b) no change in the rate will take effect unless we give you at least 30 days’ prior written notice. Subject to applicable banking laws and regulation, we will establish a direct debit program with your bank to allow for the electronic transfer of the monthly Marketing Fee, pursuant to your instructions as contained in a pre-authorized bank form substantially in the form set forth in **Exhibit “F”** to this Agreement. In the event that the direct debit program is not available, you must pay us directly, and the payment must be received by us prior to 1:00 PM Eastern on the fifth calendar day of each month.

E. **Grand Opening Program.** You must us Five Thousand Dollars (\$5,000) upon signing this Agreement for your grand opening marketing program for the Franchised Business that will be conducted during the first sixty (60) days of operations. The grand opening program will use the marketing, advertising and public relations programs, media and materials we have developed or approved, and is separate from your other marketing and advertising requirements. The grand opening marketing expenses in nonrefundable.

F. **Local Advertising.** For each month during the term of the Franchise Agreement, you will make expenditures related to local marketing advertising in the amount of at least One Percent (1%) of your Gross Revenues per month.

G. **Management Fee.** In the event we choose to operate your Franchised Business, at our option, in order to avoid interruption of business operations, due to your death, mental incapacity or other disability, or we elect to purchase the business assets upon expiration or termination of the Franchise Agreement, or you operate the Franchised Business in a manner that presents a danger to the health or safety of any person, or for any other reason, you will be required to pay us a Management Fee in the amount of Ten Percent (10%) of your monthly Gross Revenue, in addition to any expenses we incur. The Management Fee will be payable to us in addition to any other Royalty Fee or Marketing Fee, or any other funds to which we are entitled.

H. **Late Fees.** If, at any time, we debit your account for payment of the Royalty Fee or the Marketing Fee (the “**Monthly Fees**”), or any other amounts you owe us, and there are not sufficient funds in your account to pay such amount, or your bank refuses to clear the withdrawal in our favor, the unpaid amount will be considered late. Any required report not timely received by us will also be considered late. We will assess a late fee of One Hundred Dollars (\$100) for any payment is delinquent or report or item is not timely received. In addition, all overdue amounts will bear interest, until paid, at the rate of one and a half percent (1.5%) per month, or the highest rate permitted by applicable state law, whichever is less (the “**Default Rate**”). Interest shall be calculated on a daily basis. Late fees and interest charges are nonrefundable. The provision in this Agreement concerning late fees does not mean that we accept or condone late payments, nor does it indicate that we are willing to extend credit to, or otherwise finance, the operation of your Franchised Business. These late fees are intended to reimburse us for our

expenses and to compensate us for our inconvenience and do not constitute interest. Your failure to pay all amounts when due constitutes grounds for termination of this Agreement.

I. Technology Fee. You will pay us our then current monthly Technology Fee for access to the 3 Natives app, 3 Natives rewards and online ordering capabilities. As of the date of this Agreement, the Technology Fee is \$150 per month but we may increase this fee upon written notice to you based on vendor pricing and additional technology that we may add to our System periodically in our sole discretion. You must start paying the Technology Fee the month your Franchised Business opens.

J. Payment Procedures. All monthly payments and any late fees and interest charges required by this Agreement shall be paid through our direct debit program on the fifth calendar day each month, or such other payment method as prescribed by us, following the preceding month for which the applicable fee is being paid throughout the term of this Agreement. At our request, you will execute the pre-authorized bank form attached as **Exhibit “F”** to this Agreement and all other documents necessary to permit us to withdraw funds from your designated bank account by electronic funds transfer (“**EFT**”) for payment of the Monthly Fees and other amounts due us under this Agreement, at the time such amounts become due and payable under this Agreement. Should any EFT not be honored by your bank for any reason, you agree that you will be responsible for that payment and any service charge. If any payments are not received when due, interest and late fees may be charged in accordance with Section 5.I. Upon written notice to you, we may designate another method of payment.

K. Definition of Gross Revenue. “**Gross Revenue**” is defined as all sales generated through the Franchised Business including, but not limited to, fees for any services or products sold by you, whether for cash or credit (and regardless of collectability), proceeds received by you in connection with any business interruption insurance, and income of every kind or nature related to the Franchised Business including barter and trade; provided, however, that “**Gross Revenue**” shall not include the price of services or products credited to or returned by clients and any sales tax or other taxes collected from clients by you for transmittal to the appropriate taxing authority, nor shall it include discounts attributable to coupons.

L. Application of Payments. Notwithstanding any designation you might make, we have sole discretion to apply any of your payments to any of your past due indebtedness to us. You acknowledge and agree that we have the right to set off any amounts you owe us against any amounts we might owe you.

M. Payment Offsets. We may set off from any amounts that we may owe you any amount that you owe to us, or our affiliates, for any reason whatsoever, including without limitation, Monthly Fees, late payment penalties and late payment interest, amounts owed to us or our affiliates for purchases or services, or for any other reason. Thus, payments that we make to you may be reduced, in our discretion, by amounts that you owe to us or our affiliates from time to time. In particular, we may retain (or direct to our affiliates) any amounts that we have received for your account as a credit and payment against any amounts that you may owe to us, or our affiliates, at any time. We may do so without notice to you. You do not have the right to offset payments owed to us for amounts purportedly due to you from us or our affiliates.

6. YOUR DUTIES

A. Compliance with System. You understand and acknowledge that every detail of the appearance and operation of the Franchised Business in compliance with the System is critical to us, and to other franchisees in order to:

1. Develop and maintain high and uniform operating standards;

2. Increase the demand for the products and services sold by franchisees; and
3. Protect the Proprietary Marks and the System, and our trade secrets, reputation and goodwill.

B. Site Selection. You will have ninety (90) days following the Effective Date of this Agreement to locate and receive our written approval of a site for the Franchised Business in accordance with the provisions of Section 6.B. You must open the Franchised Business within twelve (12) months from the Effective Date of this Agreement, unless we grant you an extension, which we may choose to grant in our sole discretion. You acknowledge that the selection, procurement and development of a site for the Franchised Business is your responsibility. You acknowledge that our approval of a prospective site and the rendering of assistance in the selection of a site does not constitute a representation, promise, warranty or guaranty by us that the Franchised Business operated at that site will be profitable or otherwise successful. You shall engage a licensed commercial real estate broker in connection with the selection and acquisition of a site for the Franchised Business (in addition to any other professionals you may choose to consult or engage). You shall use only the commercial real estate brokerage firm(s) that we designate or approve in connection with the selection and acquisition of the premises for the Franchised Business, and you are solely responsible for the amount of any commissions due to said real estate brokerage firm(s) and not otherwise paid by the landlord of the premises.

You must obtain our approval of the lease or sublease (or any modification or amendment) for the Site prior to you executing said lease or sublease. We will not review the form of lease or sublease for the Site unless you deliver to us a copy of the lease or sublease and our standard Addendum to Lease Agreement/Conditional Assignment of Lease (both of which shall have been signed by the landlord, unless we otherwise agree in writing). Our review of the lease or sublease shall be limited, and you may not rely on our acknowledgment that the lease or sublease satisfies our requirements to signify that we have approved the terms and provisions of the lease or sublease in all respects. It is up to you and the professionals (e.g. attorneys, consultants, etc.) you hire to make that judgment. You agree to obtain all necessary consents, approvals and signatures from the landlord or lessor for the Site. You will not subsequently modify, extend or otherwise alter the terms and conditions of the lease or sublease without our prior written approval. You must deliver a copy of the signed lease or sublease to us within ten (10) days after it is signed by both you and the landlord. You agree to abide by the terms of said lease or sublease.

Your failure to locate a suitable site for the Franchised Business in accordance with the terms of this Section will be deemed a material event of default under this Agreement.

C. Construction and Finish Out. You are solely responsible for developing and constructing the Site for your Franchised Business, for all expenses associated with it, and for compliance with the requirements of any applicable federal, state or local law or ordinance. We may furnish you with mandatory and suggested specifications and layouts for a 3 Natives restaurant, including requirements for dimensions, design, color scheme, image, interior and exterior layout, décor, fixtures, equipment, signs and furnishings. Alternatively, at our election and at your expense, you may engage an interior designer selected by us to assist you with the dimensions, design, color scheme, image, interior and exterior layout, décor, fixtures, equipment, signs and furnishings. You shall, at your expense, have an architect prepare all required construction plans and specifications to suit the shape and dimensions of the Site and to ensure that such plans and specifications comply with applicable ordinances, building codes, permit requirements, lease requirements and restrictions, and the mandatory specifications and layout provided by us. You acknowledge that design quality is important to us and that we have the right to review and accept all plans and specifications and to confirm that construction is completed in conformance with our standards and specifications for a 3 Natives restaurant. You will use in the development and operation of your Franchised

Business only those (and each of those) brands, types and/or models of equipment, furniture, fixtures and signs specified by us and using only suppliers designated or approved by us, which may include and/or be limited to us and/or our affiliates. We may inspect your Franchised Business during its development.

D. Opening Date. You must complete construction and begin operations of the Franchised Business within one year from the date that you sign the Franchise Agreement. You may not open the Franchised Business to the public until you have received our prior written approval. You should not construe our statement as any assurance, warranty or representation by us that your Franchised Business will be successful, make a profit, or continue to comply with all of our requirements and governmental requirements. You acknowledge that time is of the essence. Before the opening date, you must complete all exterior and interior preparations for the Franchised Business, including installation of equipment, fixtures, furnishings and signs, pursuant to the plans and specifications we have approved, and must comply with all other pre-opening obligations. In addition, you must obtain all required governmental licenses and permits necessary to operate your Franchised Business. If you fail to comply with any of these obligations, we have the right to prohibit you from opening the Franchised Business. Your failure to open your Franchised Business in compliance with these provisions will be deemed a material event of default under this Agreement.

E. Initial Training. In accordance with the terms and conditions set forth in Section 4.A. above, you (or your Operating Principal) and your approved manager or other key personnel must attend and complete to our reasonable satisfaction our initial training program prior to the opening of the Franchised Business.

F. Supervision Requirements. The Franchised Business shall at all times be under the direct, on-premises supervision of you (or your Operating Principal), or the supervision of a manager approved by us who (i) has attended and successfully completed our training program(s); and (ii) will devote his or her full time and energy during business hours to the supervision and management of the Franchised Business. You (or your Operating Principal) must at all times remain active in overseeing the operations of your Franchised Business. Unless we approve otherwise, your Operating Principal must have and retain at least five percent (5%) ownership in the Franchised Business. You (or your Operating Principal) or your approved manager are required to be directly involved in the day-to-day operations of the Franchised Business. Notwithstanding anything to the contrary contained herein, you (or your Operating Principal) must participate in the Franchised Business as follows:

1. You must submit an initial business plan for each Franchised Business prior to commencing operations and an annual business plan for each year thereafter; you also must submit annual financial statements, which shall include an income statement and balance sheet, prepared in accordance with generally accepted accounting principles, within ninety (90) days of fiscal year end, and a profit and loss statement within ten (10) days of the end of each month;
2. You must be directly responsible for all accounting, reporting and bookkeeping;
3. You (and your approved manager if you will not be the on-site supervisor) must attend initial training and ongoing training courses that may be required by us;
4. You must attend any meeting of franchisees that is called by us;
5. You must be directly involved with the site selection, construction, remodeling and all financial components of the Franchised Business;

6. You and/or your approved manager (who is your employee) must be directly involved in all personnel decisions; and

7. You must comply with and be subject to all reasonable supervision of your Franchised Business by us in accordance with our operating policies and procedures, including, but not limited to, inspections, reports, and guidance.

G. Ongoing Training. You will cause your employees (including any person subsequently acting as the manager of the Franchised Business) to attend and complete, to our reasonable satisfaction, such special programs or periodic additional training as we may require in writing from time to time. We reserve the right to charge you a fee in connection with such ongoing, or supplemental, training, which as of the date of this Disclosure Document is \$1,500 per employee. You and/or your employees shall be responsible for any and all other expenses incurred in training, including, without limitation, the costs of meals, entertainment, lodging, travel, laundry and wages.

H. Operation of the Franchised Business. You must (i) use the Franchised Business solely for the operation of the Franchised Business that is licensed by this Agreement in strict accordance with the Manuals; (ii) keep the Franchised Business open and in normal operation for such minimum hours and days as we may from time to time prescribe; and (iii) refrain at all times from using or permitting the use of the premises of the Franchised Business for any other purpose or activity other than as contemplated by this Agreement without first obtaining our written consent.

I. Maintenance. You must continuously maintain the Franchised Business in the highest degree of sanitation, repair and condition as we may reasonably require, and in connection therewith shall make such additions, alterations, repairs and replacements thereto (but not without our prior written consent) as may be required for that purpose, including without limitation, such periodic redecorating, replacement of inventory and replacement of obsolete signs, fixtures or materials as we may reasonably direct, or as otherwise required under the lease for the Franchised Business. The expense of such maintenance shall be borne by you and shall be in addition to any expenditures you are required to make under Section 6.L. (design modifications) and Section 6.N. (System modifications).

J. Health and Safety Standards. You must meet and maintain the highest safety standards and ratings applicable to the operation and management of your Franchised Business and its personnel as we may reasonably require.

K. Working Capital. You must meet and maintain sufficient levels of working capital for use in connection with the management and operation of your Franchised Business as we may reasonably require.

L. Design Modifications. You must conform to our requirements with regard to alterations, remodeling, upgrading or other improvements to the site of your Franchised Business. You will be required to make these alterations and upgrades from time to time during the term of your franchise and any renewal terms in accordance with our standards for new Franchised Businesses. However, you agree to abide by our minimum requirement that at our request, which in no event will be made more than once every five (5) years, except as otherwise provided in this Agreement, you must refurbish the Franchised Business, at your expense, to conform to the then-current 3 Natives restaurant design and decor, trade dress, color scheme and presentation of trademarks and service marks consistent with the design concepts then in effect for new 3 Natives franchises licensed to operate under the System and in accordance with the Manuals, including, without limitation, such structural changes, remodeling, redecoration and other modifications to existing improvements as we deem necessary.

M. Compliance with Uniform Standards. You must operate your Franchised Business in strict conformity with such uniform methods, standards and specifications as we may from time to time prescribe for 3 Natives franchises to ensure that the highest degree of quality service is uniformly maintained. You must conduct your business in a manner that reflects favorably at all times on the System and the Proprietary Marks. You further agree that any advertising, promotion, and marketing you conduct will be completely clear and factual and not misleading. You shall at no time engage in deceptive, misleading or unethical practices, or conduct any other act which may have a negative impact on our reputation and goodwill or that of any other franchisee operating under the System. Pursuant to this ongoing responsibility, you agree:

1. To sell or offer for sale all menu items, products and services required by us, utilizing the method, manner and style of distribution that we prescribe in writing, in the Manuals or otherwise. Distribution methods may include, but are not limited to, dine-in, carry-out, and catering services, and must be expressly authorized by us in writing, in the Manuals or otherwise. You agree to comply with the terms of any such distribution program and, in connection therewith, to execute such documents or instruments that we may deem necessary;

2. To maintain in sufficient supply, as we may prescribe in the Manuals or otherwise in writing, and use at all times only such products and supplies as conform to our standards and specifications as contained in the Manuals, as revised and updated from time to time and to refrain from deviating therefrom without our prior written consent;

3. To sell or offer for sale only such services and products as meet our uniform standards of quality and quantity which have been expressly approved for sale in writing by us in accordance with our methods and techniques; to sell or offer for sale all approved items; to refrain from any deviation from our standards and specifications for serving or selling such services or products; to discontinue selling and offering for sale any such services or products as we may, in our sole discretion, disapprove in writing at any time; and to not offer for sale, sell or provide through or from your Franchised Business any products or services that we have not approved;

4. To lease or purchase and install, at your expense, all equipment, fixtures, furnishings, and signage as we may reasonably specify from time to time in the Manual or otherwise in writing, and to refrain from installing or permitting to be installed on or about the Franchised Business without our prior written consent any equipment, fixtures, furnishings, signs, cards, promotional literature, or other items not previously specifically approved as meeting our standards and conforming to our specifications;

5. To purchase and maintain any and all signs and signage for use at the Franchised Business, whether for interior or exterior use, in conformity with our quality control standards and specifications;

6. To employ such minimum number of employees as may be prescribed by us and to comply with all applicable federal, state and local laws, rules and regulations with respect to such employees. You may be required by us to ensure that all employees whose duties include customer service to have sufficient literacy and fluency in the English language (within the United States), or in such other language that is the primary or official language of that franchised location, to adequately serve the public in accordance with our standards and goals;

7. To maintain at all times a staff of competent, conscientious and trained employees sufficient to operate your Franchised Business in compliance with our System and standards and any applicable governmental, licensing and labor laws;

8. To maintain high standards of quality and service in the operation of your Franchised Business, including operating in strict compliance with all applicable rules and regulations. You shall at all times give prompt, courteous and efficient service to customers of your Franchised Business. You shall in all dealings with your customers, vendors and the general public, adhere to the highest standards of honesty, fair dealing and ethical conduct.

9. To respond to customer reviews publicly unless we advise otherwise. If we deem that you did not fairly handle a customer complaint or that you have operated outside of applicable rules and regulations, we have the right to intervene and satisfy the customer or respond to the customer's review. You shall reimburse us for all costs and expenses (including attorneys' fees) incurred by us in servicing a customer of your restaurant or responding to negative publicity pursuant to this Section.

10. To maintain all licenses and permits in good standing.

N. Modification of the System. We have the right to change or modify the System from time to time, including, without limitation, the adoption and use of new or modified Proprietary Marks or copyrighted materials, and new or additional menu items, recipes, computer hardware, software, equipment, inventory, supplies or techniques. You will promptly comply with any such changes in, or additions to, the System and will make such expenditures as such changes, additions or modification in the System may require. Any required expenditure for changes or upgrades to the System will be in addition to expenditures otherwise required pursuant to this Section 6.

O. Variance. We have the right, in our sole discretion and as we may deem in the best interests of all concerned in any specific instance, to vary standards or specifications for any franchisee based upon that particular franchisee's qualifications, the peculiarities of a particular site or circumstances, the demographics of the trade area, business potential, existing business practices, or any other condition which we deem to be of importance to the successful operation of any particular 3 Natives restaurant. We will not be required to disclose or grant to you a like or similar variance hereunder.

P. Designated and Approved Products and Suppliers.

1. You acknowledge that the reputation and goodwill of the 3 NATIVES® System is based in large part on offering high quality services and products to our customers. Accordingly, you shall provide or offer for sale or use or consumption at the Franchised Business only those menu items, ingredients, vitamin and nutritional supplements, food, beverages, packaging, supplies, signs, equipment and other items and services that we from time to time approve (and which are not thereafter disapproved) and that comply with our specifications and quality standards. If required by us, any such services or items shall be purchased only from "**Approved Suppliers**" that we designate or approve (which might include and/or be limited to us and/or our affiliates). You shall not offer for sale, sell or provide through the Franchised Business or from the Site, any services or products that we have not approved.

2. We will provide you, in the Manual or other written or electronic form, with a list of specifications and, if required, a list of Approved Suppliers for some or all of these items and may from time to time issue revisions thereto. If you desire to utilize any services or products that we have not approved (for those services, products, and menu items that require supplier approval), you must first send us sufficient information, specifications and/or samples for us to determine whether the product or service complies with our standards and specifications, or whether the supplier meets our Approved Supplier criteria.

3. You will bear all reasonable expenses incurred by us (which are estimated to range from \$500 to \$2,000) in connection with determining whether we will approve an item, service or supplier.

We will decide within a reasonable time (usually thirty (30) days) after receiving the required information whether you may purchase or lease such services or items or from such supplier. Approval of a supplier may be conditioned on requirements related to the frequency of delivery, standards of service, consistency, reliability and general reputation. Nothing in this Section will be construed to require us to approve any particular supplier, or to require us to make available to prospective suppliers, standards and specifications that we, in our discretion, deem confidential.

4. Notwithstanding anything contrary in this Agreement, we have the right to review from time to time our approval of any items, services or suppliers. We may revoke our approval of any item, service or supplier at any time, in our sole discretion, by notifying you and/or the supplier. You shall, at your own expense, promptly cease using, selling or providing any items or services disapproved by us and shall promptly cease purchasing from suppliers disapproved by us.

5. We have the right to designate certain services and products, not otherwise authorized for general use as part of the System, to be offered locally or regionally based upon such factors as we determine, including, but not limited to, franchisee qualifications, test marketing and regional or local differences. We have the right, in our sole discretion, from time to time to give our consent to one (1) or more franchisees to provide certain services or products not authorized for general use as part of the System. Such consent will be based upon the factors set forth in Section 6.O. and will not create any rights in you to provide the same services or products.

6. We or our affiliates have the right to retain volume rebates, markups and other benefits from suppliers or in connection with the furnishing of suppliers. You will have no entitlement to or interest in such benefits, unless otherwise agreed to by us in writing.

Q. Market Research. We may conduct market research and testing to determine consumer trends and the salability of new menu items, food products and services. You agree to participate in such market research programs as may be conducted by us, in our sole discretion, by test marketing new service or product items in the Franchised Business. You agree to provide us with timely reports and other relevant information regarding market research. You agree to purchase a reasonable quantity of the tested products and effectively promote and make a reasonable effort to sell the products and/or services.

R. Inspection of Premises. You must permit us or our agents or representatives to enter upon the premises of the Franchised Business at any time with or without prior notice to you, for purposes of conducting inspections, taking photographs and interviewing employees and clients. You will cooperate fully with us or our agents or representatives in such inspections by rendering such assistance as they or we may reasonably request. Upon notice from us or our agents or representatives, and without limiting our other rights under this Agreement, you shall take such steps as may be necessary to immediately and diligently correct any deficiencies detected during such inspections, including, without limitation, immediately ceasing and preventing the further use of any products, equipment, inventory, advertising materials, supplies or other items that do not conform to our then current specifications, standards or requirements. In the event you fail or refuse to correct such deficiencies, we shall have the right to enter upon the premises of the Franchised Business, without being guilty of trespass or any other tort, for the purpose of making or causing to be made such corrections as may be required, at your sole expense which you agree to pay upon demand.

S. Proprietary Methods. You acknowledge and agree that we have developed certain services, products, operational systems and management techniques and may continue to develop additional proprietary methods and techniques and products for use in the operation of the Franchised Business which are all highly confidential and which are our trade secrets. Because of the importance of quality control, uniformity of services and products and the significance of such proprietary products in the

System, it is to the mutual benefit of the parties that we closely control the dissemination of this proprietary information. Accordingly, you agree that in the event such information and techniques become a part of the System, you will comply with and strictly follow these techniques in the operation of your Franchised Business and shall purchase from us or from an approved or designated source any supplies or materials necessary to protect and implement such techniques.

We are continually creating and developing special procedures, standards and methods for operating and maintaining a 3 Natives restaurant, which are incorporated in our Manual. You shall ensure that your Franchised Business is developed and operated solely in accordance with our requirements and specifications as set forth in the Manual, as may from time to time be made known to you.

T. Development of the Market. You must at all times use your best efforts to promote and increase the sales and consumer recognition of the products and services offered at the Franchised Business pursuant to the System and the Manual, to effect the widest and best possible distribution of our products and services from the Franchised Business and to devote your best efforts in controlling the Franchised Business, its managers, assistants and employees.

U. Display of Proprietary Marks and Logos. You must display our Proprietary Marks and logos at the Franchised Business, on uniforms and otherwise in the manner prescribed by us. The color, design and location of said displays shall be specified by us and may be changed from time to time in our sole discretion. Specifically, you must conspicuously display to clients the sign or notice designated by us which will serve to notify and inform third parties that we are engaged in the business of franchising and which will provide sufficient information to enable third parties to contact us to inquire about prospective franchises. You must not display any signs or posters at the premises or elsewhere without our prior written consent.

V. Computerized Point-of-Sale System.

1. You must, at your sole cost, purchase, use, maintain and update the computer systems (collectively, the “**Computer System**”) we specify from time to time for use in the operation of the Franchised Business, and will follow the procedures related thereto that we specify in the Manuals or otherwise in writing. The Computer System has various components, including (without limitation), designated computer hardware and software, a computerized point-of-sale system (the “**POS System**”), and related services, such as maintenance, service and support, internet access and data polling. You may be required to obtain some of these components and services directly from us, our affiliates or designated or approved suppliers. You may incur monthly fees for ISP, ASP, data polling services and the like. You may incur additional licensing fees or other monthly costs for the software we require. We may add additional software or Computer System requirement upon notice to you which may require additional cost and monthly fees.

2. You must maintain the Computer System in good working order at all times and upgrade, update or otherwise change the Computer System during the term of this Agreement, as we require. Our modifications and specifications for components of the Computer System may require you to incur costs to purchase, lease or license new or modified computer hardware and software or to obtain service and support for the Computer System during the term of this Agreement. You agree to comply with modifications to the Computer System within thirty (30) days after you receive notice of such modifications.

3. You are required to participate in a mandated management information system, which includes certain internet and/or intranet networks that are capable of connecting with our computer systems (collectively, the “**MIS System**”). The MIS System allows us to review the results of your

Franchised Business' operations, provide you information, and otherwise facilitate communications among us and our franchisees. You must pay our then-current fees to participate in the MIS System, at the times and in the manner we designate in the Manuals or otherwise in writing. We reserve the right to poll (via modem or otherwise) your POS System in order to compile sales data, consumer trends, and labor costs, and other such financial and marketing information as we deem appropriate, and you acknowledge that we may distribute this data on a confidential basis to our network of franchisees.

4. Your Computer System must be capable of connecting with our computer systems, performing the functions we designate for the Franchised Business, permitting us to review the results of your Franchised Business' operations, and engaging in any e-commerce activities that we designate. In addition to any access we may have to your Computer System through the MIS System, you must: (a) supply us with any and all codes, passwords and information necessary to have access to your Computer System, and not change them without first notifying us; and (b) not load or utilize any software on the Computer System that we have not specified or approved for use. You will continuously comply with each of our then-current terms of use and privacy policies (and all other requirements) regarding the Computer System, including (but not limited to) internet use.

5. You will pay us our then current monthly Technology Fee for access to the 3 Natives app, 3 Natives rewards and online ordering capabilities. As of the date of this Agreement, the Technology Fee is \$150 per month but we may increase this fee upon written notice to you based on vendor pricing and additional technology that we may add to our System periodically in our sole discretion. You must start paying the Technology Fee the month your Franchised Business opens.

6. You will receive one 3 Natives email address for your Franchised Business and must use it for all business purposes for your Franchised Business including communicating with us and your customers. You can obtain additional email addresses for our then current fee which as of the date of this Agreement is \$25 per month per email address. In sending emails from your 3 Natives email address, you shall identify yourself as an independent owner and operator of the Franchisee entity doing business as a 3 Natives. You shall refrain from giving out titles to employees and your staff that could cause confusion to the public as to the ownership of the Franchisor and as to our and your franchise relationship.

W. Supplemental Marketing Programs. You acknowledge that (a) supplemental marketing programs (e.g., limited time offers, gift cards, gift certificates, coupons, loyalty programs, customer relationship management and other supplement marketing programs) are an integral part of the System; and (b) you will be required to participate in (and comply with) such supplemental marketing programs established by us from time to time. You acknowledge that you may be responsible for the payment of certain costs associated with these supplemental marketing programs. We reserve the right to establish (and set forth the terms and conditions of) such supplemental marketing programs through (i) a supplement and/or modification to the Manual, or (ii) other written directive.

X. Other Requirements. You must timely comply with all other requirements set forth in this Agreement, in the Manual, as revised and updated, or otherwise as we may designate from time to time. You must comply with all applicable federal, state, and local laws and regulations pertaining, directly or indirectly, to your Franchised Business. We may from time to time establish maximum, minimum or other pricing requirements to the fullest extent allowed by law.

7. PROPRIETARY MARKS

A. Grant of License. We grant you the right and license to use the Proprietary Marks in connection with the operation of your Franchised Business and the provision of authorized services and products to your clients. We represent, with respect to the Proprietary Marks, that: (1) we have, to the best

of our knowledge, all right, title and interest in and to the Proprietary Marks; (2) we shall take all steps, which we deem reasonably necessary, to preserve and protect the ownership and validity of such Proprietary Marks; and (3) we will use and license you and other franchisees to use the Proprietary Marks only in accordance with the System and the operating standards and quality control specifications attendant thereto which underlie the goodwill associated with and symbolized by the Proprietary Marks.

B. Conditions for Use. With respect to your use of the Proprietary Marks pursuant to the license granted under this Agreement, you agree that:

1. You must use only the Proprietary Marks designated by us and shall use them only in the manner required or authorized and permitted by us.

2. You must use the Proprietary Marks only in connection with the right and license to operate the Franchised Business granted under this Agreement.

3. During the term of this Agreement and any renewal of this Agreement, you must identify yourself as a licensee and not the owner of the Proprietary Marks and shall make any necessary filings under state law to reflect such status. In addition, you must identify yourself as a licensee of the Proprietary Marks on all invoices, order forms, receipts, business stationery and contracts, as well as at the Franchised Business on a sign that is conspicuously displayed to clients.

4. Your right to use the Proprietary Marks is limited to such uses as are authorized under this Agreement or in the Manuals, and any unauthorized use thereof shall constitute an infringement of our rights and grounds for termination of this Agreement.

5. You may not use the Proprietary Marks to incur or secure any obligation or indebtedness.

6. You may not use the Proprietary Marks as part of your corporate or other legal name.

7. You must comply with our instructions in filing and maintaining the requisite trade name or fictitious name registrations, and must execute any documents our counsel or we deem necessary to obtain protection for the Proprietary Marks or to maintain their continued validity and enforceability.

8. In the event that you become aware of any infringement of the Proprietary Marks or if your use of the Proprietary Marks is challenged by a third party, then you are obligated to immediately notify us, and we will have sole discretion to take such action as we deem appropriate. You will cooperate and assist as required by us in any enforcement activities or litigation as we deem necessary to fully protect all our interests in the Proprietary Marks, including any state and federal trademark and service mark registrations for the Proprietary Marks, or to protect the System. If we determine that no action to protect the Proprietary Marks is necessary, then you may take any action you deem necessary to protect your own interest, at your own expense.

9. We reserve the right to change, revise, or substitute different Marks and Trade Names for use in identifying the System and the products and services used or sold at the Franchised Business, if the Marks or Trade Name no longer can be used, or if we, in our sole discretion, determine that substitution of different Marks or Trade Name will be beneficial to the System. In such circumstances, the use of the substituted Marks or Trade Name will be governed by the terms of this Agreement. You will modify or discontinue the use of any such name or mark, within a reasonable time after receiving notice, and use such additional or substitute name or mark, and shall be responsible for the tangible costs (such as

replacing signs and materials) of complying with this obligation. We will not reimburse you for any loss of revenue attributable to any modified or discontinued Proprietary Mark or for any expenditure you make to change names or marks or to promote a modified or substitute name or mark.

C. Acknowledgements. You expressly understand and acknowledge that:

1. We are the owners of all right, title and interest in and to the Proprietary Marks and the goodwill associated with and symbolized by them;

2. The Proprietary Marks are valid and serve to identify the System and those who are licensed to operate a 3 Natives franchisee in accordance with the System;

3. Your use of the Proprietary Marks pursuant to this Agreement does not give you any ownership interest or other interest in or to the Proprietary Marks, except the nonexclusive license granted in this Agreement;

4. Any and all goodwill arising from your use of the Proprietary Marks and/or the System shall inure solely and exclusively to our benefit, and upon expiration or termination of this Agreement no monetary amount shall be assigned as attributable to any goodwill associated with your use of the System or the Proprietary Marks;

5. The license and rights to use the Proprietary Marks granted by this Agreement to you are nonexclusive, and we may: (a) ourselves use, and grant franchises and licenses to others to use, the Proprietary Marks and the System; (b) establish, develop and franchise other systems, different from the System licensed to you in this Agreement, without offering or providing you any rights in, to or under such other systems; and (c) modify or change, in whole or in part, any aspect of the Proprietary Marks or the System, so long as your rights thereto are in no way materially harmed thereby;

6. We reserve the right to substitute different trade names, trademarks and service marks for use in identifying the System, the Franchised Business and other 3 Natives franchises operating thereunder, all of which shall become Proprietary Marks;

7. We shall have no liability to you for any senior users that may claim rights to the Proprietary Marks;

8. You shall not register or attempt to register the Proprietary Marks in your name or that of any other person, firm, entity or corporation; and

9. You shall not establish a website on the Internet using any domain name or uniform resource locator containing any of the Proprietary mark or the word "3 NATIVES®," "3 NATIVES ACAI & JUICERY," and "3 NATIVE ACAI CAFÉ" or any variation thereof without our prior written consent. We retain the sole right to advertise on the Internet and to create and maintain a website using the "3 NATIVES" domain name. We are the sole owner of all right, title and interest in and to such domain names as we may designate in the Manual or otherwise in writing.

8. CONFIDENTIAL MANUALS

A. Compliance. In order to protect our reputation and goodwill and to maintain uniform standards of operation in connection with the Proprietary Marks, you shall conduct your business in strict compliance with the operational systems, procedures, policies, methods and requirements prescribed in the Manual and any supplemental bulletins, notices, revisions, modifications, or amendments

thereto, all of which shall be deemed a part thereof. One (1) Manual shall be provided to you on loan from us while this Agreement is in effect, and you shall sign a corresponding receipt therefore.

B. Use. You agree to immediately adopt and use the programs, services, methods, standards, materials, policies and procedures set forth in the Manual, amendments thereto, as we may modify them from time to time. You acknowledge that we are the owner or licensee of all proprietary rights in and to the System and the Manual, and any changes or supplements thereto.

C. Confidentiality. You acknowledge and agree that the Manual is proprietary, include trade secrets belonging to us, and are disclosed to you or authorized for your use in the operation of the Franchised Business, solely on the condition that you agree, and you therefore do agree, to treat the Manuals, including amendments and modifications thereto, and all of the information contained therein, as proprietary and confidential. You shall use all reasonable efforts to maintain such information as confidential. The Manual must remain in a secure location on the premises of the Franchised Business at all times.

D. Access. The Manual must be accorded maximum security consistent with your need to make frequent reference thereto. You shall strictly limit access to the Manual to employees who have a demonstrable and valid need to know the information contained therein in order to perform their duties. You must strictly follow any provisions in the Manuals regarding the care, storage and use of the Manual and all related proprietary information.

E. Duplication. You shall not at any time, without our prior written consent, copy, duplicate, record or otherwise reproduce in any manner any part of the Manual, updates, supplements, amendments or related materials, in whole or in part, or otherwise make the same available to any unauthorized person.

F. Our Property. The Manual shall at all times remain our sole property. Upon the expiration or termination of this Agreement for any reason, you shall return to us the Manual and all supplements and amendments thereto.

G. Updates or Revisions. We have the right to prescribe additions to, deletions from or revisions to the Manual, as well as amendments, which shall become binding upon you upon being mailed or otherwise delivered to you or posted; provided, however, that no such addition or modification will alter your fundamental status and rights under this Agreement.

H. Master Set. You shall at all times ensure that your set of the Manual is kept current and up-to-date, and in the event of any dispute as to the contents of the Manuals, the terms contained in the master set of the Manual maintained by us at our headquarters shall be controlling.

9. CONFIDENTIAL INFORMATION

A. Types of Confidential Information. We possess (and will continue to develop and acquire) certain confidential information, some of which constitutes trade secrets under applicable law (the “**Confidential Information**”) relating to the development and operation of 3 Natives restaurants, including (without limitation):

1. site selection criteria and development methods;
2. training and operations materials and manuals, including, without limitation, the Manual;

3. methods, techniques, formats, specifications, procedures, information and systems related to, and knowledge of and experience in, the development, operation and franchising of 3 Natives restaurants;
4. market research, promotional, marketing and advertising programs for 3 Natives restaurants;
5. knowledge of specifications for, and suppliers of, certain products, materials, supplies, furniture, furnishings and equipment;
6. any computer software or similar technology which is proprietary to us, our affiliates or the System, including, without limitation, digital passwords and identifications, any source code of, and data, reports and other printed materials generated by, the software or similar technology;
7. recipes, formulas, preparation methods and serving techniques;
8. knowledge of the operating results and financial performance of 3 Natives restaurants, other than the Franchised Business;
9. e-commerce related data (e.g., client data, click-stream data, cookies, user data, hits and the like); and
10. customer, supplier and vendor records of all types.

B. Confidential Relationship. The parties expressly understand and agree that the relationship established between you and us by this Agreement is one of confidence and trust, and that as a result, we will be disclosing and transmitting to you certain trade secrets and other Confidential Information concerning various aspects of your development of the Franchised Business, its methods of operation, techniques and all proprietary systems, procedures and materials relevant thereto, pursuant to the System and this Agreement. In addition, during the course of your development and operation of the Franchised Business, you, your employees, owners or agents may develop ideas, copyrightable works, concepts, methods, techniques or improvements (“**Improvements**”) relating to your Franchised Business, which you agree to promptly disclose to us. We will be deemed to own the Improvements, whether developed separately or in conjunction with us, and may use them and authorize you and others to use them in the operation of 3 Natives restaurants. Improvements will then also constitute Confidential Information. In the event that the foregoing provisions are held to be invalid or otherwise unenforceable, you and your owners hereby grant to us an irrevocable, worldwide, perpetual, exclusive, royalty-free license, with the right to sublicense such information, improvement or technique.

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

1. You shall treat and maintain the Confidential Information as confidential both during the term of this Agreement and thereafter;
2. You shall use the Confidential Information only for your operation of the Franchised Business under this Agreement, and not in any other business or capacity;

3. You shall not make unauthorized copies of any portion of the Confidential Information (whether disclosed via electronic medium or in written or other intangible form), including, for example, the Manual;

4. You shall disclose the Confidential Information only as necessary to your employees or agents who have a demonstrable and valid need-to-know the Confidential Information, and not to anyone else;

5. You shall advise your employees or agents of the confidential nature of such information and the requirements of nondisclosure thereof; and

6. You shall adopt and implement all reasonable procedures that we prescribe from time to time to prevent the unauthorized use or disclosure of the Confidential Information, including, without limitation, restrictions on disclosure of Confidential Information to your employees and the use of nondisclosure and noncompetition agreements we may prescribe for employees or others who have access to the Confidential Information. We shall be designated a third-party beneficiary of such nondisclosure and noncompetition agreements, with the independent right to enforce such agreements.

These covenants shall survive the expiration, termination or transfer of this Agreement or any interest herein, and shall be perpetually binding upon you and each of your owners.

D. Exceptions to Confidentiality. The restrictions on your disclosure and use of Confidential Information will not apply to the following:

1. disclosure or use of information, processes or techniques which you can demonstrate lawfully came to your attention prior to disclosure by us to you;

2. disclosure or use of information, processes or techniques which are generally known and used in the fast-casual dining industry (as long as the availability is not because of a disclosure by you); and

3. disclosure of Confidential Information in judicial or administrative proceedings when and only to the extent you are legally compelled to disclose it, provided that you have first given us the opportunity to obtain an appropriate protective order or other assurance satisfactory to us that the information required to be disclosed will be treated confidentially.

E. Remedies. You acknowledge that in addition to any remedies otherwise available to us under this Agreement, you agree to pay all court costs and reasonable attorneys' fees incurred by us in obtaining specific performance of, or a temporary restraining order and/or an injunction against violation of, the requirements of this Section 9.

F. Communication with Clients. In order to maintain the high standards of quality control throughout the System, we reserve the right to engage in "secret shopper" type programs and use test clients from time to time, without prior notification to you, in order to determine whether the Franchised Business is maintaining high standards of quality, integrity, safety, appearance and customer service.

10. ACCOUNTING, INSPECTIONS AND RECORDS

A. Maintenance of Books and Records. You shall maintain during the term of this Agreement and shall preserve for not less than seven (7) years from the date of preparation full, complete

and accurate books, records and accounts in accordance with the System and in the form and manner prescribed by us in the Manual or otherwise in writing from time to time.

B. Monthly Reports. During the term of this Agreement, we shall have the right to access your POS system and retrieve monthly statements of your Gross Revenue during the preceding month, together with such other data or information as we may require. If your POS system is not functioning due to your failure to pay the monthly charges for the POS system, and we are unable to retrieve such reports, a late fee will be assessed for untimely submission in accordance with Section 5 above.

C. Financial and Related Reporting. During the term of this Agreement, you shall, at your expense, submit to us, on such forms that we prescribe from time to time:

1. within ninety (90) days of the completion of your fiscal year, an annual financial statement, which shall include an income statement and balance sheet prepared in accordance with generally accepted accounting principles;

2. within ten (10) days of the end of each month, a profit and loss statement for the Franchised Business for the immediately preceding month; and

3. within ninety (90) days of the completion of your fiscal year, copies of all federal and state tax returns; and

Each annual financial statement and tax return shall be compiled by an independent certified public accounting firm and signed by you attesting that the statement is true and correct. We may require the financial statements to be prepared on a consolidated basis for each Franchised Business that you and your affiliates own. We also reserve the right to require you to submit to us certified financial statements for any period or periods of any fiscal year, which shall be certified by your accounting firm and attested to by you. If not timely received by us, a late fee will be assessed pursuant to Section 5 above.

D. Other Submissions. You shall also submit to us, for review and auditing, such other forms, and other reports, including such information and data as we may reasonably designate, in the form and at the times and places reasonably required by us, upon request and as specified from time to time in the Manual or otherwise in writing, at any time during the term of this Agreement. If not timely received by us, a late fee will be assessed pursuant to Section 5 above.

E. Inspection. We or our designated agents shall have the right at all reasonable times to examine and copy, at our expense, your books, records, receipts and tax returns. We shall also have the right, at any time, to have an independent audit made of your books. If an inspection should reveal that any payments to us have been understated in any report to us, then you shall immediately pay to us, upon demand, the amount understated plus interest calculated at the Default Rate on a daily basis. If any inspection discloses an understatement in any report of two percent (2%) or more, you shall, in addition to the payment of interest thereon, reimburse us for any and all costs and expenses connected with the inspection (including, without limitation, reasonable accountants' and attorneys' fees). The foregoing remedies shall be in addition to any other remedies available to us, including termination.

11. ADVERTISING

Recognizing the value of advertising, marketing and promotion and the importance of the standardization of those programs to the furtherance and protection of the Proprietary Marks, goodwill and public image of the System, the parties agree as follows:

A. Submission and Approval of Advertising, Promotional and Marketing Materials. You agree and warrant that any advertising or marketing you conduct will be completely factual. All advertising, promotional and marketing materials to be used by you in any medium shall be presented in a dignified manner and shall conform to such standards and requirements as we may specify from time to time in the Manual or otherwise. You shall submit to us for our prior written approval, samples of all advertising, promotional and marketing materials in whatever form that you desire to use at least fifteen (15) days before their intended use. We shall make reasonable efforts to notify you of our approval or disapproval of the materials, or to make revisions to such materials, within fifteen (15) days from the time of receipt. If you do not receive our written approval within this time period, we will be deemed to have disapproved the materials. You shall comply with all revisions to such advertising, promotional and marketing materials which we may require prior to approving such materials. You shall not use any advertising, marketing or promotional plans or materials, which have not been approved in writing by us, and you shall cease to use any plans or materials promptly upon notice by us. Your failure to obtain our prior written approval for all proposed advertising, marketing and promotion shall be deemed a material event of default under this Agreement. Even if we have approved specified materials, we may later withdraw our approval if we reasonably believe it necessary to make the advertising to conform to changes in the System or to correct unacceptable features of the advertising, including but not limited to any misrepresentation in the advertising material. In the event we withdraw our approval of previously approved marketing, advertising or promotional materials, you must immediately discontinue use of any such materials upon receiving notice from us that we have withdrawn our approval of the materials, and you must return any existing copies of the materials to us, at your expense, within fifteen (15) days of such written notice.

B. Internet Advertising/Sales. We have the exclusive right and authority to post and maintain a 3 NATIVES® internet website and related websites. You may not establish, use, maintain, nor create an internet website, web posting, web page, or host page or otherwise maintain a presence or advertise on the Internet or any other public computer network in connection with the Franchised Business without our prior written approval, which we may withhold for any reason or no reason. We may provide you with a link on our website to a sub-website to be used by you upon our written approval. If we grant you written approval, you agree to submit to us for approval before use true and correct printouts of all pages you propose to use in connection with the Franchised Business. You understand and agree that our right of approval of all such Web materials is necessitated by the fact that such Web materials will include and be inextricably linked with our Proprietary Marks. You may only use material that we have approved. Your Web site must conform to all of our Web site requirements, whether set forth in the Manuals or otherwise. You agree to provide all hyperlinks or other links that we require. You may not use any of the Proprietary Marks at the web page or link from our site except as we expressly permit. You may not post any of our proprietary, confidential or copyrighted material or information on the Web site without our prior written permission. If you wish to modify your approved link or page, all proposed modifications must also receive our prior written approval. You explicitly understand that you may not post any material which a third-party has any direct or indirect ownership interest in (including, without limitation, video clips, photographs, sound bites, copyrighted text, trademarks or service marks, or any other text or image which any third-party may claim intellectual property rights in). The requirements for our prior approval will apply to all activities on the Internet or other communications network to be conducted by you. You may maintain your 3 Natives email addresses and may conduct individual e-mail communications only on a computer system that is not connected to our POS System. However, you agree to obtain our prior approval as provided above if you propose to send any such email that contains advertising about the Franchised Business. We may require you to participate in any internet or intranet networks we establish and pay the then-current fees for ISP and ASP services and the like.

C. Marketing and Advertising Program. We impose the Marketing Fee, which is an advertising and promotion obligation to advertise franchised 3 Natives restaurant, as well as Company

or Affiliate Owned Units of Two Percent (2%) of your Gross Revenues per month. We may from time to time increase or decrease the rate or rates required to be paid by you as a Marketing Fee, provided that (a) your total Marketing Fee will not exceed 3% of your Gross Revenues; and (b) no change in the rate will take effect unless we give you at least 30 days' prior written notice. The Marketing Fee will be placed in the Marketing Fee Account (the "**MF Account**"). We will use the MF Account in part to design and create promotional, marketing and advertising resources, including, but not limited to, in-store point of purchase materials, flyers, radio and television commercials and other materials for your use, as we deem appropriate in our sole discretion. All costs associated with your duplication or distribution of these materials, or with media placement, must be borne by you. We will use the MF Account in connection with advertising with different media outlets, including print, radio, television and/or online on a national and/or regional level for such advertising, marketing and public relations programs and materials as we deem necessary or appropriate, in our sole discretion. We (or our designee) will maintain and administer the MF Account in the following manner:

1. We (or our designee) will oversee all advertising, promotion and marketing programs, with sole discretion over the creative concepts, materials and media used in such programs, and the geographic, market and media placement and allocation thereof. We do not warrant that any particular franchisee will benefit directly or pro rata from expenditures by the MF Account. The MF Account may be used to satisfy any and all costs of maintaining, administering, directing, preparing and producing promotional, marketing and advertising resources, including, but not limited to, the cost of preparing and producing television, radio, magazine and newspaper advertising campaigns; the cost of direct mail and outdoor billboard advertising; the cost of marketing and promotion activities, including advertising and marketing agencies; the cost of public relations activities, including advertising and public relations agencies; the cost of developing and maintaining an Internet website; the cost of providing advertising, promotional and/or other marketing materials to franchisees; and personnel and other departmental costs for advertising, promotion and marketing that we internally administer or prepare. Because the benefits of advertising and promotion are difficult to measure with precision, we reserve the unqualified right to decide, in our sole discretion, how and when and where MF Account monies be spent, so long as the money is used in a manner that is directly or indirectly related to the general promotion of the Marks.

2. The MF Account will be accounted for separately from our other funds and will not be used to defray any of our general operating expenses, except for such reasonable salaries, administrative costs and overhead that we may incur in activities reasonably related to the administration or direction of the MF Account and its marketing programs. All interest earned on monies contributed to the MF Account will be used to pay advertising costs before other assets of the MF Account are expended.

3. It is anticipated that the MF Account contributions will be expended for programs during the fiscal year in which such contributions to it are made. If excess amounts remain at the end of such fiscal year, all expenditures in the following fiscal year(s) will be made first out of such excess amounts, including any interest or other earnings on the MF Account, and next out of current contributions. We may, in our sole discretion, spend in any fiscal year an amount greater or less than the amount in the MF Account in that year, and we may lend money to cover any deficits.

4. Each 3 Natives restaurants operated by us or our affiliates will contribute Marketing Fees at the same rate as franchisees.

5. An accounting of the MF Account will be prepared annually and will be made available to you upon request. We retain the right to have the collections and expenditures of amounts in the MF Account audited, at the expense of the MF Account, by an independent certified public accountant we select.

6. We assume no fiduciary duty in administering the MF Account.

7. We have no obligation to ensure that expenditures from the MF Account are or will be proportionate or equivalent to contributions of Marketing Fees by 3 Natives restaurants operating in any geographic area or that any 3 Natives restaurant will benefit directly or in proportion to the amount of Marketing Fees it has paid.

D. Local Advertising. You agree to actively and aggressively promote your services within your Protected Territory. You are required to expend at least One Percent (1%) of your Gross Revenues each month for marketing of a local nature which will focus on disseminating advertising directly related to your Franchised Business. As used in this Agreement, the term “local marketing” will consist only of the direct costs of purchasing and producing marketing materials (including, but not limited to, camera-ready advertising and point of sale materials), media (space or time), and those direct out-of-pocket expenses related to costs of “marketing” you spend in your local market or area, advertising agency fees and expenses, postage, shipping, telephone, and photocopying. “Local marketing” does not include costs or expenses incurred by or on your behalf in connection with any of the following: salaries and expenses of any of your employees, independent contractors, and/or agents, including salaries or expenses for attendance at advertising meetings or activities, or incentives provided or offered to such employees, including discount coupons; charitable, political, sponsorship or other contributions or donations; the value of discounts provided to consumers; and specialty items (e.g., banners, t-shirts, and premiums), unless such items are a part of a market-wide advertising and sales promotion program but only to the extent that the cost of such items is not recovered by the promotion. You agree to prepare for our review and approval an annual plan for your local marketing expenditure. You agree to implement the plan that we have approved, and also agree that any changes to the plan will be subject to our prior written approval. If you expend less than the agreed-upon amount of local advertising, then we will have the right to require you to contribute the unexpended balance to the MF Account. Your failure to meet the requirements of this paragraph will constitute a breach of this Agreement, unless you, in good faith, promptly adopt and follow our reasonable suggestions for improving your performance.

E. Local Advertising Cooperatives. You may, at your discretion, participate with other franchisees in your designated market area in an advertising cooperative. We assume no responsibility for how any such cooperative will administer funds collected from you and other franchisees in your market area. These funds are ordinarily administered in accordance with the direction of the cooperative members. Activities of the cooperative will generally be determined by its members, except that we reserve the right to approve the use of any advertising and promotional materials developed by the cooperative before it is disseminated to the public.

F. Promotional Obligation. We may conduct promotional events, campaigns, customer reward programs or similar promotional programs. You will be required to participate at your own cost and expense in any temporary or permanent promotional program or event we require, and purchase all required promotional materials. Without limitation, this may include limited time offers, gift cards, coupons, loyalty programs, customer relationship management or other supplemental marketing program. Advertising, promotional and marketing initiatives may be conducted internationally, nationally, regionally and locally and may vary from region to region or locality to locality; all other franchisees using the System shall not necessarily be required to participate in the initiatives in which you must participate. You must also participate in the launch of any new menu items and products we may require, and you must honor all coupons, gift certificates and other promotional offers authorized by us including without limitation, you must honor all coupons, certificates and promotional offers presented to you.

12. INSURANCE

A. Procurement. You shall procure, prior to the commencement of any operations under this Agreement, and thereafter maintain in full force and effect during the term of this Agreement, at your sole expense, listing us as an additional insured: (i) an insurance policy or policies protecting you and us, and each of our officers, directors, partners and employees, against any loss, liability, personal injury, death, property damage or expense whatsoever from fire, lightning, theft, vandalism, malicious mischief and the perils included in the extended coverage endorsement, arising out of or occurring upon or in connection with the Franchised Business or the construction of or leasehold improvements made to the Franchised Business, or by reason of the operation or occupancy of the Franchised Business; (ii) as well as such other insurance applicable to such other special risks, if any, as we may reasonably require for our own and your protection; and (iii) you shall be obligated to procure such insurance and to submit copies of such policies to us fifteen (15) days prior to the opening to the public of the Franchised Business.

B. Minimum Coverage. Such policy or policies shall be written by an insurance company satisfactory to us in accordance with the standards and specifications set forth in the Manuals or otherwise in writing, and shall include, at a minimum (except as additional coverage and higher policy limits may reasonably be specified from time to time by us in the Manual or otherwise in writing) the following:

1. Comprehensive general liability insurance, including contractual liability, broad form property damage, premises liability, personal injury, advertising injury, product liability, automobile liability, employee liability, completed operations and independent contractors coverage, and fire damage coverage in the amount of \$1,000,000 per occurrence, with \$2,000,000 aggregate coverage (or such higher amount as required by the lease for the premises);

2. Property Insurance: Coverage for the physical premises, equipment, and inventory at the Franchisee's location(s) against fire, theft, vandalism, and natural disasters, with a minimum coverage limit applicable to individual store.

3. Worker's compensation and employer's liability insurance minimum limit of \$1,000,000, as well as such other insurance as may be required by applicable law;

4. Automobile Liability Insurance (if a corporately owned vehicle): Coverage for any vehicles used in the operation of the Franchised Business, with minimum limits of \$1,000,000 liability for bodily injury.

5. Fire, vandalism and extended coverage insurance with primary and excess limits of at least the full replacement value of the Franchised Business and its furniture, fixtures and equipment;

6. Business interruption and extra expense insurance for a minimum of 12 months to cover net profits and continuing expenses, including royalty fees;

7. Umbrella Liability Insurance for claims arising from products or services provided by the Franchisee, with a minimum coverage of \$1,000,000;

8. Employment Practices Liability Insurance including claims made by employees, applicants, or former employees: for wrongful termination, failure to promote, discrimination, retaliation, sexual harassment, and defamation Minimum limit \$1,000,000;

9. Cyber Liability Insurance including risks related to cyber incidents, such as data breaches or network and extortion, minimum limit \$1,000,000;

10. All other insurance required by the state or locality in which the Franchised Business is operated in such amounts as required by statute; and

11. Any other insurance coverage as we may reasonably require.

C. Construction Coverage. In connection with any construction, leasehold improvements, renovation, refurbishment or remodeling of the premises of the Franchised Business, you shall cause the general contractor to maintain with a reputable insurer comprehensive general liability insurance (with comprehensive automobile liability coverage for both owned and non-owned vehicles, builder's risk, product liability and independent contractors coverage) in at least the amount of One Million Dollars (\$1,000,000) with us named as an additional insured, and worker's compensation and employer's liability insurance as required by state law. A copy of the Certificate of Insurance for worker's compensation coverage shall be provided to us.

D. Certificates. At least fifteen (15) days prior to the grand opening of the Franchised Business and on each policy renewal date thereafter, you shall submit to us, original or duplicate copies of all policies and policy amendments. The evidence of insurance shall include a statement by the insurer that the policy or policies will not be canceled or materially altered without at least thirty (30) days prior written notice to us.

E. Independence of Coverage Requirements. Your obligation to obtain and maintain the foregoing policy or policies in the amounts specified shall not be limited in any way by reason of any insurance which may be maintained by us, and your performance of that obligation shall not relieve you of liability under the indemnity provision set forth in Section 19 of this Agreement. Any and all policies must provide that your failure as Franchisee to comply with the Franchise Agreement or any other conduct, will not void or otherwise affect the protection afforded to us, as Franchisor.

F. Failure to Procure. Should you for any reason fail to procure or maintain or provide adequate evidence of any insurance required by this Agreement, as revised from time to time for all franchisees by the Manual or otherwise in writing, we shall have the right and authority (without, however, any obligation) to immediately procure such insurance and to charge the same to us, which charges, together with a reasonable fee for our expenses in so acting, including, but not limited to, attorneys' fees, shall be payable by you immediately upon notice.

G. Third Parties. You shall ensure that all third parties with which you conduct business, are properly insured.

H. Proceeds. You agree to look solely to the proceeds of such insurance policies as required herein for reimbursement of any loss, and neither you nor any insurance carrier may recover damages against us as Franchisor.

13. TRANSFER OF INTEREST; OPERATION BY FRANCHISOR

A. Transfer by Us. We shall have the right to assign this Agreement, and all of our rights and privileges under this Agreement, to any person, firm, corporation or other entity provided that, with respect to any assignment resulting in the subsequent performance by the assignee of our functions: (1) the assignee shall, at the time of such assignment, be capable of performing our obligations under this Agreement; and (2) the assignee shall expressly assume and agree to perform such obligations.

Specifically, and without limitation to the foregoing, you expressly affirm and agree that we may sell our assets, our rights to the Proprietary Marks and the System outright to a third party; may go public; may engage in a private placement of some or all of our securities; may merge, acquire other corporations, or be acquired by another corporation; may undertake a refinancing, recapitalization, leveraged buy-out or other economic or financial restructuring; and, with regard to any or all of the foregoing sales, assignments and dispositions, you expressly and specifically waive any claims, demands or damages arising from or related to the loss of said Proprietary Marks (or any variation thereof) and/or the loss of association with or identification of “3 NATIVES FRANCHISING, LLC” as the Franchisor under this Agreement.

Nothing contained in this Agreement shall require us to remain in the quick serve restaurant business or to offer the same products and services, whether or not bearing our Proprietary Marks, in the event that we exercise our rights under this Agreement to assign our rights in this Agreement.

B. Transfer by You and Your Owners.

1. Neither you nor any of your owners, nor any of your or their permitted successors or assigns, shall sell, assign, transfer, convey, give away, pledge, mortgage or otherwise dispose of or encumber any direct or indirect interest in this Agreement, in the Franchised Business, or in you without our prior written consent; provided, however, that our prior written consent shall not be required for a transfer of less than a five percent (5%) interest in a publicly-held corporation. For such purposes, and under this Agreement in general, a publicly-held corporation is a “**Reporting Company**” as that term is defined by the Securities Exchange Act of 1934. “You” is defined as either you, any immediate or remote successor to any part of your interest in the Franchised Business, any individual, partnership, corporation or other legal entity which directly or indirectly controls you, if you are a business entity, or any, or any general partner or any limited partner (including any corporation which controls, directly or indirectly, any general or limited partner) if you are a partnership. You must notify us in writing at least sixty (60) days prior to the date of the intended assignment. Any purported assignment or transfer, by operation of law or otherwise, not having our prior written consent shall be null and void and shall constitute a material breach of this Agreement, for which we may then terminate without opportunity to cure pursuant to Section 14.A. of this Agreement.

2. If you (and your owners) are in full compliance with this Agreement, then, subject to the other provisions of this Section 13, we will not unreasonably withhold our consent to a transfer that meets all of the requirements of this Section. A non-controlling ownership interest in you or your owners (determined as of the date on which the proposed transfer will occur) may be transferred if the proposed transferee and its direct and indirect owners are of good character and meet our then applicable standards for 3 Natives franchise owners (including no ownership interests in, or performance of services for, a competitive business). If the proposed transfer is of this Agreement or a controlling ownership interest in you or one of your owners, or is one of a series of transfers (regardless of the time period over which these transfers take place) which, in the aggregate, transfer this Agreement or a controlling ownership interest in you or one of your owners, then we may, in our sole discretion, require any or all of the following as conditions of our approval:

a. All of your accrued monetary obligations and all other outstanding obligations to us, our subsidiaries, affiliates and suppliers shall be up to date, fully paid and satisfied;

b. You shall not be in default of any provision of this Agreement, any amendment of this Agreement or successor to this Agreement, any other franchise agreement or other agreement between you and us, or our subsidiaries, affiliates or suppliers;

c. You and each of your partners, shareholders, officers and directors shall have executed a general release under seal, in a form satisfactory to us, of any and all claims against us and our officers, directors, shareholders and employees in their corporate and individual capacities, including, without limitation, claims arising under federal, state and local laws, rules and ordinances;

d. The transferee shall demonstrate to our satisfaction that the transferee meets our educational, managerial and business standards; possesses a good moral character, business reputation and credit rating; has the aptitude and ability to operate the Franchised Business (as may be evidenced by prior related experience, our testing criteria or otherwise); has at least the same managerial and financial criteria required of new franchisees; and shall have sufficient equity capital to operate the Franchised Business;

e. The transferee shall enter into a written assignment, under seal and in a form satisfactory to us, assuming and agreeing to discharge all of your obligations under this Agreement. If the transferee is not an individual, then the shareholders, partners or other owners of the transferee shall jointly and severally guarantee your obligations under this Agreement in writing in a form satisfactory to us;

f. At our option, the transferee shall execute (and/or, upon our request, shall cause all interested parties to execute) for a term ending on the expiration date of this Agreement and with such renewal term as may be provided by this Agreement, the standard form of Franchise Agreement then being offered to new franchisees and such other ancillary agreements as we may require for the Franchised Business, which agreements shall supersede this Agreement in all respects and the terms of which agreements may differ materially from the terms of this Agreement, including, without limitation, a higher percentage royalty fee and advertising contributions and the implementation of other fees;

g. The transferee shall upgrade, at the transferee's expense, the Franchised Business to conform to the then current specifications being used in new 3 Natives restaurants, and shall complete the upgrading and other requirements within the time specified by us. If the Franchised Business is subject to a mandatory remodel within twelve (12) months of the anticipated transfer, the location must be remodeled at the time of transfer, or upon approval by us, at our option, the transferor must escrow with us an amount we deem sufficient to fully accomplish the remodel, and the transferee must agree to complete the remodel within twelve (12) months of the transfer;

h. You (and your owners) shall remain liable for all direct and indirect obligations to us in connection with the Franchised Business prior to the effective date of the transfer, shall continue to remain responsible for your and their obligations of nondisclosure, noncompetition and indemnification as provided elsewhere in this Agreement, and shall execute any and all instruments reasonably requested by us to further evidence such liability;

i. At the transferee's expense, the transferee and its manager and employees shall complete any training programs then in effect for current franchisees upon such terms and conditions as we may reasonably require unless we have previously trained such employees;

j. The transferee shall have signed an acknowledgement of receipt of all required legal documents, such as the Franchise Disclosure Document and the then current Franchise Agreement and ancillary agreements;

k. The transferor shall pay to us a transfer fee equal to Fifty Percent (50%) of the then-current initial franchise fee, subject to a minimum payment of \$19,750, to cover our administrative expenses in connection with the proposed transfer; and

1. The transferor must provide us with a copy of the agreements of purchase and sale between the transferor and the transferee. The terms and price of the proposed transaction between the transferor and a transferee shall be fair and reasonable in our sole discretion and based upon our good faith judgment. You acknowledge that this right of approval shall not create any special liability or duty on our part to the transferor or the proposed transferee.

3. You may not grant a security interest in the Franchised Business or in any of its assets unless the secured party agrees that in the event of any default by you under any documents related to the security interest, we shall have the right and option to be substituted as obligor to the secured party and to cure your default. Notwithstanding the foregoing, we shall not be construed as a guarantor or surety for you.

4. You acknowledge and agree that each of the foregoing conditions of transfer which must be met by you and the transferee are necessary and reasonable to assure such transferee's full performance of the obligations under this Agreement.

5. You understand and acknowledge that the rights and duties set forth in this Agreement are personal to you and are granted in reliance upon the individual or collective character, skill, aptitude, and business and financial capacity of you and/or your owners. You have represented to us that you are entering into this Agreement with the intention of complying with its terms and conditions and not for the purpose of resale of your rights and obligations under this Agreement.

6. You understand and acknowledge that any sale or assignment of your interest, right or license under this Agreement must be to an approved transferee who will assume the status of an 3 Natives franchisee, and you will notify the proposed transferee of your responsibilities and obligations under this Franchise Agreement, including, but not limited to, protection of the Proprietary Marks and the System.

C. Transfer for Convenience of Ownership. If the proposed transfer is to a corporation or limited liability company formed solely for the convenience of ownership, our consent to such transfer may, in our sole discretion, be conditioned on the following requirements:

1. You and all other owners (if you are more than one individual) will be required to personally, jointly and severally, guarantee your full performance under this Agreement;

2. The corporation, limited liability company or other business entity shall be newly organized and its charter, bylaws and other organizational documents shall provide that its activities are confined exclusively to operating the business contemplated under this Agreement;

3. You must maintain management control and own a majority or controlling interest in the corporation or limited liability company;

4. The transferee corporation or limited liability company must expressly assume all of your obligations under this Agreement; and

5. Each of your corporate stock certificates or other evidence of ownership shall have conspicuously endorsed upon its face a statement in a form satisfactory to us that it is held subject to, and that further assignment or transfer thereof is subject to, all restrictions imposed upon transfers or assignments by this Agreement; and

6. Copies of the articles of incorporation, bylaws or other governing documents of the corporation or limited liability company, including resolutions of the board of directors authorizing entry into this Agreement, shall be furnished to us.

Transfers of ownership interests in the corporation or limited liability company will be subject to Section 13.B. above. You agree to remain personally liable under this Agreement as if the transfer to the corporation or limited liability company did not occur.

D. Our Right of First Refusal.

1. Any party who holds an interest (as we reasonably determine) in you or in the Franchised Business and who desires to accept any bona fide offer from a third party to purchase his interest shall notify us in writing of each such offer and, except as otherwise provided in this Agreement, we shall have the right and option, exercisable within thirty (30) days after receipt of such written notification, to send written notice to the seller that we intend to purchase the seller's interest on the same terms and conditions offered by the third party less any amount of the purchase price attributable to fees payable to brokers or intermediaries, the Proprietary Marks or the System. Any material change in the terms of any offer prior to closing shall constitute a new offer subject to the same right of first refusal by us as in the case of an initial offer. In the event that we elect to purchase the seller's interest, closing on such purchase must occur by the later of: (a) the closing date specified in the third party offer; or (b) within thirty (30) days from the date of notice to the seller of our election to purchase. Our right to exercise the option afforded by this Section 13.D. shall not constitute a waiver of any other provision of this Agreement, including all of the requirements of this Section 13 with respect to a proposed transfer.

2. In the event the consideration, terms and/or conditions offered by a third party are such that we may not reasonably be required to furnish the same consideration, terms and/or conditions, then we may purchase the Franchised Business proposed to be sold for the reasonable equivalent in cash. If the parties cannot agree, within a reasonable time, on the reasonable equivalent in cash of the consideration, terms and/or conditions offered by a third party, then the reasonable equivalent will be determined by three independent appraisers who collectively will conduct one appraisal. We will appoint one appraiser, you will appoint one appraiser and the two party-appointed appraisers will appoint the third appraiser. You and we agree to select our respective appraisers within fifteen (15) days after we notify you that we are exercising our right of first refusal, and the two appraisers so chosen are obligated to appoint the third appraiser within fifteen (15) days after the date on which the last of the two party-appointed appraisers was appointed. You and we will bear the cost of our own appraisers and share equally the fees and expenses of the third appraiser chosen by the two party-appointed appraisers. The appraisers are obligated to complete their appraisal within thirty (30) days after the third appraiser's appointment.

E. Transfer Upon Death or Mental Incapacity. Upon the death, mental incapacity or disability of you (if you are a natural person) or that of any owner who is a natural person, we shall consent to the transfer of said interest in you, the Franchised Business or this Agreement to the spouse, heirs or relative by blood or by marriage, of you or said owner, whether such transfer is made by will or by operation of law, if, in our sole discretion and judgment, such person or persons meet our educational, managerial and business standards; possess a good moral character, business reputation and credit rating; have the aptitude and ability to conduct the Franchised Business; have at least the same managerial and financial criteria required by new franchisees and have sufficient equity capital to operate the Franchised Business. If said transfer is not approved by us, the executor, administrator or personal representative of such person shall transfer his or her interest to a third party approved by us within six (6) months after such death, mental incapacity or disability. Such transfer shall be subject to our right of first refusal and to the same conditions as any inter vivos transfer.

F. Effect of Consent to Transfer. Our consent to a transfer of this Agreement and the Franchised Business or any interest in you (if you are a legal entity) does not constitute a representation as to the fairness of the terms of any contract between you and the transferee, a guarantee of the prospects of success of the Franchised Business or the transferee, or a waiver of any claims we may have against you (or your owners) or of our right to demand exact compliance with any of the terms or conditions of this Agreement or any other agreement by any transferor or transferee.

G. Operation of the Franchised Business by Us. In order to prevent any interruption of the business of the Franchised Business and any injury to the goodwill and reputation thereof which would cause harm to the Franchised Business and thereby depreciate the value thereof, you authorize us, and we shall have the right, but not the obligation, to operate said Franchised Business for so long as we deem necessary and practical, and without waiver of any other rights or remedies we may have under this Agreement, in the event that: (i) any of your owners is absent or incapacitated by reason of illness or death and that you are not, therefore, in our sole judgment, able to do the business licensed under this Agreement; or (ii) any allegation or claim is made against the Franchised Business, you or any of your principals, directors, shareholders, members, partners or employees, involving or relating to misrepresentations or any fraudulent or deceptive practice. In the event that we operate the Franchised Business, we at our option shall not be obligated to operate it for a period of more than ninety (90) days. All revenues from the operation of the Franchised Business during such period of operation by us shall be kept in a separate account and the expenses of the Franchised Business, including royalty fees, Marketing Fees and contributions, and the applicable Management Fee, which is equal to Ten Percent (10%) of your Gross Revenue each month, as well as expenses for our representative, shall be charged to said account. If, as provided in this Section 13.G., we elect to temporarily operate the Franchised Business on your behalf, you agree to indemnify and hold us harmless from any and all claims arising from the acts and omissions of our representatives and us.

14. DEFAULT AND TERMINATION

A. Default With No Opportunity To Cure. You shall be deemed to be in default and we may, at our option, terminate this Agreement and all rights granted under this Agreement, without affording you any opportunity to cure the default, effective immediately upon receipt of notice from us to you, upon the occurrence of any of the following events:

1. If you fail, refuse or neglect to pay promptly any monies owing to us or our subsidiaries or affiliates or suppliers, including any amounts due under any promissory note you execute in our favor, within ten (10) days of your receipt of notice that such monies are past due, or you fail to submit the financial information or other reports required by us under this Agreement;

2. If you become insolvent or make a general assignment for the benefit of creditors, or if a petition in bankruptcy is filed by you or such a petition is filed against and consented to by you, or if you are adjudicated as bankrupt, or if a bill in equity or other proceeding for the appointment of a receiver of or other custodian (permanent or temporary) of your business or assets is appointed by any court of competent jurisdiction, or if proceedings for a conference with a committee of creditors under any state, federal or foreign law should be instituted by or against you, or if a final judgment remains unsatisfied or of record for thirty (30) days or longer (unless supersedeas bond is filed), or if execution is levied against your operating location or property, or suit to foreclose any lien or mortgage against the premises or equipment is instituted against you and not dismissed within thirty (30) days, or if any substantial real or personal property of the Franchised Business shall be sold after levy thereupon by any sheriff, marshal or constable;

3. If you fail to locate an approved site for the Franchised Business within ninety (90) days from the Effective Date of this Agreement, unless otherwise agreed to in writing by us;

4. If you fail to open the Franchised Business for business within twelve (12) months from the Effective Date of this Agreement, unless otherwise agreed to in writing by us;

5. If you abandon the Franchised Business or cease to do business at the Franchised Business for three (3) or more consecutive days, excluding holidays, or lose the right to possession of the premises upon which the Franchised Business is located or otherwise forfeit the right to do or transact business in the jurisdiction where the Franchised Business is located; provided, however, that if any such loss of possession results from the governmental exercise of the power of eminent domain, or if, through no fault of yours, the premises are damaged or destroyed by an event of Force Majeure (as defined in Section 24.F.), such that they cannot, in our judgment, reasonably be restored within one hundred twenty (120) days, then, in either such event, you shall have sixty (60) days to identify an alternative location for the operation of the Franchised Business (the “**Substituted Site**”) and submit all information reasonably requested by us in connection with the Substituted Site for our review and approval. Our approval of the Substituted Site shall not be unreasonably withheld, but may be conditioned upon the payment of an agreed minimum royalty fee to us during the period in which the Franchised Business is not in operation. Notwithstanding the foregoing, we shall have a right to terminate this Agreement if you are not in possession of the Substituted Site and open for business to the general public within five (5) months of your receipt of our approval of the Substituted Site;

6. If you fail to operate and maintain the computerized POS System or other computer systems in accordance with our requirements and guidelines as outlined in the Manual, or if you attempt to modify the POS System or other computer systems without our prior written approval;

7. If you understate by two percent (2%) or more your Gross Revenues in connection with any report required to be submitted to us;

8. If you (or any of your owners) have made any material misrepresentation or omission in this Agreement or any other agreement to which you are a party with us;

9. If you (or any of your owners) in our determination (a) repeatedly engage in the excessive use of alcohol and/or abuse of drugs; or (b) engage in any one or more incidence of violence or abusive behavior within your Franchised Business jeopardizing the health, safety or welfare of employees or the public.

10. If you, by act or omission, permit a continued violation in connection with the operation of the Franchised Business of any law, ordinance, rule or regulation of a governmental agency, including, but not limited to, a violation of the Anti-Terrorism Laws, in the absence of a good faith dispute over its application or legality and without promptly resorting to an appropriate administrative or judicial forum for relief therefrom;

11. If you fail to obtain and maintain all required licenses under state and local law for the establishment and operation of the Franchised Business;

12. If you misuse or make any unauthorized use of the Proprietary Marks, engage in any business or market any service or products under a name or mark which is confusingly similar to the Proprietary Marks, or otherwise materially impair the goodwill associated therewith or our rights therein;

13. If a threat or danger to public health, safety or welfare results from the construction, maintenance or operation of the Franchised Business;

14. If you (or any of your owners) are or have been convicted by a trial court of, or plead or have pleaded no contest, or guilty, to, a felony or other serious crime or offense that we reasonably believe is likely to have an adverse effect on the System, the Proprietary Marks, the goodwill associated therewith or our interest therein;

15. If a judgment or a consent decree against you, or any of your officers, directors, shareholders or partners is entered in any case or proceeding involving allegations of fraud, racketeering, unfair or improper trade practices or similar claim which is likely to have an adverse effect on the System, the Proprietary Marks, the goodwill associated therewith or our interest therein;

16. If you (or any of your owners) purport to transfer any rights or obligations under this Agreement to any third party without our prior written consent, contrary to any of the terms of this Agreement;

17. If you (or any of your owners) fail to comply with any of the restrictive covenants contained in this Agreement;

18. If you (or any of your owners) disclose or divulge the contents of the Manual or any other trade secrets or Confidential Information provided to you by us, except as otherwise expressly permitted by this Agreement;

19. If you knowingly maintain false books or records, or submit any false statements, applications or reports to us or any assignee of ours;

20. If you willfully and repeatedly engage in a course of conduct which constitutes a misrepresentation or a deceptive or unlawful act or practice in connection with your sale of the services and products offered at the Franchised Business;

21. If you fail to strictly comply with our product and quality control standards and specifications, fail to have any suppliers approved by us as required by this Agreement, or otherwise fail to meet any other significant specifications or guidelines set forth in the Manual and do not cure such failure within ten (10) days after you receive written notice from us;

22. If any other franchise agreement issued to you by us is terminated for any reason;

23. If you receive three (3) or more notices of default under this Agreement during the term of this Agreement, whether or not such defaults are cured after notice;

24. If you (or any of your owners) engage in any illegal, immoral or unethical acts or any act in violation of our mission and values, as determined by us;

25. If you default under your lease agreement for the premises on which the Franchised Business is located, or under any other agreement to which you are party with us, or any parent or subsidiary corporation or any other affiliated entity of ours, and fail to cure said default within the grace period (if any) provided for in such agreement, regardless of whether we in fact terminate such agreement;

26. If you relocate the Franchised Business without obtaining our prior written approval;

27. If your entering into this Agreement or operating thereunder violates or breaches any confidentiality or non-competition agreement previously existing between you and others prior to your entry of this Agreement;

28. If you fail to maintain at all times a qualified Operating Principal meeting the requirements of Section 3.B. hereof; or

29. If your (or any of your owners') assets, property or interests are blocked under any Anti-Terrorism Laws, or you (or any of your owners) otherwise violate any such law, ordinance or regulation.

B. Default With Thirty (30) Day Opportunity To Cure. Except as otherwise provided in Section 14.A. of this Agreement, you shall have thirty (30) days after receiving from us a written notice of default within which to remedy any default described in this Section 14.B. and provide evidence thereof to us. If any such default is not cured within that time, or such longer period as applicable law may require, this Agreement, at our option, shall terminate without further notice to you effective immediately upon the expiration of the thirty (30) day period or such longer period as applicable law may require. You shall be in default under this Agreement for any failure to comply substantially with any of the requirements imposed by this Agreement, as it may from time to time reasonably be supplemented by updates to the Manuals, or for any failure to carry out the terms of this Agreement in good faith. Such defaults shall include, without limitation, the occurrence of any of the following events:

1. If you fail to maintain any of the standards or procedures prescribed by us in this Agreement, the Manual, or any part thereof, any other franchise agreement between you and us, or any other written agreements between you and us or otherwise;

2. If you fail to comply with your duties set forth in Section 6 of this Agreement or to perform any obligation owing to us or to observe any covenant or agreement made by you, whether such obligation, covenant or agreement is set forth in this Agreement or in any other agreement with us including, but not limited to, any other franchise agreement by and between you and us or any entity related to us;

3. If you fail to adequately promote the Franchised Business as provided in the Manuals or otherwise in writing;

4. If you fail to maintain and timely submit to us any (a) reports required pursuant to Section 10 of this Agreement, including, but not limited to, financial statements, weekly, monthly and other reports of Gross Revenue and copies of tax returns; or (b) any reports, compliance items or other documentary items referenced in this Agreement, in the Manuals as updated and revised or otherwise, as we may designate from time to time;

5. If you fail to maintain our quality control standards with respect to your use of signage and other uses of the Proprietary Marks;

6. If you fail to attend and successfully complete any mandatory training program, convention, telephone conference call, or other mandatory event, unless attendance is excused or waived, in writing, by us; or

7. If you fail to obtain our prior written approval of any and all advertising, marketing or promotional plans and materials in whatever form used by you in connection with your promotion of the Franchised Business or otherwise fail to comply with our policies and procedures with respect to advertising, marketing or promotion.

C. **Cross Default.** Any default by you under any other agreement between us and any of our affiliates as the one party, and you or your affiliates as the other party, that is so materials as to permit us to terminate or declare a default under such other agreement will be deemed to be a default of this Agreement, and we will have the right, at our option, to terminate this Agreement, effective immediately upon notice to you.

D. **No Right or Remedy.** No right or remedy conferred upon or reserved to us by this Agreement is exclusive of any other right or remedy provided or permitted by law or equity.

E. **Default and Termination.** The events of default and grounds for termination described in this Section 14 shall be in addition to any other grounds for termination contained elsewhere in this Agreement or otherwise.

F. **Right to Purchase.** In the event of termination of this Agreement for any reason, including, but not limited to, a default under this Section 14, we shall have the right and option to purchase your interest in the tangible assets of the Franchised Business as set forth in Section 13.D and Section 15.K, as applicable. In the event that we elect to purchase your interest in said tangible assets, you shall also execute an assignment of the lease for the premises of the Franchised Business.

15. **OBLIGATIONS UPON TERMINATION**

Upon termination or expiration of this Agreement, all rights granted under this Agreement to you shall forthwith terminate, and you shall observe and perform the following:

A. **Cessation of Operation.** You shall immediately cease to operate the Franchised Business and shall not thereafter, directly or indirectly, represent to the public or hold yourself out as a franchisee of ours.

B. **Cessation of Use of Proprietary Marks.** You shall immediately and permanently cease to use, in any manner whatsoever, any equipment, format, confidential methods, client data base, programs, literature, procedures and techniques associated with the System, the names 3 NATIVES®, 3 NATIVES ACAI & JUICERY or 3 NATIVE ACAI CAFÉ and any other Proprietary Marks and distinctive trade dress, forms, slogans, uniforms, signs, symbols or devices associated with the System. In particular, you shall cease to use, without limitation, all signs, fixtures, furniture, equipment, advertising materials or promotional displays, uniforms, stationery, forms and any other articles which display the Proprietary Marks associated with the System.

C. **Cancellation of Name.** You shall take such action as may be necessary to cancel any assumed name or equivalent registration which contains the Proprietary Marks or any of our other trademarks, trade names or service marks, and you shall furnish us with evidence satisfactory to us of compliance with this obligation within thirty (30) days after termination or expiration of this Agreement.

D. **Optional Assignment of Lease.** You shall, at our option pursuant to Section 14.E. above, assign to us any interest which you have in any lease or sublease for the premises of the Franchised Business. In the event we elect to exercise our option to acquire such lease or sublease, we shall pay for any furniture, equipment, supplies and signs acquired by us as a result of such assignment, at your cost or fair market value (whichever is less), less any sums of money owed by you to us and less any sums of money necessary to upgrade and renovate the premises to meet our then current standards for a 3 Natives restaurant and less any sums necessary to acquire clear title to the lease or sublease interest. In the event that we are unable to agree on the fair market value of said items, an independent appraiser shall be appointed by us to determine the fair market value of said items. The determination of said appraiser shall

be final and binding upon the parties. You shall pay the costs and expenses associated with the appointment of an independent appraiser.

In the event that we do not elect to exercise our option to acquire such lease or sublease, you shall make such modifications or alterations to the premises of the Franchised Business immediately upon termination or expiration of this Agreement as may be necessary to distinguish the appearance of said premises from that of other 3 Natives restaurants under the System, and shall make such specific additional changes thereto as we may reasonably request for that purpose. In the event you fail or refuse to comply with the requirements of this Section 15, we shall have the right to enter upon the premises of the Franchised Business without being guilty of trespass or any other tort for the purpose of making or causing to be made such changes as may be required, at your expense, which expense you agree to pay upon demand.

E. Our Right to Continue Operations. Upon the expiration or termination of this Agreement for any reason, we shall have the right (but not the obligation) to immediately enter the premises of the Franchised Business and continue to provide services to clients of the Franchised Business for such period as we deem necessary and practical to: (a) exercise our option to purchase the Franchised Business and/or assume the lease for the premises pursuant; and/or (b) prevent injury to the goodwill and reputation of the Proprietary Marks. We will be responsible for all operating expenses of the Franchised Business during such period of time. We shall have no other obligations to you in connection with our operation of the Franchised Business following the termination or expiration of this Agreement.

F. Non-Usage of Marks. You agree, in the event you continue to operate or subsequently begin to operate any other business, not to use any reproduction, counterfeit, copy or colorable imitation of the Proprietary Marks or trade dress, either in connection with such other business or the promotion thereof, which is likely to cause confusion, mistake or deception, or which is likely to dilute our exclusive rights in and to the Proprietary Marks or trade dress, and agree not to utilize any designation of origin or description or representation which falsely suggests or represents an association or connection with us so as to constitute unfair competition.

G. Prompt Payment Upon Default. You shall promptly pay all sums owing to us and our subsidiaries, affiliates and suppliers. In the event of termination for your default, such sums shall include all damages, costs and expenses, including reasonable attorneys' fees, incurred by us as a result of the default, which obligation shall give rise to and remain, until paid in full, a lien in favor of us against any and all of the personal property, machinery, fixtures, equipment and inventory owned by you and on the premises of the Franchised Business at the time of default. In addition, if this Agreement is terminated by us for cause or by you without cause, we shall be entitled, as stipulated liquidated damages and not as a penalty and solely to compensate us for lost Royalty Fees for the period after termination of this Agreement, to a sum equal to the average Royalty Fees earned (even if not paid) per month over the twelve (12) month period preceding the date of termination (or, if the Franchised Business was not open throughout such twelve (12) period, then the average Royalty Fees earned per month for the period in which the Franchised Business was open), multiplied by: (i) eighteen (18) or (ii) the number of months remaining in the then-current term of this Agreement, whichever is less.

H. Payment of Costs. You shall pay to us all damages, costs and expenses, including reasonable attorneys' fees, incurred by us subsequent to the termination or expiration of this Agreement in obtaining injunctive or other relief for the enforcement of any provision of this Section 15 or any other obligation under this Agreement.

I. Return of Materials. You shall immediately turn over to us all copies of all materials in your possession including the Manuals, all records, files, instructions, correspondence, client database, brochures, agreements, disclosure statements and any and all other materials relating to the

operation of the Franchised Business in your possession, and all copies thereof (all of which are acknowledged to be our property), and shall retain no copy or record of any of the foregoing, excepting only your copy of this Agreement, any correspondence between you and us, and any other documents which you reasonably need for compliance with any provision of law. In addition to the foregoing, you shall deliver to us a complete list of all persons employed by you during the three (3) years immediately preceding termination, together with all employment files for each employee on such list. All costs of delivering all materials required by this Section 15.I. shall be borne by you.

J. Assignment of Telephone Listings. You shall promptly notify the appropriate telephone company and all telephone directory listing agencies of the termination or expiration of your right to use any telephone number and any regular, classified or other telephone directory listings associated with any Proprietary Marks and authorize the transfer of same to us or, at our direction, instruct the telephone company to forward all calls made to the telephone numbers to numbers we specify. You must sign and deliver to us our standard form of Conditional Assignment of Telephone Numbers and Listings (the current form of which is attached as **Exhibit "G"**), simultaneous with your execution of this Agreement. You acknowledge that, as between us and you, we have the sole right to and interest in all telephone numbers and directory listings associated with any Proprietary Marks. You authorize us, and appoint us and any officer of ours as your attorney in fact, to direct the appropriate telephone company and all listing agencies to transfer all such listings to us upon termination or expiration of this Agreement.

K. Option to Purchase. Upon expiration or termination of this Agreement, we shall have the right (but not the obligation) to purchase any or all of the furnishings, equipment, signs, fixtures, supplies, materials and other assets related to the operation of the Franchised Business, at your cost or fair market value, whichever is less. If the parties cannot agree on fair market value within a reasonable time, the fair market value will be determined by three independent appraisers who collectively will conduct one appraisal. We will appoint one appraiser, you will appoint one appraiser and the two party-appointed appraisers will appoint the third appraiser. You and we agree to select our respective appraisers within fifteen (15) days after we notify you that we are exercising our option to purchase the assets of the Franchised Business, and the two appraisers so chosen are obligated to appoint the third appraiser within fifteen (15) days after the date on which the last of the two party-appointed appraisers was appointed. You and we will bear the cost of our own appraisers and share equally the fees and expenses of the third appraiser chosen by the two party-appointed appraisers. The appraisers are obligated to complete their appraisal within thirty (30) days after the third appraiser's appointment. With respect to our option under this Section, we shall purchase assets only and shall assume no liabilities. Our election to purchase the assets must be exercised by written notice to you within thirty (30) days after termination or expiration of this Agreement. If we elect to exercise any such option, we shall have the right to set off from the purchase price: (a) all amounts due from you to us or any of our affiliates; (b) your portion of the cost of any appraisal conducted hereunder; and (c) any costs incurred in connection with any escrow arrangement (including reasonable legal fees and costs). We shall have the unrestricted right to assign this option to any other party, without your consent.

L. Covenant of Further Assurances. You shall execute any legal document that may be necessary to effectuate the termination of this Agreement and shall furnish to us, within thirty (30) days after the effective date of termination, written evidence satisfactory to us of your compliance with the foregoing obligations.

M. Compliance with Covenants. You shall comply with all applicable covenants that, by their nature, survive expiration or termination of this Agreement, including those contained in Section 9 (confidentiality) and Section 16 (non-competition and non-solicitation) of this Agreement.

N. **No Further Interest.** Other than as specifically set forth above, you shall have no interest in the Franchised Business upon termination or expiration of this Agreement. We will have no further obligations under this Agreement.

16. **COVENANTS**

A. **Best Efforts.** You covenant that during the term of this Agreement, and subject to the post-termination provisions contained in this Agreement, and except as otherwise approved in writing by us, you will devote your full time, energy and best efforts to the efficient and effective management and operation of the Franchised Business.

B. **In-Term Restrictive Covenants.** You and your owners specifically acknowledge that, pursuant to this Agreement, you and they will receive access to valuable specialized training and Confidential Information which are beyond your and their present skills and experience, including, without limitation, information regarding the business, promotional, sales, marketing and operational methods and techniques of the System. You and your owners further acknowledge that such specialized training and Confidential Information provide a competitive advantage, and that gaining access thereto is a primary reason for entering into this Agreement. Accordingly, you and your owners covenant that, with respect to you, during the term of this Agreement (or, with respect to each of the owners, for so long as such person satisfies the definition of “owner” under this Agreement), except as otherwise approved in writing by us, neither you nor any of your owners shall, directly or indirectly, for yourself or themselves or through, on behalf of or in conjunction with any other person or legal entity:

1. Divert or attempt to divert any business, customer, franchisee or prospective franchisee of 3 Natives restaurants to any competitor, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Proprietary Marks and the System;

2. Solicit any person who is at that time employed by us or by any other franchisee or multi-unit operator of ours or who is subject to a franchise agreement with us, or otherwise directly or indirectly induce such person to violate a nondisclosure, noncompetition or franchise agreement;

3. Except with respect to 3 Natives restaurants operated under valid agreements with us, own, maintain, operate, engage in, be employed by, advise, assist, invest in, franchise, make loans to or have any financial or beneficial interest in any business or facility which is the same as or substantially similar to a 3 Natives restaurant (including, without limitation, any restaurant or food service facility owning, operating or managing, or granting franchises or licenses to others to do so, any business that features smoothies or juices as a primary menu item and/or where fifty percent (50%) or more of the menu items consist of the same or similar items as those typically offered by a 3 Natives restaurant), wherever located; and

4. Sell smoothie drinks, cold-pressed juices, specialty sandwiches, wraps, salads or other related products in any venue other than through, and on the premises of, the Franchised Business (with the exception of any authorized catering activities carried out through the Franchised Business).

C. **Post-Term Restrictive Covenants.** You and your owners covenant that, with respect to you, for a continuous uninterrupted period commencing upon the expiration or termination of this Agreement for any reason or, with respect to each of the owners, commencing on the earlier of: (i) the expiration or termination of this Agreement for any reason, or (ii) the time such person ceases to satisfy the definition of “owner” under this Agreement, and continuing for two (2) years thereafter, except as otherwise

approved in writing by us, neither you nor any of your owners shall, directly or indirectly, for themselves or through, on behalf of or in conjunction with any other person or legal entity:

1. Divert or attempt to divert any business, client, franchisee or prospective franchisee of 3 Natives restaurants to any competitor, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Proprietary Marks and the System;

2. Solicit any person who is at that time employed by us or by any other franchisee or multi-unit operator of ours, or who is subject to a franchise agreement with us, or otherwise directly or indirectly induce such person to violate a nondisclosure, noncompetition or franchise agreement; or

3. Except with respect to 3 Natives restaurants operated under valid agreements with us, own, maintain, operate, engage in, be employed by, advise, assist, invest in, franchise, make loans to or have any financial or beneficial interest in any business or facility which is the same as or substantially similar to a 3 Natives restaurant (including, without limitation, any restaurant or food service facility owning, operating or managing, or granting franchises or licenses to others to do so, any business that features smoothies, acai bowls, wraps and any items that we offer at the time of termination or expiration) and which is located within a radius of five (5) miles of the approved site or the location of any company or affiliate-owned or franchised 3 Natives restaurant which is in existence or planning to be in existence on the date of expiration or termination of this Agreement.

If any person restricted by this Section refuses voluntarily to comply with the foregoing obligations, the two (2) year period shall be extended by the period of non-compliance.

D. No Undue Hardship. You and your owners acknowledge and agree that the covenants not to compete set forth in this Agreement are fair and reasonable and will not impose any undue hardship on you or them, since you and they have other considerable skills, experience and education which afford you and your owners the opportunity to derive income from other endeavors. If the period of time or the geographic area specified for any of the covenants in this Section 16 should be adjudged unreasonable in any proceeding, then the period of time will be reduced by such number of months or the area will be reduced by the elimination of such portion thereof, or both, so that such restrictions may be enforced in such area and for such time as is adjudged to be reasonable.

E. Inapplicability of Restrictions. Sections 16.B. and 16.C. of this Agreement shall not apply to the ownership by you or your owners of less than a five percent (5%) beneficial interest in the outstanding equity securities of any publicly-held corporation.

F. Independence of Covenants. The parties agree that each of the covenants in this Agreement shall be construed as independent of any other covenant or provision of this Agreement. If any or all portions of the covenants in this Section 16 is held unreasonable or unenforceable by a court or agency having valid jurisdiction in an unappealed final decision to which we are a party, you and your owners expressly agree to be bound by any lesser covenant subsumed within the terms of such covenant that imposes the maximum duty permitted by law, as if the resulting covenant were separately stated in and made a part of this Agreement.

G. Mission. You agree to support our mission and to conduct the Franchised Business in accordance with our operating policies and stated principles.

H. Modification of Covenants. You and your owners understand and acknowledge that we shall have the right, in our sole discretion, to reduce the scope of any restrictive covenant set forth

in this Agreement or any portion thereof, without your or their consent, effective immediately upon receipt by you or them of written notice thereof, and you and your owners agree to promptly comply with any covenant as modified, which shall be fully enforceable notwithstanding anything to the contrary in this Agreement.

I. Enforcement of Covenants. You and your owners expressly agree that the existence of any claims you or they may have against us, whether arising under this Agreement or otherwise, shall not constitute a defense to the enforcement by us of the covenants in this Agreement.

J. Injunctive Relief. You and your owners acknowledge that any failure to comply with the requirements of this Section 16 shall constitute a material event of default under this Agreement and further acknowledge that such a violation would result in immediate and irreparable injury to us for which no adequate remedy at law will be available. Accordingly, you and your owners' consent to the entry of an injunction prohibiting any conduct by you or them in violation of the covenants not to compete set forth in this Agreement, without the requirement that we post a bond. You and your owners expressly agree that it may be presumed conclusively that any violation of the terms of said covenants not to compete was accomplished by and through your unlawful utilization of our Confidential Information, know-how, methods and procedures. You and your owners agree to pay all court costs and reasonable attorneys' fees and costs that we incur in connection with the enforcement of this Section 16, including all costs and expenses for obtaining specific performance, or an injunction against the violation, of the requirements of this Section 16, or any part of it.

K. Execution of Covenants by Management. You agree to require and obtain the execution of covenants similar to those set forth in Section 9 (regarding confidentiality) and Section 16 (regarding non-competition and non-solicitation), including covenants applicable upon the termination of a person's relationship with you, from your officers, directors, managers and, at our request, any other personnel. These covenants must be substantially in the form set forth in **Exhibit "H"**; provided, however, that we reserve the right, in our sole discretion, to decrease the scope of the restrictive covenants set forth in **Exhibit "H"** or eliminate such restrictive covenants altogether for any person that is required to execute such agreement. Your failure to obtain execution of any covenants required by this Section shall constitute a material event of default under this Agreement.

L. Non-solicitation. You and your owners may not solicit other franchisees, nor use available lists of franchisees, for any commercial or other purpose other than purposes directly related to the operations of the Franchised Business.

17. CHANGES AND MODIFICATIONS

This Agreement may be modified only by a written agreement signed by you and us. We reserve and shall have the sole right to make changes in the Manual, including all parts thereof, the System and the Proprietary Marks at any time and without prior notice to you. You shall promptly alter any signs, products, business materials, business methods, or related items, at your sole cost and expense, upon receipt of written notice of such change or modification in order to conform to our revised specifications. In the event that any improvement or addition to the Manual, the System or the Proprietary Marks is developed by you, then you agree such improvement or addition is owned by us, or, upon our written agreement, you will grant to us an irrevocable, world-wide, exclusive, royalty-free license, with the right to sublicense such improvement or addition.

You understand and agree that due to changes in competitive circumstances, presently unforeseen changes in the needs of clients, and/or presently unforeseen technological innovations, the System must not remain static, in order that it best serve the interests of us, our franchisees and the System. Accordingly,

you expressly understand and agree that we may from time to time change the components of the System, including, but not limited to, altering the programs, services, methods, standards, forms, policies and procedures of that System; adding to, deleting from or modifying those programs, services and products which the Franchised Business is authorized to offer; and changing, improving or modifying the Proprietary Marks. Subject to the other provisions of this Agreement, you expressly agree to abide by any such modifications, changes, additions, deletions and alterations.

18. TAXES AND INDEBTEDNESS

A. Payment. You shall promptly pay when due, all taxes levied or assessed by any federal, state or local tax authority and any and all other indebtedness incurred by you in the operation of the Franchised Business. You shall pay to us an amount equal to any sales tax, gross receipts tax or similar tax imposed on us with respect to any payments to us required under this Agreement, unless the tax is credited against income tax otherwise payable by us.

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

C. Compliance with Federal, State and Local Laws. You shall comply with all federal, state, and local laws, rules and regulations, and shall timely obtain any and all permits, certificates, licenses and bonds necessary for the full and proper operation and management of the Franchised Business, including, without limitation, required licenses to do business and provide services, fictitious name registration and sales tax permits. Copies of all subsequent inspection reports, warnings, certificates and ratings, issued by any governmental entity during the term of this Agreement in connection with the conduct of the Franchised Business which indicate your failure to meet or maintain the highest governmental standards or less than full compliance by you with any applicable law, rule or regulation, shall be forwarded to us by you within three (3) days of your receipt thereof.

D. Duty to Notify. You shall notify us in writing within three (3) days of the commencement of any action, suit or proceeding, and of the issuance of any order, writ, injunction, award or decree of any court, agency or other governmental instrumentality, which may adversely affect the operation or financial condition of the Franchised Business. Additionally, any and all consumer related complaints shall be answered by you within fifteen (15) days after receipt thereof or such shorter period of time as may be provided in said complaint. A copy of said answer shall be forwarded to us within three (3) days of the date that said answer is forwarded to the complainant.

19. INDEPENDENT CONTRACTOR AND INDEMNIFICATION

A. Independent Contractor.

1. It is understood and agreed by the parties to this Agreement that this Agreement does not create a fiduciary relationship between them, that you shall be an independent contractor, and that nothing in this Agreement is intended to make either party an agent, legal representative, subsidiary, joint venturer, partner, employee or servant of the other for any purpose whatsoever.

2. During the term of this Agreement and any extensions or renewals of this Agreement, you shall hold yourself out to the public as an independent contractor operating the Franchised Business pursuant to a license from us and as an authorized user of the System and the Proprietary Marks

which are owned by us. You agree to take such affirmative action as may be necessary to do so, including, without limitation, exhibiting to clients and others such notices of independent ownership as we may require from time to time, in a conspicuous place on the premises of the Franchised Business and on such forms, business cards, stationery and advertising and other materials as we may specify.

3. We shall not have the power to hire, supervise or fire your employees, and except as expressly provided in this Agreement, we may not control your funds or expenditures thereof or in any other way exercise dominion or control over the Franchised Business. You agree that you are solely responsible for all decisions relating to employees, agents and independent contractors that you may hire to assist in the operation of your Franchised Business. You agree that any employee, agent or independent contractor that you hire will be your employee, agent or independent contractor and not our employee, agent, or independent contractor. You also agree that you are exclusively responsible for the terms and conditions of employment of your employees, including recruiting, hiring, firing, training, compensation, work hours and schedules, work assignments, safety and security, discipline, and supervision. You agree to manage the employment functions of your Franchised Business in compliance with federal, state and local employment laws.

B. No Liability. It is understood and agreed that nothing in this Agreement authorizes you to make any contract, agreement, warranty or representation on our behalf, or to incur any debt or other obligation in our name, and that we shall in no event assume liability for or be deemed liable under this Agreement as a result of any such action or by reason of any act or omission of you in your conduct of the Franchised Business or any claim or judgment arising therefrom against us. You agree at all times to defend at your own cost, and to indemnify and hold harmless to the fullest extent permitted by law, us, our corporate parent, the corporate subsidiaries, affiliates, successors, assigns and designees of either entity, and the respective directors, officers, employees, agents, shareholders, designees, and representatives of each (we and all others referred to collectively as “**Indemnities**”) from all losses and expenses incurred in connection with any action, suit, proceeding, claim, demand, investigation, or formal or informal inquiry (regardless of whether same is reduced to judgment) or any settlement thereof which arises out of or is based upon any of the following: your alleged infringement or any other violation or any other alleged violation of any patent, trademark or copyright or other proprietary right owned or controlled by third parties; your alleged violation or breach of any contract, federal, state or local law, regulation, ruling, standard or directive of any industry standard; libel, slander or any other form of defamation by you; your alleged violation or breach of any warranty, representation, agreement or obligation in this Agreement; any acts, errors or omissions of you or any of your agents, servants, employees, contractors, partners, proprietors, affiliates, or representatives; latent or other defects in the Franchised Business, whether or not discoverable by you or us; the inaccuracy, lack of authenticity or nondisclosure of any information by any customer of the Franchised Business; any services or products provided by you at, from or related to the operation of the Franchised Business; any services or products provided by any affiliated or nonaffiliated participating entity; any action by any customer of the Franchised Business; and, any damage to the property of you or us, our agents or employees, or any third person, firm or corporation, whether or not such losses, claims, costs, expenses, damages, or liabilities were actually or allegedly caused wholly or in part through the active or passive negligence of us or any of our agents or employees, or resulted from any strict liability imposed on us or any of our agents or employees.

C. No False Representations. Except as otherwise expressly authorized by this Agreement, neither party to this Agreement will make any express or implied agreements, warranties, guarantees or representations or incur any debt in the name of or on behalf of the other party, or represent that the relationship between you and us is other than that of Franchisor and Franchisee. We do not assume any liability, and will not be deemed liable, for any agreements, representations, or warranties made by you which are not expressly authorized under this Agreement, nor will we be obligated for any damages to any

person or property which directly or indirectly arise from or relate to the operation of the Franchised Business franchised by this Agreement.

20. APPROVALS AND WAIVERS

A. Written Consent. Whenever this Agreement requires our prior approval or consent, you shall make a timely written request to us therefore and such approval or consent shall be obtained in writing.

B. No Waiver. No failure by us to exercise any power reserved to us by this Agreement, or to insist upon strict compliance by you with any obligation or condition in this Agreement, and no custom or practice of the parties at variance with the terms of this Agreement, shall constitute a waiver of our right to demand exact compliance with any of the terms in this Agreement. Our waiver of any particular default by you shall not affect or impair our rights with respect to any subsequent default of the same, similar or different nature, nor shall any delay, forbearance or omission of ours to exercise any power or right arising out of any breach or default by you of any of the terms, provisions or covenants of this Agreement affect or impair our right to exercise the same, nor shall such constitute a waiver by us of any right under this Agreement or the right to declare any subsequent breach or default and to terminate this Franchise Agreement prior to the expiration of its term. Subsequent acceptance by us of any payments due to us under this Agreement shall not be deemed to be a waiver by us of any preceding breach by you of any terms, covenants or conditions of this Agreement.

21. NOTICES

Any and all notices required or permitted under this Agreement shall be in writing and shall be personally delivered or mailed by regular U.S. mail, or by certified mail, return receipt requested, or dispatched by overnight delivery service, to the respective parties at the following addresses unless and until a different address has been designated by written notice to the other party:

Notices to Us: 3 Natives Franchising, LLC
 18 Pine Hill Trail West
 Tequesta, FL 33469
 Attn: Anthony Bambino

With a copy to: The Franchise Firm LLP
 433 Plaza Real, Suite 275
 Boca Raton, FL 33432

Notices to You: _____

With a copy to: _____

Any notice shall be deemed to have been given at the date and time of mailing.

22. RELEASE OF PRIOR CLAIMS

By executing this Agreement, you, individually and on behalf of your heirs, legal representatives, successors and assigns, and each assignee of this Agreement by accepting assignment of the same, forever releases and discharges us and our officers, directors, employees, agents and servants, including our subsidiary and affiliated corporations, their respective officers, directors, employees, agents and servants, from any and all claims relating to or arising under any franchise agreement or any other agreement between the parties executed prior to the date of this Agreement including, but not limited to, any and all claims, whether presently known or unknown, suspected or unsuspected, arising under the franchise, securities or antitrust laws of the United States or of any state or territory thereof.

23. ENTIRE AGREEMENT

This Agreement, all exhibits to this Agreement and all ancillary agreements executed contemporaneously with this Agreement constitute the entire agreement between the parties with reference to the subject matter of this Agreement and supersede any and all prior negotiations, understandings, representations and agreements. Notwithstanding the foregoing, nothing in this Agreement shall disclaim, or require you to waive reliance on, any representation that we made in the most recent franchise disclosure document (including its exhibits and amendments) that we delivered to you or your representative, subject to any changes to the contract terms and conditions described in that franchise disclosure document as reflected in this Agreement (including any riders or addenda signed at the same time as this Agreement). No amendment, change or variance from this Agreement shall be binding on the parties unless mutually agreed to by both parties and executed by themselves or their authorized officers or agents in writing.

24. NATURE AND SCOPE, SEVERABILITY AND CONSTRUCTION

A. Nature and Scope. We and you have entered into this Agreement for the sole purpose of authorizing you to use the intellectual property rights licensed by this Agreement in the operation of a single business operation at the designated location during the term of this Agreement in which those specific service and product items designated by us for sale in such locations are offered for sale in individual, face-to-face transactions with patrons visiting this fixed location (and equivalent telephone or mail transactions accepted as a convenience to that customer group). All consideration being furnished by you to us during the course of performance of this Agreement has been determined based on the limited rights and other limitations expressed in this Agreement. No other rights have been bargained for or paid for. This provision is intended to define the nature and extent of the parties' mutual contractual intent, there being no mutual intent to enter into contract relations, whether by agreement or by implication, other than as set forth above. The parties further acknowledge that these limitations are intended to achieve the highest possible degree of certainty in the definition of the contract being formed, in recognition of the fact that uncertainty creates economic risks for both parties which, if not addressed as provided in this Agreement, would affect the economic terms of this bargain.

B. Severability. Every part of this Agreement is severable. If for any reason any part of this Agreement is held to be invalid, that determination will not impair any other part, or the rest, of this Agreement; provided, however, that if we determine that such finding of invalidity or illegality adversely affects the basic consideration of this Agreement, we, at our option, may terminate this Agreement. If any part of this Agreement that restricts competitive activity is deemed unenforceable by virtue of its scope in terms of geographical area, type of business activity prohibited and/or length of time, but could be rendered enforceable by reducing any part or all of it, you and we agree that it will be enforced to the fullest extent permissible under applicable law and public policy.

If any applicable law requires a greater prior notice of the termination of or refusal to enter into a successor franchise than is required hereunder, a different standard of “good cause”, or the taking of some other action not required hereunder, the prior notice, “good cause” standard and/or other action required by such law shall be substituted for the comparable provisions hereof. If any part of this Agreement or any specification, standard or operating procedure prescribed by us is invalid or unenforceable under applicable law, we may modify such invalid or unenforceable provision, specification, standard or operating procedure to the extent required to make it valid and enforceable.

C. Covenants. You expressly agree to be bound by any promise or covenant imposing the maximum duty permitted by law which is subsumed within the terms of any provision of this Agreement, as though you were separately articulated in and made a part of this Agreement, that may result from striking from any of the provisions of this Agreement any portion or portions which a court may hold to be unreasonable and unenforceable in a final decision to which we are a party, or from reducing the scope of any promise or covenant to the extent required to comply with such a court order.

D. Construction. All captions in this Agreement are intended solely for the convenience of the parties, and none of the captions shall be deemed to affect the meaning or construction of any provision of this Agreement or any part thereof, nor shall such captions otherwise be given any legal effect. “**A or B**” means “**A**” or “**B**” or both. All references in this Agreement to the masculine, neuter or singular shall be construed to include the feminine, neuter or plural, where applicable. Unless otherwise specified, all references to number of days means calendar days and not business days. This Agreement may be executed in multiple counterparts, each of which when so executed shall be deemed an original, and all of which shall constitute one and the same instrument.

E. Certain Definitions. An “**affiliate**” of a named person means any person or entity that is controlled by, controlling or under common control with the named person. The term “**control**” or “**controlling interest**” means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of an entity, whether through ownership of voting securities, by contract or otherwise. The term “**owners**” mean those persons and entities which, collectively and individually, hold an ownership interest in you and in any entity directly or indirectly controlling you. The term “**person**” means any natural person, corporation, partnership (general or limited), limited liability company, or other artificial or legal entity.

F. Force Majeure. If, as a result of hurricane, tornado, typhoon, flooding, lightning, blizzard and other unusually severe weather, earthquake, avalanche, volcanic eruption, fire, riot, insurrection, global pandemic, government shutdown, terrorism, war, explosion, unavoidable calamity or other act of God (a “**Force Majeure**”), compliance by any party with the terms of this Agreement is rendered impossible or would otherwise create an undue hardship upon any party, all parties shall be excused from their respective obligations under this Agreement for the duration of the Force Majeure and for a reasonable recovery period thereafter, but otherwise this Agreement shall continue in full force and effect. However, such delays or events do not excuse payments of amounts owed at any time.

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

H. No Third Party Beneficiaries. Except as otherwise expressly provided herein, nothing in this Agreement is intended, nor shall be deemed, to confer upon any person or legal entity other than you, us, our officers, directors and personnel, and such of your and our respective successors and

assigns as may be contemplated (and, as to you, expressly authorized pursuant to Section 13), any rights or remedies under or as a result of this Agreement.

I. Agreement Effective Upon Execution by Franchisor. This Agreement will not become effective until signed by one of our authorized representatives. You and we each agree to promptly execute and deliver such further documents and take such further action as may be necessary in order to carry out the intent and purposes of this Agreement.

J. Approval and Consents. Whenever this Agreement requires our advance approval, agreement or consent, you agree to make a timely written request for it. Our approval or consent will not be valid unless it is in writing. Except where expressly stated otherwise in this Agreement, we have the absolute right to refuse any request by you or to withhold our approval of any action or omission by you. If we provide to you any waiver, approval, consent or suggestion, or if we delay or neglect our response or deny any request for any of those, we will not be deemed to have made any warranties or guarantees which you may rely on, and will not assume any obligation or liability to you.

K. Our Judgment. Whenever we exercise a right and/or discretion to take or withhold an action, or to grant or decline to grant you a right to take or withhold an action, except as otherwise expressly and specifically provided in this Agreement, we may make such decision or exercise such right and/or discretion on the basis of our judgment of what is in our best interests. "Best interests" includes what we believe to be the best interests of the System at the time the decision is made or the right or discretion is exercised, even though (a) there may have been other alternative decisions or actions that could have been taken; (b) our decision or action taken promotes our financial or other individual interest; or (c) our decision or the action it takes may apply differently to different franchisees or any company-owned or Affiliate-Owned Businesses. In the absence of an applicable statute, we will have no liability to you for any such decision or action. The exercise of the right or discretion will not be subject to limitation or review. If applicable law implies a covenant of good faith and fair dealing in this Agreement, we and you agree that such covenant will not imply any rights or obligations that are inconsistent with a fair construction of the terms of this Agreement and that this Agreement grants us the right to make decisions.

25. ENFORCEMENT

A. Mediation. WITH THE EXCEPTION OF ANY CONTROVERSY OR CLAIM RELATING TO THE OWNERSHIP OR IMPROPER USE OF OUR PROPRIETARY MARKS OR CONFIDENTIAL INFORMATION, AND EXCEPT FOR EQUITABLE CLAIMS, THE PARTIES AGREE TO SUBMIT ANY CLAIM, CONTROVERSY OR DISPUTE BETWEEN OR INVOLVING US OR ANY OF OUR AFFILIATES (AND OUR AND THEIR RESPECTIVE SHAREHOLDERS, OFFICERS, DIRECTORS, AGENTS, REPRESENTATIVES AND/OR EMPLOYEES) AND YOU (AND YOUR AGENTS, REPRESENTATIVES AND/OR EMPLOYEES, AS APPLICABLE) ARISING OUT OF OR RELATED TO: (A) THIS AGREEMENT OR ANY OTHER AGREEMENT BETWEEN US AND YOU OR OUR AND YOUR RESPECTIVE AFFILIATES; (B) OUR RELATIONSHIP WITH YOU; (C) THE VALIDITY OF THIS AGREEMENT OR ANY OTHER AGREEMENT BETWEEN YOU AND US OR OUR AND YOUR RESPECTIVE AFFILIATES; OR (D) ANY SYSTEM STANDARD, TO NON-BINDING MEDIATION AT A MUTUALLY AGREEABLE LOCATION (IF YOU AND WE CANNOT AGREE ON A LOCATION, THE MEDIATION WILL BE CONDUCTED AT OUR HEADQUARTERS) PRIOR TO BRINGING SUCH CLAIM, CONTROVERSY OR DISPUTE IN A COURT OR BEFORE ANY OTHER TRIBUNAL. THE MEDIATION SHALL BE CONDUCTED BY EITHER A MUTUALLY AGREED-UPON MEDIATOR OR, FAILING SUCH AGREEMENT WITHIN A REASONABLE PERIOD OF TIME (NOT TO EXCEED FIFTEEN (15) DAYS) AFTER EITHER PARTY HAS NOTIFIED THE OTHER OF ITS DESIRE TO SEEK

MEDIATION, BY THE AMERICAN ARBITRATION ASSOCIATION IN ACCORDANCE WITH ITS COMMERCIAL MEDIATION PROCEDURES. ABSENT AGREEMENT TO THE CONTRARY, THE MEDIATOR SHALL BE EXPERIENCED IN THE MEDIATION OF DISPUTES BETWEEN FRANCHISORS AND FRANCHISEES. YOU AND WE AGREE THAT ANY STATEMENTS MADE BY EITHER YOU OR US IN ANY SUCH MEDIATION PROCEEDING WILL NOT BE ADMISSIBLE IN ANY SUBSEQUENT ARBITRATION OR LEGAL PROCEEDING. EACH PARTY WILL BEAR ITS OWN COSTS AND EXPENSES OF CONDUCTING THE MEDIATION AND SHARE EQUALLY THE COSTS OF ANY THIRD PARTIES WHO ARE REQUIRED TO PARTICIPATE. NEVERTHELESS, BOTH YOU AND WE HAVE THE RIGHT IN A PROPER CASE TO OBTAIN TEMPORARY RESTRAINING ORDERS AND TEMPORARY OR PRELIMINARY INJUNCTIVE RELIEF FROM A COURT OF COMPETENT JURISDICTION. HOWEVER, THE PARTIES MUST IMMEDIATELY AND CONTEMPORANEOUSLY SUBMIT THE DISPUTE FOR NON-BINDING MEDIATION. IF THE PARTIES ARE UNABLE TO RESOLVE THE CLAIM, CONTROVERSY OR DISPUTE WITHIN NINETY (90) DAYS AFTER THE MEDIATOR HAS BEEN CHOSEN, THEN, UNLESS SUCH TIME PERIOD IS EXTENDED BY THE WRITTEN AGREEMENT OF THE PARTIES, EITHER PARTY MAY BRING A LEGAL PROCEEDING UNDER THIS SECTION 25. THE MEDIATION PROVISIONS OF THIS AGREEMENT ARE INTENDED TO BENEFIT AND BIND CERTAIN THIRD PARTY NON-SIGNATORIES, AND ALL OF YOUR AND OUR OWNERS AND AFFILIATES.

B. Arbitration. WITH THE EXCEPTION OF ANY CONTROVERSY OR CLAIM RELATING TO THE OWNERSHIP OR IMPROPER USE OF OUR PROPRIETARY MARKS OR CONFIDENTIAL INFORMATION, AND EXCEPT FOR EQUITABLE CLAIMS, ANY DISPUTE ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT, IF NOT RESOLVED BY THE NEGOTIATION AND MEDIATION PROCEDURES DESCRIBED ABOVE, MUST BE DETERMINED AT A MUTUALLY AGREEABLE LOCATION (IF YOU AND WE CANNOT AGREE ON A LOCATION, THE ARBITRATION WILL BE CONDUCTED AT OUR HEADQUARTERS) BY THE AMERICAN ARBITRATION ASSOCIATION ("AAA"). THIS ARBITRATION CLAUSE WILL NOT DEPRIVE US OF ANY RIGHT WE MAY OTHERWISE HAVE TO SEEK PROVISIONAL INJUNCTIVE RELIEF FROM A COURT OF COMPETENT JURISDICTION. THE ARBITRATOR MUST HAVE SUBSTANTIAL EXPERIENCE IN FRANCHISE LAW AND WITH COMMERCIAL DISPUTES. THE PARTIES ASK THAT THE ARBITRATOR LIMIT DISCOVERY TO THE GREATEST EXTENT POSSIBLE CONSISTENT WITH BASIC FAIRNESS IN ORDER TO MINIMIZE THE TIME AND EXPENSE OF ARBITRATION. IF PROPER NOTICE OF ANY HEARING HAS BEEN GIVEN, THE ARBITRATOR WILL HAVE FULL POWER TO PROCEED TO TAKE EVIDENCE OR TO PERFORM ANY OTHER ACTS NECESSARY TO ARBITRATE THE MATTER IN THE ABSENCE OF ANY PARTY WHO FAILS TO APPEAR. BOTH PARTIES WAIVE ANY RIGHTS THEY MAY HAVE TO DEMAND TRIAL BY JURY OR TO SEEK PUNITIVE DAMAGES FROM ONE ANOTHER. THE ARBITRATOR WILL HAVE NO POWER TO: (A) STAY THE EFFECTIVENESS OF ANY PENDING TERMINATION OF FRANCHISE; (B) ASSESS PUNITIVE DAMAGES AGAINST EITHER PARTY; OR (C) MAKE ANY AWARD THAT MODIFIES OR SUSPENDS ANY LAWFUL PROVISION OF THIS AGREEMENT. THE PARTY AGAINST WHOM THE ARBITRATORS RENDER A DECISION MUST PAY ALL EXPENSES OF ARBITRATION. ANY COURT OF COMPETENT JURISDICTION MAY ENTER JUDGMENT UPON ANY AWARD.

C. Notice and Opportunity to Cure. As a mandatory condition precedent prior to your taking any legal or other action against us, whether for damages, injunctive, equitable or other relief (including, but not limited to, rescission), based upon any alleged act or omission of ours, you shall first

give us ninety (90) days prior written notice and opportunity to cure such alleged act or omission, or to resolve such matter.

D. Governing Law. Except to the extent this Agreement or any particular dispute is governed by the U.S. Trademark Act of 1946 (Lanham Act, 15 U.S.C. Section 1051 and the sections following it) or other federal law, this Agreement and the relationship created hereby are governed by Florida law, excluding any law regulating the sale of franchises or governing the relationship between a franchisor and franchisee, unless the jurisdictional requirements of such laws are met independently without reference to this Section. References to any law or regulation also refer to any successor laws or regulations and any implementing regulations for any statute, as in effect at the relevant time. References to a governmental agency also refer to any successor regulatory body that succeeds to the function of such agency.

E. Jurisdiction and Venue. You and we each consent and irrevocably submit to the exclusive jurisdiction and venue of the state and federal courts of competent jurisdiction for Palm Beach County, Florida, and waive any objection to the jurisdiction and venue of such courts. This exclusive choice of jurisdiction and venue provision does not restrict the ability of the parties to confirm or enforce judgments or awards in any appropriate jurisdiction.

F. Waiver of Jury Trial. YOU AND WE HEREBY UNCONDITIONALLY AND IRREVOCABLY WAIVE ANY RIGHT TO A JURY TRIAL IN ANY ACTION ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT, THE RELATIONSHIP CREATED BY THIS AGREEMENT, OR ANY OTHER AGREEMENTS BETWEEN YOU AND US AND/OR YOUR AND OUR RESPECTIVE AFFILIATES.

G. Waiver of Punitive Damages EXCEPT FOR YOUR OBLIGATIONS TO US AND CLAIMS FOR UNAUTHORIZED USE OF THE PROPRIETARY MARKS OR CONFIDENTIAL INFORMATION, YOU AND WE EACH WAIVE, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY RIGHT TO, OR CLAIM FOR, ANY PUNITIVE OR EXEMPLARY DAMAGES AGAINST THE OTHER. YOU AND WE ALSO AGREE THAT, IN THE EVENT OF A DISPUTE BETWEEN YOU AND US, THE PARTY MAKING THE CLAIM WILL BE LIMITED TO EQUITABLE RELIEF AND RECOVERY OF ANY ACTUAL DAMAGES IT SUSTAINS.

H. Limitations of Claims ANY AND ALL CLAIMS ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT OR THE RELATIONSHIP BETWEEN YOU AND US MUST BE MADE BY WRITTEN NOTICE TO THE OTHER PARTY WITHIN ONE (1) YEAR FROM THE OCCURRENCE OF THE ACT OR EVENT GIVING RISE TO SUCH CLAIM OR ONE (1) YEAR FROM THE DATE ON WHICH YOU OR WE KNEW OR SHOULD HAVE KNOWN, IN THE EXERCISE OF REASONABLE DILIGENCE, OF THE FACTS GIVING RISE TO SUCH CLAIMS, WHICHEVER OCCURS FIRST, EXCEPT FOR CLAIMS FOR: (A) INDEMNIFICATION; OR (B) UNAUTHORIZED USE OF THE CONFIDENTIAL INFORMATION OR PROPRIETARY MARKS. HOWEVER, THIS PROVISION DOES NOT LIMIT OUR RIGHT TO TERMINATE THIS AGREEMENT IN ANY WAY.

I. Specific Performance/Injunctive Relief. Nothing in this Agreement shall bar our right to obtain specific performance of the provisions of this Agreement and injunctive relief against threatened conduct that will cause us loss or damage, under customary equity rules, including applicable rules for obtaining restraining orders and preliminary injunctions. You agree that we may apply for such injunctive relief, without bond, but upon due notice, in addition to such further and other relief as may be available at equity or law, and your sole remedy, in the event of the entry of such injunction, shall be the

dissolution of such injunction, if warranted, upon hearing duly held (all claims for damages by reason of the wrongful issuance of any such injunction being expressly waived).

J. Cumulative Rights and Remedies. No right or remedy conferred upon or reserved to us or you by this Agreement is intended to be, nor shall be deemed, to be exclusive of any other right or remedy provided or permitted in this Agreement, by law or at equity, but each right or remedy shall be cumulative of every other right or remedy. Nothing contained herein shall bar our right to obtain injunctive relief against threatened conduct that may cause us loss or damages, including obtaining restraining orders and preliminary and permanent injunctions.

K. Private Disputes. Any dispute and any litigation will be conducted and resolved on an individual basis only and not a class-wide, multiple plaintiff or similar basis. Any such proceeding will not be consolidated with any other proceeding involving any other person, except for disputes involving affiliates of the parties to such litigation.

26. ATTORNEYS' FEES

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

27. JOINT AND SEVERAL LIABILITY

The term "**Franchisee**", "**you**" or "**your**" shall include all persons who succeed to the interest of the original Franchisee by transfer or operation of law and shall be deemed to include not only the individual or entity defined as the "Franchisee" in the introductory paragraph of this Agreement, but shall also include all partners of the entity that executes this Agreement, in the event said entity is a partnership; all shareholders of the entity that executes this Agreement, in the event said entity is a corporation; and all members of the entity that executes this Agreement, in the event said entity is a limited liability company. If two or more persons are at any time the "Franchisee" under this Agreement, whether as partners or joint venturers, their obligations and liabilities to us shall be joint and several.

28. NO WAIVER

The failure by any party to give notice of default or to pursue any remedy for a breach of this Agreement shall not affect its right to give notice of any other default or pursue any remedy upon subsequent breaches.

29. SURVIVAL

It is agreed by the parties to this Agreement that whenever performance by a party is contemplated to extend beyond the expiration or termination of this Agreement, such performance obligation shall survive the expiration or termination of this Agreement and continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement, until such performance is satisfied in full or the obligation, by its nature, expires. Examples include indemnification, payment, de-identification, post-term restrictive covenants, and dispute resolution proceedings.

IN WITNESS WHEREOF, the parties to this Agreement have duly executed, sealed and delivered this Agreement in triplicate on the day and year first above written (regardless of the actual date of signature).

FRANCHISOR:

3 NATIVES FRANCHISING, LLC

By: Philip Bambino
Its: CFO

FRANCHISEE:

Print Name: _____

Address: _____

[Signature Page to 3 Natives Franchising, LLC Franchise Agreement]

EXHIBIT "A"
TO
3 NATIVES FRANCHISING, LLC
FRANCHISE AGREEMENT

APPROVED LOCATION AND PROTECTED TERRITORY FOR SELECTION OF SITE

As contemplated by Section 1.B. of the Franchise Agreement, the Approved Location under this Agreement will be:

As contemplated by Section 1.C. of the Franchise Agreement, the Protected Territory under this Agreement will be:

☐ Check if map is attached.

You acknowledge that the Protected Territory is delineated solely for the purpose of establishing a geographic area within which you will select the Site for your Franchised Business. Except as set forth in Section 1 of this Agreement, the Protected Territory does not confer to you any right of exclusivity within the Protected Territory or any other area.

3 NATIVES FRANCHISING, LLC:

By: _____

Title: _____

Date: _____

FRANCHISEE:

Sign: _____

Print: _____

Date: _____

Sign: _____

Print: _____

Date: _____

EXHIBIT "B"
TO
3 NATIVES FRANCHISING, LLC
FRANCHISE AGREEMENT

STATEMENT OF OWNERSHIP INTERESTS

Effective Date: This Statement of Ownership Interests is current and complete
as of _____, 20__

1. **Form of Owner.** My official name is _____. I am a
(check one):

General Partnership ☐
Corporation ☐
Limited Partnership ☐
Limited Liability Company ☐
Other ☐
Specify: _____

2. **Business Entity.** I was incorporated or formed on _____, _____, under the laws of the State of _____. I have not conducted business under any name other than my corporate, limited liability company, or partnership name and the name(s) _____. The following is a list of all persons who have management rights and powers (e.g., officers, directors, managers, partners, etc.) and their positions, as of the Effective Date shown above:

Name of Person	Position(s) Held
_____	_____
_____	_____
_____	_____
_____	_____

3. **Owners.** The following list includes the full name and mailing address of each person who is one my owners (as defined in the Franchise Agreement), including all shareholders, partners, members, or other investors owning or holding a direct or indirect interest in me, and fully describes the nature of each person's interest (attach additional sheets if necessary):

Owner's Name and Address	Nature of Interest	% of Ownership Interest in Franchisee

4. **Operating Principal.** My Operating Principal is: _____ (must be one of the individuals listed in paragraph 3 above). I understand that I may not change the Operating Principal without Franchisor's prior written approval.
5. **Governing Documents.** Attached are copies of the documents and contracts governing the ownership, management and other significant aspects of the business organization (e.g., articles of incorporation or organization, partnership or shareholder agreements, etc.).

FRANCHISEE:

[Name]

By: _____

Name: _____

Title: _____

EXHIBIT "C"
TO
3 NATIVES FRANCHISING, LLC
FRANCHISE AGREEMENT

OWNERS' GUARANTY

This Owners' Guaranty (the "**Guaranty**") is given this _____ day of 20__, by the undersigned in connection with the Franchise Agreement dated _____, 20__ between 3 NATIVES FRANCHISING, LLC ("**Franchisor**") and _____ ("**Franchisee**").

In consideration of, and as an inducement to, the execution of the Franchise Agreement by Franchisor, each of the undersigned and any other parties who sign counterparts of this Guaranty (individually, a "**Guarantor**" and collectively, the "**Guarantors**") hereby personally and unconditionally guarantee to Franchisor and its successors and assigns, that Franchisee will punctually perform its obligations and pay all amounts due under the Franchise Agreement, including (without limitation), amounts due for initial franchise fees, royalties, advertising fund contributions and purchases of equipment, materials, and supplies.

Each Guarantor has read the terms and conditions of the Franchise Agreement and acknowledges that the execution of this Guaranty and the undertakings of the owners in the Franchise Agreement are in partial consideration for, and a condition to, the granting of a franchise in the Franchise Agreement, and that Franchisor would not have granted such rights without the execution of this Guaranty and such undertakings by each Guarantor.

Each Guarantor waives:

- (i) acceptance and notice of acceptance by Franchisor of the foregoing undertakings; and
- (ii) notice of demand for payment of any indebtedness or nonperformance of any obligations hereby guaranteed; and
- (iii) protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations hereby guaranteed; and
- (iv) any right he or she may have to require that an action be brought against Franchisee or any other person as a condition of liability; and
- (v) all rights to payments and claims for reimbursement or subrogation which he or she may have against Franchisee arising as a result of his or her execution of and performance under this Guaranty (including by way of counterparts); and
- (vi) any and all other notices and legal or equitable defenses to which he or she may be entitled.

Each Guarantor consents and agrees that:

- (i) his or her direct and immediate liability under this Guaranty will be joint and several not only with Franchisee, but also among the Guarantors; and
- (ii) he or she will render any payment or performance required under the Franchise Agreement upon demand if Franchisee fails or refuses punctually to do so; and

- (iii) such liability will not be contingent or conditioned upon pursuit by Franchisor of any remedies against Franchisee or any other person; and
- (iv) such liability will not be diminished, relieved or otherwise affected by any subsequent rider or amendment to the Franchise Agreement or by any extension of time, credit or other indulgence that Franchisor may from time to time grant to Franchisee or to any other person, including, without limitation, the acceptance of any partial payment or performance, or the compromise or release of any claims, none of which will in any way modify or amend this Guaranty, which will be continuing and irrevocable throughout the term of the Franchise Agreement and for so long thereafter as there are any monies or obligations owing by Franchisee to Franchisor under the Franchise Agreement; and
- (v) Franchisee's written acknowledgment, accepted in writing by Franchisor, or the judgment of any court or arbitration panel of competent jurisdiction establishing the amount due from Franchisee will be conclusive and binding on the undersigned as Guarantors.

Each Guarantor individually, jointly and severally, also makes all of the covenants, representations, warranties and agreements of your owners set forth in the Franchise Agreement and is obligated to perform thereunder, including, without limitation, under Sections 3, 9, 13, 15, 16 and 25 (which include, among other things, the MEDIATION OF DISPUTES and WAIVERS OF JURY TRIAL RIGHTS AND PUNITIVE DAMAGES).

Additionally, with respect to the individual designated as the Operating Principal, the Operating Principal acknowledges that the undertakings by Operating Principal under this Guaranty are made and given in partial consideration of, and as a condition to, Franchisor's grant of franchise rights as described herein; Operating Principal individually, jointly and severally, makes all of the covenants, representations and agreements of Franchisee and Operating Principal set forth in the Franchise Agreement and is obligated to perform hereunder.

If Franchisor is required to enforce this Guaranty in an administrative, judicial or arbitration proceeding, and prevails in such proceeding, Franchisor will be entitled to reimbursement of its costs and expenses, including, but not limited to, legal and accounting fees and costs, administrative, arbitrators' and expert witness fees, costs of investigation and proof of facts, court costs, other expenses of an administrative, judicial or arbitration proceeding and travel and living expenses, whether incurred prior to, in preparation for or in contemplation of the filing of any such proceeding. If Franchisor is required to engage legal counsel in connection with any failure by the undersigned to comply with this Guaranty, the Guarantors will reimburse Franchisor for any of the above-listed costs and expenses incurred by it.

IN WITNESS WHEREOF, each Guarantor has hereunto affixed his signature on the same day and year as the Franchise Agreement was executed.

GUARANTORS

Name*: _____

Name: _____

* Denotes individual who is Franchisee's Operating Principal.

EXHIBIT “D”
TO
3 NATIVES FRANCHISING, LLC
FRANCHISE AGREEMENT
ADDENDUM TO LEASE AGREEMENT
CONDITIONAL ASSIGNMENT OF LEASE

ADDENDUM TO LEASE AGREEMENT
CONDITIONAL ASSIGNMENT OF LEASE

Landlord/Lessor: _____ **Tenant/Lessee:** _____

Notice
Address: _____

Notice
Address: _____

Franchisor: 3 NATIVES FRANCHISING, LLC
Notice Address: 18 Pine Hill Trail West, Tequesta, FL 33469

Date: Effective as of the Date of the Lease Between Landlord and Tenant (the “**Lease**”)

Leased Premises/Location of Leased Site: (Center Name/Address):

Landlord, Franchisor, and Tenant agree to this addendum (“Addendum”) as follows:

1. Tenant is a **3 NATIVES** Franchisee. The Leased Premises shall be used for the operation of a business under the name 3 Natives, which offers customers a variety of fresh fruit smoothies and cold-pressed juices prepared fresh in the store, as well as other related food items and beverages, and products or services approved by the Franchisor under the trade name **3 NATIVES**, or any name authorized by the Franchisor, as further defined in Section/Article ____ of the Lease. The Landlord acknowledges that such use shall not violate any existing exclusives granted to any other existing tenant of the Landlord.

2. Landlord shall provide Franchisor, at Franchisor’s then current Notice Address, with copies of any written Notice of Default (“**Default**”) given to Tenant under the Lease, and Landlord grants to Franchisor, at Franchisor’s option, the right (but not the obligation) to cure any Default under the Lease (should Tenant fail to do so) within 15 days after the expiration of the period in which Tenant may cure the Default.

3. In the event of a Default of the Lease by Tenant, or the default of the Franchise Agreement by Tenant, and upon written notice to Landlord by Franchisor to accept written assignment of the Lease to Franchisor as replacement tenant (“**Agreement Notice**”), Franchisor shall become Tenant of the Leased Premises and shall become liable for all obligations under the Lease arising after the date of the Assignment Notice.

4. The Lease shall not be modified or canceled with regard to Franchisor’s rights under this Addendum without the prior written approval of Franchisor.

Landlord/Lessor

Tenant/Lessee/Franchisee

By: _____

By: _____

Name: _____

Name: _____

Its: _____

Its: _____

3 NATIVES FRANCHISING, LLC / FRANCHISOR

By: _____

**EXHIBIT “E”
TO
3 NATIVES FRANCHISING, LLC
FRANCHISE AGREEMENT**

FRANCHISEE TRAINING ACKNOWLEDGMENT FORM

Franchisee Training Acknowledgement Form

Opening Date _____ Today's Date _____

Franchisee Name _____

Restaurant Address _____

City _____ State _____

Zip _____

Please answer the following questions and, where applicable, circle the correct answer:

1. Did you complete the Initial Training Program? YES
NO
2. Did you complete the Training Exam? YES
NO NA
3. Did you receive adequate training during the Initial Training in each area?
YES NO
4. Did you feel that more attention was needed in any one area of Training? YES
NO

If "YES" please describe:

5. How would you rate the knowledge base and effectiveness of the class trainer?
(circle)

POOR GOOD
EXCELLENT

6. Overall, the 3 NATIVES training was:

POOR GOOD
EXCELLENT

7. Do you feel that you require additional training in any aspect of the business?

YES NO

If "YES", please describe:

8. Did you receive adequate training in each of the following areas?

Regulations and Compliance

YES NO

Sanitation

YES NO

Product Offering Prep

YES NO

Sales and Marketing

YES NO

YES NO

YES NO

YES NO

Signature _____

Signature _____

Name _____

Anthony Bambino, 18 Pine Hill Trail West, Tequesta, FL 33469

EXHIBIT "F"
TO
3 NATIVES FRANCHISING, LLC
FRANCHISE AGREEMENT

ELECTRONIC FUNDS AUTHORIZATION FORM

ELECTRONIC FUNDS TRANSFER (EFT) AUTHORIZATION

Franchisee Information:

Franchisee Name

Restaurant No.

Franchisee Mailing Address (street)

Franchisee Phone No.

Franchise Mailing Address (city, state, zip)

Contact Name, Address and Phone number (if different than above)

Franchisee Fax No.

Franchisee E-mail Address

Bank Account Information:

Bank Name

Bank Account No.

Bank Mailing Address (street)

Bank Routing
No. [: :]
(9 characters)

Bank Mailing Address (city, state, zip)

Bank Phone No.

Payee Information: 3 Natives Franchising, LLC

Authorization: The Franchisee hereby authorizes the Bank to honor and charge the Bank Account for electronic funds transfers or drafts drawn on the Bank Account and payable to the Payees. The amount of such charge shall be set forth in a notice from the Payees presented to the Bank on Wednesday of each week. The Franchisee agrees to execute such additional documents as may be reasonably requested by the Payees or the Bank to evidence the interest of this EFT Authorization. This authority shall remain in full force and effect until the Payees have received written notification from the Franchisee in such time and manner as to afford the Payees and the Bank to act on such notice. The Franchisee understands that the termination of this authorization does not relieve the Franchisee of its obligations to make payments to the Payees.

Signature: _____

Federal Tax ID No.: _____

Date: _____

INDEMNIFICATION OF BANK

In consideration of the Bank's compliance with the foregoing request and authorization, the Payees agree with respect to any action by the Bank in compliance with the foregoing request and authorization to indemnify the Bank and hold the Bank harmless for, from and against any loss the Bank may suffer as a consequence of the Bank's actions from or in connection with the execution and issuance of any electronic fund transfer or draft, whether or not genuine, purporting to be executed by the Payees and received by the Bank in the regular course of business for the purpose of payment, except to the extent such loss caused by the negligence or willful misconduct of the Bank.

NOTE: FRANCHISEE MUST ATTACH A VOIDED CHECK RELATING TO THE BANK ACCOUNT.

Return via Email at info@3natives.com or U.S. First Class Mail to 3 Natives Franchising, LLC, 18 Pine Hill Trail West, Tequesta, FL 33469

**EXHIBIT “G”
TO
3 NATIVES FRANCHISING, LLC
FRANCHISE AGREEMENT**

CONDITIONAL ASSIGNMENT OF TELEPHONE NUMBERS AND LISTINGS

CONDITIONAL ASSIGNMENT OF TELEPHONE NUMBERS AND LISTINGS

THIS CONDITIONAL ASSIGNMENT OF TELEPHONE NUMBERS AND LISTINGS (this “**Assignment**”) is effective as of _____ between **3 NATIVES FRANCHISING, LLC**, a Florida limited liability company, with its principal place of business at 250 Tequesta Drive, Suite 201, Tequesta, Florida 33469 (“**we**,” “**us**” or “**our**”) and _____, whose current place of business is _____ (“**you**” or “**your**”). You and we are sometimes referred to collectively as the “**parties**” or individually as a “**party**.”

BACKGROUND INFORMATION:

We have simultaneously entered into the certain Franchise Agreement (the “**Franchise Agreement**”) dated as of _____ with you, pursuant to which you plan to own and operate a 3 Natives restaurant (the “**Franchised Business**”). 3 Natives restaurants use certain proprietary recipes, knowledge, procedures, formats, systems, forms, printed materials, applications, methods, specifications, standards and techniques authorized or developed by us (collectively the “**System**”). We identify 3 Natives restaurants and various components of the System by certain trademarks, trade names, service marks, trade dress and other commercial symbols (collectively the “**Marks**”). In order to protect our interest in the System and the Marks, we will have the right to control the telephone numbers and listings of the Franchised Business if the Franchise Agreement is terminated.

OPERATIVE TERMS:

You and we agree as follows:

1. **Background Information:** The background information is true and correct. This Assignment will be interpreted by reference to the background information. Terms not otherwise defined in this Assignment will have the meanings as defined in the Franchise Agreement.
2. **Conditional Assignment:** You assign to us, all of your right, title and interest in and to those certain telephone numbers and regular, classified or other telephone directory listings (collectively, the “**Numbers and Listings**”) associated with the Marks and used from time to time in connection with the operation of the Franchised Business. This Assignment is for collateral purposes only. We will have no liability or obligation of any kind arising from or in connection with this Assignment, unless we notify the telephone company, the provider of a voice over internet phone, and/or the listing agencies with which you have placed telephone directory listings (collectively, the “**Telephone Company**”) to effectuate the assignment of the Numbers and Listings to us. Upon termination or expiration of the Franchise Agreement we will have the right and authority to ownership of the Numbers and Listings. In such event, you will have no further right, title or interest in the Numbers and Listings and will remain liable to the Telephone Company for all past due fees owing to the Telephone Company on or before the date on which the assignment is effective. As between us and you, upon termination or expiration of the Franchise Agreement, we will have the sole right to and interest in the Numbers and Listings.
3. **Power of Attorney:** You irrevocably appoint us as your true and lawful attorney-in-fact to: (a) direct the Telephone Company to effectuate the assignment of the Numbers and Listings to us; and (b) sign on your behalf such documents and take such actions as may be necessary to effectuate the assignment. Notwithstanding anything else in the Assignment, however, you will immediately notify and instruct the Telephone Company to effectuate the assignment described in this Assignment to us when, and

only when: (i) the Franchise Agreement is terminated or expires; and (ii) we instruct you to so notify the Telephone Company. If you fail to promptly direct the Telephone Company to effectuate the assignment of the Numbers and Listings to us, we will direct the Telephone Company to do so. The Telephone Company may accept our written direction, the Franchise Agreement or this Assignment as conclusive proof of our exclusive rights in and to the Numbers and Listings upon such termination or expiration. The assignment will become immediately and automatically effective upon Telephone Company's receipt of such notice from you or us. If the Telephone Company requires that you and/or we sign the Telephone Company's assignment forms or other documentation at the time of termination or expiration of the Franchise Agreement, our signature on such forms or documentation on your behalf will effectuate your consent and agreement to the assignment. At any time, you and we will perform such acts and sign and deliver such documents as may be necessary to assist in or accomplish the assignment described herein upon termination or expiration of the Franchise Agreement. The power of attorney conferred upon us pursuant to the provisions set forth in this Assignment is a power coupled with an interest and cannot be revoked, modified or altered without our consent.

4. **Indemnification:** You will indemnify and hold us and our affiliates, stockholders, directors, officers and representatives (collectively, the "**Indemnified Parties**") harmless from and against any and all losses, liabilities, claims, proceedings, demands, damages, judgments, injuries, attorneys' fees, costs and expenses that any of the Indemnified Parties incur as a result of any claim brought against any of the Indemnified Parties or any action which any of the Indemnified Parties are named as a party or which any of the Indemnified Parties may suffer, sustain or incur by reason of, or arising out of, your breach of any of the terms of any agreement or contract or the nonpayment of any debt you have with the Telephone Company.

5. **Binding Effect:** This Assignment is binding upon and inures to the benefit of the parties and their respective successors-in-interest, heirs, and successors and assigns.

6. **Assignment to Control:** This Assignment will govern and control over any conflicting provision in any agreement or contract which you may have with the Telephone Company.

7. **Attorney's Fees, Etc.:** In any action or dispute, at law or in equity, that may arise under or otherwise relate to this Assignment or the enforcement thereof, the prevailing party will be entitled to reimbursement of its attorneys' fees, costs and expenses from the non-prevailing party. The term "**attorneys' fees**" means any and all charges levied by an attorney for his or her services including time charges and other reasonable fees including paralegal fees and legal assistant fees and includes fees earned in settlement, at trial, appeal or in bankruptcy proceedings and/or in arbitration proceedings.

8. **Severability:** If any of the provisions of this Assignment or any section or subsection of this Assignment are held invalid for any reason, the remainder of this Assignment or any such section or subsection will not be affected, and will remain in full force and effect in accordance with its terms.

9. **Governing Law and Forum:** This Assignment is governed by Florida law. The parties will not institute any action against any of the other parties to this Assignment except in the state or federal courts of general jurisdiction in Palm Beach County, Florida, and they irrevocably submit to the jurisdiction of such courts and waive any objection they may have to either the jurisdiction or venue of such court.

[Signatures Follow on Next Page]

ASSIGNOR:

By: _____

Name: _____

Title: _____

Date: _____

ASSIGNEE:

3 NATIVES FRANCHISING, LLC

By: _____

Name: _____

Title: _____

Date: _____

**THIS CONDITIONAL ASSIGNMENT OF TELEPHONE NUMBERS AND LISTINGS is
accepted and agreed to by:**

(TELEPHONE COMPANY)

By: _____

Name: _____

Its: _____

Date: _____

**EXHIBIT “H”
TO
3 NATIVES FRANCHISING, LLC
FRANCHISE AGREEMENT**

NONDISCLOSURE AND NONCOMPETITION AGREEMENT

NONDISCLOSURE AND NONCOMPETITION AGREEMENT

This NONDISCLOSURE AND NONCOMPETITION AGREEMENT (the “**Agreement**”) is made and entered into this ____ day of _____, 20____, by and between _____, residing at _____, who presently is a manager, assistant manager or employee of a **3 NATIVES**, or a director, manager or officer of a **3 NATIVES** franchisee (the “**Employee**”) and _____, a Florida _____, and its successors and assigns (the “**Employer**”).

RECITALS:

A. Employer is a company engaged in the business of owning and operating a **3 NATIVES** franchise under a license granted by 3 Natives Franchising, LLC (the “**Franchisor**”).

B. Employer is desirous of protecting its rights and interests in and to the **3 NATIVES** franchise that Franchisor has granted to Employer, including operating systems, sales and marketing programs and ideas, and all information and documents relating thereto.

C. Employee is being retained by Employer to provide services as the _____ for Employer.

D. Employer will provide substantial opportunities to the Employee in the conduct of Employee’s position including, but not limited to, present and future earnings, access to potential and existing clients, and Employer’s and Franchisor’s confidential and proprietary information. Employee further acknowledges that Employer would not employ or continue to employ Employee without Employee’s agreeing to be bound by the restrictions contained in this Agreement.

AGREEMENTS:

NOW, THEREFORE, in consideration of the premises, which Employee agrees is good and valuable consideration, the receipt of which hereby is acknowledged, Employee represents and warrants to Employer and covenants and agrees with Employer as follows:

1. Recitals. The statements made in the Recitals above are true and accurate and are incorporated herein.

2. Specialized Knowledge and Training. Employee acknowledges and agrees that:

(a) the knowledge and experience that Employee will acquire while associated with and/or employed by Employer is of a special, unique, and extraordinary character and that Employee’s position with Employer places Employee in a position of a confidence and trust with the clients, sales agents, contacts, account executives, investors, accounts, associates and employees of Employer and allow Employee access to Confidential Information (as that term is defined in *Section 6* below), which access Employee would not have but for Employee’s relationship with Employer; and

(b) Employer will make substantial investments of time and capital in the development of Employee’s goodwill, education and expertise, from which Employee will receive a substantial and direct economic benefit.

3. Operating System and Trademarks. Employee acknowledges and agrees that:

(a) Franchisor is the creator and owner of the trade secrets, products, recipes, concept, style, confidential information, format and operating system (collectively, the “**Operating System**”) and the logotypes, service marks and trademarks now or hereafter involved in the operation of a 3 Natives restaurant using the style, trademark, service mark, and trade name **3 NATIVES®, 3 NATIVES ACAI & JUICERY and 3 NATIVE ACAI CAFÉ** (collectively, the “**Trademarks**”), and the good will associated therewith, and has granted to Employer the right and license to operate a licensed 3 Natives restaurant using the Operating System and the Trademarks subject to the continuing control by Franchisor of the dissemination and use of the Operating System and the Trademarks;

(b) Employee has obtained or will obtain knowledge of the Operating System in connection with its association with or employment by either Franchisor and/or Employer, which knowledge obtained or to be obtained by Employee was unknown to it prior to said employment and/or the execution of this Agreement, and which knowledge is a prerequisite for Employee’s employment; and

(c) Because the protection of the Operating System and the Trademarks is vital to the continued success of Franchisor and franchisees of Franchisor, Franchisor is unwilling to permit Employer to disclose to Employee the Operating System except upon the terms set forth in this Agreement, including the requirements of confidentiality, nondisclosure and noncompetition as set forth in this Agreement.

4. Ownership of Operating System and Trademarks. Employee acknowledges and agrees that Franchisor is the sole and exclusive owner of all right, title and interest in and to the Operating System and the Trademarks, and that the Operating System and the Trademarks shall be used by Employee only in accordance with the terms hereof. Employee shall acquire no right, title or interest in or to the Operating System and/or the Trademarks. Employee shall not, directly or indirectly, at any time during or after the term of Employee’s employment by or association with Employer’s 3 Natives restaurant, do or cause to be done any act or thing disputing, attacking, or in any way impairing or intending to impair Franchisor’s right, title, or interest in or to the Operating System or the Trademarks. Employee shall immediately notify Employer of all infringements of the Operating System or the Trademarks by others that come to Employee’s attention and of all challenges to or limitations on Franchisor’s use of the Operating System or any of the Trademarks.

5. Nondisclosure of Confidential Information. The parties hereto acknowledge that during the period in which the Employee is employed by or associated with Employer (the “**Employment Period**”), the Employee shall use, receive, conceive or develop Confidential Information (as that term is defined in *Section 6* below). Employee covenants and agrees that during the Employment Period and at all times thereafter, Employee shall not, except with the prior written consent of Employer or Franchisor, which consent shall be granted or denied at the Employer’s or Franchisor’s sole and absolute discretion, or except if acting solely for the benefit of Employer in connection with Employer’s business and in accordance with the Employer’s business practices and policies, at any time disclose, divulge, report, transfer or use, for any purposes whatsoever, any of such Confidential Information which has been used, received, conceived or developed by Employee. Employee also recognizes that such Confidential Information represents a valuable asset of the Employer and Franchisor and is required to ensure the effective and successful conduct of their respective businesses.

6. Confidential Information. For purposes of this Agreement, the term “**Confidential Information**” shall mean all of the following materials and information that Employee uses, receives, conceives or develops or has used, received, conceived or developed, in whole or in part, in connection with Employee’s employment by or association with Employer:

(a) The Operating System and Trademarks;

(b) The contents of any manuals or other written materials of Franchisor, Employer, or any of Franchisor's subsidiaries or affiliates;

(c) The names and information relating to customers and prospective customers of Employer, or other persons, firms, corporations or other entities with whom the Employee has contact with on behalf of Employer or to whom any other employee of Employer has provided goods or services at any time;

(d) The terms of various agreements between Employer and any third parties, including without limitation, the terms of customer agreements, vendor or supplier agreements, lease agreements, advertising agreements and the like;

(e) Any data or database, or other information compiled by Employer, including, but not limited to, client lists, customer information, information concerning Employer, or any business in which Employer is engaged or contemplates becoming engaged, any company that Employer engages in business, any client, prospective client or other person, firm or corporation to whom or which Employer has provided services or goods or to whom or which any employee of Employer has provided services or goods on behalf of Employer, or any compilation, analysis, evaluation or report concerning or deriving from any data or database, or any other information;

(f) All policies, procedures, strategies and techniques regarding the services performed by Franchisor, training, marketing and sales of Franchisor, specifically including but not limited to the Operating System and Trademarks, either oral or written, and assorted lists containing information pertaining to clients and prospective clients; and

(g) Any other information, data, know-how or knowledge of a confidential or proprietary nature observed, used, received, conceived or developed by Employee in connection with Employee's employment by Employer.

7. Use and Return of Confidential Information.

(h) The Employee agrees that under no circumstance and at no time shall any of the Confidential Information be taken from Employer's premises and that under no circumstances and at no time shall any of the Confidential Information be duplicated, in whole or in part, without the express written permission of Employer, which permission may be granted or denied in its sole and absolute discretion.

(i) The Employee agrees that, upon termination of employment with Employer, Employee shall return to Employer all such Confidential Information, which is in Employee's possession regardless of the form in which any such materials are kept.

(j) The Employee covenants and agrees that all right, title and interest in any Confidential Information shall be and shall remain the exclusive property of Employer and/or Franchisor. Employee agrees to promptly disclose to Employer all Confidential Information developed in whole or in part by Employee within the scope of this Agreement and to assign to Employer and/or Franchisor any right, title or interest Employee may have in such Confidential Information. Employee agrees to turn over to the Employer all physical manifestations of the Confidential Information in Employee's possession or under Employee's control at the request of Employer.

8. In-Term Non-Solicitation and Non-Competition. In order to protect the goodwill of the Operating System and Trademarks, during the term of Employee's employment by or association with Employer, Employee shall not, directly or indirectly:

(k) Directly or indirectly divert, or attempt to divert, any business opportunity or customer of Employer, Franchisor or any licensed 3 Natives restaurant to any competitor, or do or perform, directly or indirectly, any act injurious or prejudicial to the goodwill associated with the Operating System and the Trademarks;

(l) Solicit any person who is at that time employed by Employer, Franchisor, or any **3 NATIVES** franchisee or who is subject to a franchise agreement with Franchisor, or otherwise directly or indirectly induce such person to violate a nondisclosure, noncompetition or franchise agreement;

(m) Develop, own, manage, operate, be employed by or have any interest in any business or facility (other than a licensed 3 Natives restaurant), which is the same as or substantially similar to a licensed 3 Natives restaurant, or is in any way competitive with a licensed 3 Natives restaurant, wherever located.

9. Post-Term Non-Solicitation and Non-Competition. In order to protect the goodwill of the Operating System and Trademarks, for a period of two (2) years following the termination of Employer's employment by or association with Employer, for any reason, Employee shall not, directly or indirectly:

(n) Directly or indirectly divert, or attempt to divert, any business opportunity or customer of Employer, Franchisor or any 3 Natives restaurant to any competitor, or do or perform, directly or indirectly, any act injurious or prejudicial to the goodwill associated with the Operating System and the Trademarks;

(o) Solicit any person who is at that time employed by Employer, Franchisor, or any **3 NATIVES** franchisee or who is subject to a franchise agreement with Franchisor, or otherwise directly or indirectly induce such person to violate a nondisclosure, noncompetition or franchise agreement;

(p) Develop, own, manage, operate, be employed by or have any interest in any business or facility (other than a licensed 3 Natives restaurant) which is the same as or substantially similar to a 3 Natives restaurant, or is in any way competitive with a 3 Natives restaurant, and which is located within a radius of five (5) miles of the Employer's 3 Natives restaurant or any other 3 Natives restaurant (whether company-owned, affiliate-owned or franchised).

At no time during or after the term of Employee's employment by or association with Employer shall Employee use or duplicate the Operating System or the Trademarks, except pursuant to a valid license from Franchisor. Employee expressly agrees that the restrictive covenants contained in *Sections 8 and 9*: (i) are reasonable as to time and geographical area; (ii) do not place an unreasonable burden on Employee; and (iii) are supported by adequate consideration to Employee.

10. At-Will Employment. The mere entering into this Agreement by Employee shall not operate so as to require Employer to continue to employ Employee, and Employee hereby represents and warrants to Employer that Employee has not received any promises or guarantees, implied or express, of such continued employment by or association with Employer. Employee agrees that this Agreement shall be applicable to Employee regardless of whether the termination of its employment by or association with Employer occurs at the instance of Employee or Employer and, if at the instance of Employer, regardless of whether the termination was for cause. Employee further agrees that Employee's breach of this Agreement shall be grounds for the termination of Employee's employment.

11. Enforcement and Remedies. Employee agrees that a breach or default of the terms of this Agreement will cause irreparable harm to Employer and/or Franchisor and, therefore, in the event of any such breach or default, Employer and/or Franchisor shall be entitled to injunctive relief, specific

performance, or other equitable relief. Employer and/or Franchisor shall be entitled to a restraining order or injunction without bond and without specific proof of irreparable harm and without specific proof of an inadequate remedy at law. Any specific right or remedy set forth in this Agreement shall not be exclusive, but shall be cumulative to other remedies available to Employer and/or Franchisor under this Agreement or at law or in equity, including injunctive relief, specific performance and recovery of money damages. The failure of Employer and/or Franchisor to enforce any of the provisions of this Agreement shall not constitute a waiver thereof or otherwise operate to limit any of Employer's and/or Franchisor's rights hereunder. The existence of any claim, defense or cause of action that Employee may have against Employer and/or Franchisor, regardless of cause or origin, shall not constitute a defense against the enforcement of this Agreement by Employer and/or Franchisor against Employee.

12. Toll Period. In the event Employee shall violate any provision of this Agreement as to which there is a specific time period during which Employee is prohibited from taking certain actions or from engaging in certain activities, as set forth in such provision, then, such violation shall toll the running of such time period from the date of such violation until such violation shall cease.

13. Successors and Assigns. This Agreement shall be binding upon Employee and his or her heirs, personal representatives, successors and assigns, and shall inure to the benefit of Employer and Franchisor (Franchisor being an intended third-party beneficiary hereof, with independent rights to enforce this Agreement) and their respective heirs, personal representatives, successors and assigns. Employee expressly agrees that this Agreement shall be assignable by Employer to a successor to the business of Employer and Employee hereby expressly consents to such assignment. Franchisor's rights under this Agreement are fully assignable and transferable and shall inure to the benefit of Franchisor's affiliates, successors and assigns.

14. Miscellaneous:

(q) Time is of the essence of this Agreement and of every term, covenant and condition hereof.

(r) The headings in this Agreement are for convenience only and are not to be construed as a part of this Agreement or in any way defining, limiting or amplifying the provisions hereof.

(s) If Employer or Franchisor retains an attorney or institutes a suit against Employee in any way connected with this Agreement or its enforcement, or to utilize remedies for its breach, they (if prevailing) shall be entitled to recover from Employee reasonable attorneys' fees (not to exceed actual attorneys' fees incurred) and all costs in connection with said enforcement or suit, whether or not suit is filed or, if filed, is prosecuted to judgment.

(t) This Agreement shall be governed by, construed and enforced under the laws of the State of _____ whose courts shall have jurisdiction over any legal proceedings arising out of this Agreement, and _____ County, _____ shall be the place of venue for any such action or proceedings. *[Insert State and County where Employer's Franchised Business is located]*

(u) The invalidity or unenforceability of any covenant, term or condition of this Agreement, or any portion of any covenant, term or condition of this Agreement, shall not affect any other covenant, term or condition or portion thereof and this Agreement shall remain in effect as if such invalid or unenforceable covenant, term or condition (or portion thereof) were not contained herein; provided that the invalidity of any such provision does not materially and adversely affect the expected benefits accruing to any party hereunder.

(v) This Agreement contains the entire agreement between the parties and supersedes all prior and contemporaneous understandings, representations, warranties, and agreements. This Agreement shall not be amended or modified, except in writing signed by all parties hereto.

15. WAIVER OF JURY TRIAL. EMPLOYEE HEREBY KNOWINGLY, VOLUNTARILY, AND INTENTIONALLY WAIVES THE RIGHT EMPLOYEE MAY HAVE TO A TRIAL BY JURY OF, UNDER, OR IN CONNECTION WITH EMPLOYEE'S EMPLOYMENT WITH EMPLOYER, THIS AGREEMENT, OR ANY AGREEMENT OR DOCUMENT EXECUTED IN CONJUNCTION HERewith OR ANY COURSE OF CONDUCT, STATEMENTS (WHETHER VERBAL OR WRITTEN) OR ACTIONS OF ANY PARTY RELATING HERETO OR THERETO.

16. Acknowledgment. Employee acknowledges that Employee understands the terms and conditions set forth in this Agreement and has had adequate time to consider whether to agree to them and to consult a lawyer, if Employee wished to do so.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first set forth above.

EMPLOYER:

EMPLOYEE:

By: _____

[Print Name]

[Print Name and Title]

**EXHIBIT “I”
TO
3 NATIVES FRANCHISING, LLC
FRANCHISE AGREEMENT**

STATE SPECIFIC ADDENDA AND RIDERS TO FRANCHISE AGREEMENT

CALIFORNIA RIDER TO FRANCHISE AGREEMENT

This California Rider to Franchise Agreement is signed on _____, 20__ between 3 Natives Franchising, LLC (“Company”) and _____ (“Franchisee”) to amend the Franchise Agreement as follows:

1. California Law

The California Department of Business Oversight requires that certain provisions contained in the Franchise Agreement be amended to be consistent with California law, including the California Franchise Investment Law. CAL. BUS. & PROF. CODE Section 31000 *et seq.* and the California Franchise Relations Act, CAL. BUS. & PROF. CODE Section 20000 *et seq.* To the extent that the Franchise Agreement contains provisions that are inconsistent with the following, those provisions are amended as follows:

(a) Nonrenewal and Termination

California Business and Professions Code Sections 20000 through 20043 provide rights to Franchisee concerning termination or nonrenewal of the franchise. The Federal Bankruptcy Code also provides rights to Franchisee concerning termination of the Franchise Agreement upon the occurrence of certain bankruptcy-related events. If the Franchise Agreement contains a provision that is inconsistent with these laws, these laws will control.

(b) Franchise Termination and Release Agreements

Franchisee must sign a release if it renews or transfers its franchise. California Corporations Code Section 31512 voids a waiver of Franchisee’s rights under the Franchise Investment Law (California Corporations Code Sections 31000 through 31516). California Business and Professions Code Section 20010 voids a waiver of Franchisee’s rights under the Franchise Relations Act (California Business and Professions Code Sections 20000 through 20043).

(c) Liquidated Damages

If the Franchise Agreement requires payment of liquidated damages that is inconsistent with California Civil Code Section 1671, the liquidated damages clauses may be unenforceable.

(d) Covenants Not to Compete

If the Franchise Agreement contains a covenant not to compete that extends beyond the termination of the Franchise Agreement, the covenant may be unenforceable under California law.

(e) Venue

If the Franchise Agreement requires litigation, arbitration or mediation to be conducted in a forum other than the State of California, the requirement may be unenforceable under California law.

(f) **Governing Law**

If the Franchise Agreement requires that it be governed by a state's law other than the State of California, the requirement may be unenforceable.

(g) **Arbitration**

The Franchise Agreement requires non-binding arbitration prior to litigation. The arbitration will occur in the AAA office nearest to the Franchisor's headquarters at the time of arbitration with each party bearing their own costs of arbitration and one-half of the arbitrator's fees. Disputes not resolved by non-binding arbitration must be litigated in the state and judicial district in which the Franchisor has its headquarters at the time of filing the action. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and Federal laws (including Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California.

2. **Alternate Channels of Distribution**

The Franchisor reserves the right to establish alternative channels of distribution within the Franchisee's Territory without compensation.

IN WITNESS WHEREOF, the parties have signed and delivered this Rider on the day and year first written.

3 NATIVES FRANCHISING, LLC:

By: _____

Title: _____

Date: _____

FRANCHISEE:

Sign: _____

Print: _____

Date: _____

Sign: _____

Print: _____

Date: _____

ILLINOIS RIDER TO FRANCHISE AGREEMENT

This Illinois Rider to Franchise Agreement is signed on _____, 20__ between 3 Natives Franchising, LLC (“Company”) and _____ (“Franchisee”) to amend the Franchise Agreement as follows:

1. **General.** The Illinois Attorney’s General’s Office requires that certain provisions contained in the Franchise Agreement be amended to be consistent with Illinois law, including the Franchise Disclosure Act of 1987, Ch. 815 705/1 *et seq.* (West 2014) (the “Illinois Franchise Disclosure Act” or “Act”).

2. **Termination and Non-Renewal.** Franchisee’s rights upon termination and non-renewal are set forth in Sections 19 and 20 of the Illinois Franchise Disclosure Act. To the extent that the Franchise Agreement contains provisions that are inconsistent with Sections 19 and 20 of the Act, the provisions are amended.

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

4. **Governing Law and Jurisdiction.** Notwithstanding any provision of the Franchise Agreement to the contrary, the Franchise Agreement is governed by Illinois law. The parties irrevocably submit to the jurisdiction and venue of the federal and state courts in Illinois, except for matters which the Franchise Agreement provides will be resolved by arbitration.

5. **Limitation of Claims.** No action will be maintained under Section 26 of the Illinois Franchise Disclosure Act to enforce any liability created by the Act unless brought before the expiration of 3 years from the act or transaction constituting the violation upon which it is based, the expiration of 1 year after Franchisee becomes aware of facts or circumstances reasonably indicating that Franchisee may have a claim for relief in respect to conduct governed by the Act, or 90 days after delivery to Franchisee of a written notice disclosing the violation, whichever expires first.

This Rider is effective only to the extent that the jurisdictional requirements of the Act are met independent of this Rider. This Rider has no force and effect if the jurisdictional requirements are not met.

IN WITNESS WHEREOF, the parties have signed and delivered this Rider on the day and year first written.

3 NATIVES FRANCHISING, LLC:

FRANCHISEE:

By: _____

Sign: _____

Title: _____

Print: _____

Date: _____

Date: _____

Sign: _____

Print: _____

Date: _____

MARYLAND RIDER TO FRANCHISE AGREEMENT

This Maryland Rider to Franchise Agreement is signed on _____, 20__ between 3 Natives Franchising, LLC (“Company”) and _____ (“Franchisee”) to amend the Franchise Agreement as follows:

1. Section 20, **Successor Franchise**, and Section 17, **Transfers by Franchisee**, are amended to add the following:

A general release required as a condition of the renewal or transfer of the franchise will not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

2. The Franchise Agreement is amended to add: the following

Notwithstanding any provision of the Franchise Agreement to the contrary, nothing in the Agreement or any related agreement requiring Franchisee to assent to a release, estoppel, or waiver of liability is intended to nor acts as a release, estoppel, or waiver of any liability under the Maryland Franchise Registration and Disclosure Law.

3. Section 21, **Termination**, is amended to add the following:

Bankruptcy as a ground for a termination of the Franchise Agreement may not be enforceable.

4. Section 29, **Governing Law, Dispute Resolution, and Limitations**, is amended to add the following:

You may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

5. Section 29, **Governing Law, Dispute Resolution, and Limitations**, is amended to add the following:

Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

IN WITNESS WHEREOF, the parties have signed and delivered this Rider on the day and year first written.

3 NATIVES FRANCHISING, LLC:

FRANCHISEE:

By: _____

Sign: _____

Title: _____

Print: _____

Date: _____

Date: _____

Sign: _____

Print: _____

Date: _____

MINNESOTA ADDENDUM TO FRANCHISE AGREEMENT

This Minnesota Addendum to Franchise Agreement is signed on _____, 20__ between 3 Natives Franchising, LLC (“Company”) and _____ (“Franchisee”) to amend the Franchise Agreement as follows:

1. Definitions. Capitalized terms used but not defined in this Rider have the meanings given in the Agreement. The “**Minnesota Act**” means Minnesota Statutes, Sections 80C.01 to 80C.22.

2. Amendments. The Agreement is amended to comply with the following:

- Minnesota Statute 80C.21 and Minnesota Rule 2860.4400(J) prohibit the franchiser from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or agreement(s) can abrogate or reduce (1) any of the franchisee’s rights as provided for in Minnesota Statute 80C.21 or (2) franchisee’s rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.
- With respect to franchises governed by Minnesota law, the franchiser will comply with Minnesota Statute 80C.14 Subd. 3-5, which require (except in certain specified cases):
 - that a franchisee be given 90 days notice of termination (with 60 days to cure) and 180 days notice for non-renewal of the franchise agreement and
 - that consent to the transfer of the franchise will not be unreasonably withheld.
- Minnesota considers it unfair to not protect the franchisee’s right to use the trademarks. Refer to Minnesota Statute 80C.12 Subd. 1(G). The franchiser will protect the franchisee’s rights to use the trademarks, service marks, trade names, logotypes, or other commercial symbols or indemnify the franchisee from any loss, costs, or expenses arising out of any claim, suit, or demand regarding the use of the name.
- Minnesota Rules 2860.4400(D) prohibits a franchisor from requiring a franchisee to assent to a general release.
- The franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. See Minnesota Rule 2860.4400(J) also, a court will determine if a bond is required.
- The Limitations of Claims section must comply with Minnesota Statute 80C.17 Subd. 5.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties have signed and delivered this Addendum on the day and year first written.

3 NATIVES FRANCHISING, LLC:

By: _____

Title: _____

Date: _____

FRANCHISEE:

Sign: _____

Print: _____

Date: _____

Sign: _____

Print: _____

Date: _____

NEW YORK RIDER TO FRANCHISE AGREEMENT

This New York Rider to Franchise Agreement is signed on _____, 20__ between 3 Natives Franchising, LLC (“Company”) and _____ (“Franchisee”) to amend the Franchise Agreement as follows:

1. New York Law Modifications

The New York Department of Law requires that certain provisions contained in the Franchise Agreement be amended to be consistent with New York law, including the General Business Law, Article 33, Sections 680 through 695 (1989). To the extent that the Franchise Agreement contains provisions that are inconsistent with the following provisions those provisions are amended as follows:

(a) Release of Claims

If Franchisee is required in the Franchise Agreement to sign a release of claims or to acknowledge facts that would negate or remove from judicial review any statement, representation or action that would violate the General Business Law, regulation, rule or order under the Law, the release must exclude claims arising under the New York General Business Law, Article 33, Sections 680 through 695 and its regulations, and any acknowledgments are void. It is the intent of this provision that the non-waiver provisions of Sections 687.4 and 687.5 of the General Business Law be satisfied.

(b) Governing Law

If the Franchise Agreement requires that it be governed by a state’s law other than the State of New York, the choice of law provision will not be considered to waive any rights conferred upon the Franchisee under the New York General Business Law, Article 33, Sections 680 through 695.

2. Jurisdictional Requirements

Each provision of this Rider is effective only to the extent that the jurisdictional requirements of the New York law applicable to the provision are met independent of this Rider. This Rider has no force or effect if the jurisdictional requirements are not independently met.

IN WITNESS WHEREOF, the parties have signed and delivered this Rider on the day and year first written.

3 NATIVES FRANCHISING, LLC:

FRANCHISEE:

By: _____

Sign: _____

Title: _____

Print: _____

Date: _____

Date: _____

Sign: _____

Print: _____

Date: _____

NORTH DAKOTA RIDER TO FRANCHISE AGREEMENT

This North Dakota Rider to Franchise Agreement is signed on _____, 20__ between 3 Natives Franchising, LLC (“Company”) and _____ (“Franchisee”) to amend the Franchise Agreement as follows:

1. The North Dakota Securities Commissioner requires that certain provisions contained in franchise documents be amended to be consistent with North Dakota law, including the North Dakota Franchise Investment Law, North Dakota Century Code Annotated Chapter 51-19, Sections 51-19-01 through 51-19-17 (1993). To the extent that the Franchise Agreement contains provisions that are inconsistent with the North Dakota law, those provisions are amended as follows:

(a) If Franchisee is required in the Franchise Agreement to sign a release of claims or to acknowledge facts that would negate or remove from judicial review any statement, misrepresentation or action that would violate the Law, or a rule or order under the Law, the release excludes claims arising under the North Dakota Franchise Investment Law, and any acknowledgments are void as to claims under the Law.

(b) Covenants not to compete during the term or upon termination or expiration of the Franchise Agreement are enforceable only under certain conditions according to North Dakota law. If the Franchise Agreement contains a covenant not to compete, which is inconsistent with North Dakota law, the covenant may be unenforceable.

(c) If the Franchise Agreement requires litigation to be conducted in a forum other than the State of North Dakota, the requirement is void as to any claims under the North Dakota Franchise Investment Law.

(d) If the Franchise Agreement requires that it be governed by a state’s law, other than the State of North Dakota, to the extent that the law conflicts with the North Dakota Franchise Investment Law, the North Dakota Franchise Investment Law will control.

(e) If the Franchise Agreement requires mediation or arbitration to be conducted in a forum other than the State of North Dakota, the requirement may be unenforceable under the North Dakota Franchise Investment Law. Arbitration involving a franchise purchased in the State of North Dakota must be held either in a location mutually agreed upon before the arbitration or if the parties cannot agree on a location, the arbitrator will determine the location.

(f) If the Franchise Agreement requires payment of a termination penalty, the requirement may be unenforceable under the North Dakota Franchise Investment Law.

(g) Any provision in the Franchise Agreement which requires Franchisee to consent to a waiver of exemplary and punitive damages will not apply to any claims brought under the North Dakota Franchise Investment Law.

2. Each provision of this Rider is effective only to the extent that the jurisdictional requirements of the North Dakota Franchise Investment Law as to each provision are met independent of this Addendum. A provision of this Rider has no force or effect if the jurisdictional requirements are not met independent of this Rider. If this Rider is inconsistent with any terms of the Franchise Agreement, the terms of this Rider govern.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties have signed and delivered this Rider on the day and year first written.

3 NATIVES FRANCHISING, LLC:

By: _____

Title: _____

Date: _____

FRANCHISEE:

Sign: _____

Print: _____

Date: _____

Sign: _____

Print: _____

Date: _____

RHODE ISLAND RIDER TO FRANCHISE AGREEMENT

This Rhode Island Rider to Franchise Agreement is signed on _____, 20__ between 3 Natives Franchising, LLC (“Company”) and _____ (“Franchisee”) to amend the Franchise Agreement as follows:

1. The Rhode Island Securities Division requires that certain provisions contained in the Franchise Agreement be amended to be consistent with Rhode Island law, including the Franchise Investment Act, R. I. Gen. Law Ch. 395 Sec. 19-28.1-1 to 19-28.1-34 (the “Act”). To the extent that the Franchise Agreement contains provisions that are inconsistent with the Act, the provisions are amended:

(a) **Venue**

If the Franchise Agreement requires litigation or arbitration to be conducted in a forum other than the State of Rhode Island, the requirement is void under the Act.

(b) **Governing Law**

If the Franchise Agreement requires that it be governed by a state’s law, other than the State of Rhode Island, to the extent that this law conflicts with the Act, the Act will control.

2. Each provision of this Rider is effective only to the extent that the jurisdictional requirements of the Act applicable to the provision are met independent of this Rider. This Rider has no force or effect if the jurisdictional requirements are not independently met.

IN WITNESS WHEREOF, the parties have signed and delivered this Rider on the day and year first written.

3 NATIVES FRANCHISING, LLC:

FRANCHISEE:

By: _____

Sign: _____

Title: _____

Print: _____

Date: _____

Date: _____

Sign: _____

Print: _____

Date: _____

WASHINGTON RIDER TO FRANCHISE AGREEMENT

This Washington Rider to Franchise Agreement is signed on _____, 20__ between 3 Natives Franchising, LLC (“Company”) and _____ (“Franchisee”) to amend the Franchise Agreement as follows:

1. The State of Washington has a statute, RCW 19.100.180, which may supersede the Franchise Agreement in Franchisee’s relationship with the Company including the areas of termination and renewal rights of the Franchise. There may also be court decisions that may supersede the Franchise Agreement in Franchisee’s relationship with the Company including the areas of termination and renewal by the Company.

2. In any arbitration involving a franchise purchased in Washington, the arbitration site must be either in the State of Washington, or in a place mutually agreed upon when the dispute arises, or as determined by the arbitrator.

3. Upon a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW prevails.

4. A release or waiver of rights Franchisee signs will not include rights under the Washington Franchise Investment Protection Act except when signed as part of a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions that unreasonably restrict or limit the statute of limitations period for claims under the Act or the right to a jury trial or other similar waivers of rights specifically granted under the Act are not be enforceable.

5. Transfer fees are collectable to the extent that they may reflect our reasonable estimated or actual costs in effecting a transfer.

6. If the Franchise Agreement contains a choice of law provision applying a state law which conflicts with the Washington Franchise Investment Protection Act shall control.

IN WITNESS WHEREOF, the parties have signed and delivered this Rider on the day and year first written.

3 NATIVES FRANCHISING, LLC:

FRANCHISEE:

By:_____

Sign:_____

Title:_____

Print:_____

Date:_____

Date:_____

Sign:_____

Print:_____

Date:_____

EXHIBIT C TO THE DISCLOSURE DOCUMENT

FORM OF MULTI-UNIT DEVELOPMENT AGREEMENT



MULTI-UNIT DEVELOPMENT AGREEMENT

MULTI-UNIT DEVELOPER

DATE OF AGREEMENT

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ATTACHMENTS:

- A Certification by Multi-Unit Developer
- B Guaranty
- C Transfer of a Franchise to a Corporation or Limited Liability Company
- D Minimum Performance Schedule
- E Development Area
- F State Specific Addenda and Riders to Multi-Unit Development Agreement

MULTI-UNIT DEVELOPMENT AGREEMENT

THIS MULTI-UNIT DEVELOPMENT AGREEMENT (the “**Agreement**”) is made and entered into the _____ day of _____, 20__, between, 3 Natives Franchising, LLC, a Florida limited liability company, (“**we**”, “**us**” “**our**”, “**Franchisor**”) and _____ a [resident of] [corporation organized in] [limited liability company organized in] _____ (hereinafter “**you**” or “**your**” or “**Multi-Unit Developer**”).

WITNESSETH:

WHEREAS, we have developed a proprietary system through significant expenditures of time, skill, effort and money (the “**System**”) relating to the establishment, development and operation of a 3 Natives restaurant which offers premium quality fruit smoothies and cold-pressed juices prepared fresh in the quick service restaurant using proprietary recipes, and acai bowls, sandwiches, wraps and other healthy snacks (the “**Franchised Business**”);

WHEREAS, we have developed the uniform standards, specifications, methods, policies and procedures for 3 Natives franchise operations, including, but not limited to, proprietary recipes, training and operational assistance, as well as advertising and promotional programs, all of which may be changed, improved upon and further developed from time to time;

WHEREAS, we, through our dedicated operations, merchandising policies and marketing methods, have developed the reputation, public image and goodwill of our System;

WHEREAS, the System is identified by means of certain trade names, service marks, trademarks, logos, emblems and indicia of origin, including, but not limited to, the marks 3 NATIVES®, 3 NATIVES ACAI & JUICERY or 3 NATIVE ACAI CAFÉ and such other trade names, service marks and trademarks as are now, and may hereafter be designated for use in connection with the System (all of which are referred to as the “**Proprietary Marks**”), which Proprietary Marks are owned by us;

WHEREAS, we will continue to develop, use and control the use of the Marks in order to identify for the public the source of the products and services marketed under the 3 Natives System, and to represent to the public the System's uniformity requirements and quality standards as established and promulgated from time to time by us;

WHEREAS, we continue to develop, use and control the use of such Proprietary Marks in order to identify for the public the source of services and products marketed thereunder and under the System, and to represent the System's high standards of quality, appearance and service;

WHEREAS, you acknowledge that you have read this Agreement and our Franchise Disclosure Document, and that you have no knowledge of any representations about the Franchised Business or about us or our franchising program or policies made by us or our officers, directors, shareholders, employees or agents which are contrary to the statements in our Franchise Disclosure Document or to the terms of this Agreement, and that you understand and accept the terms, conditions and covenants contained in this Agreement as being reasonably necessary to maintain our high standards of quality and service and the uniformity of those standards at all facilities which operate pursuant to the System and thereby to protect and preserve the goodwill of the Proprietary Marks; and

WHEREAS, you wish to obtain certain development rights to open and operate 3 Natives restaurants operating under the Marks and the System within the Development Area described in this Agreement.

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

1. GRANT

A. We hereby grant to you, pursuant to the terms and conditions of this Agreement, certain development rights (“**Development Rights**”) to establish and operate _____ franchised 3 Natives restaurants, and to use the Marks and System solely in connection therewith, at specific locations to be designated in separate Franchise Agreements executed as provided in Section 3.A. hereof, and pursuant to the schedule established in Attachment “D” of this Agreement (hereinafter “**Minimum Performance Schedule**”). Each 3 Natives restaurant developed hereunder shall be located in the area described in Attachment “E” of this Agreement (hereinafter “**Development Area**”).

B. Each 3 Natives restaurant for which a Development Right is granted hereunder shall be established and operated pursuant to a Franchise Agreement to be entered into between you and us in accordance with Section 3.A. hereof.

C. Except as otherwise provided in this Agreement, we shall not establish, nor franchise anyone other than you to establish, a 3 Natives restaurant in the Development Area during the term of this Agreement, provided you are not in default hereunder.

D. This Agreement is not a Franchise Agreement and does not grant to you any right to use the Marks or System.

E. You shall have no right under this Multi-Unit Development Agreement to franchise others under the Marks or System.

2. RESERVATION FEE

A. In consideration of the Development Rights granted herein, you shall pay to us an initial payment, or “Reservation Fee”, upon signing the Multi-Unit Development Agreement, in an amount that is determined based upon the number and type of 3 Natives restaurants you agree to develop and operate. For each additional franchise purchased, the Initial Franchise Fee will be discounted. The Initial Franchise Fee for each additional 3 Natives franchise after the first is \$29,500. The Reservation Fee represents the entire Initial Franchise Fee that is owed for the first Franchise Agreement and 50% of the Initial Franchise Fee that is owed for each additional franchise agreement multiplied by the total minimum number of 3 Natives restaurants to be developed pursuant to this Agreement. For example, if you agree to develop and operate three 3 Natives restaurants, your Reservation Fee will be \$69,000 (\$39,500 x 1 and \$14,750 x 2). The balance of the remaining Initial Franchise Fee (\$14,750) that is owed for each 3 Natives restaurant, will be due upon your signing each respective franchise agreement.

B. You acknowledge and agree that the Reservation Fee shall be fully earned by us upon execution of this Agreement, is not refundable, and will not be credited against any other fees you may pay to us pursuant to this Agreement or any Franchise Agreement.

3. SCHEDULE AND MANNER FOR EXERCISING DEVELOPMENT RIGHTS

A. You shall assume all responsibility and expense for locating potential sites for 3 Natives restaurants and shall submit to us for our evaluation and approval, in the form specified by us, a description of the site, the terms of the lease or purchase, and such other information and materials as we may reasonably require. We will make reasonable efforts to notify you within 30 days after receipt of such information and materials from you to accept or decline the site in our sole discretion. We shall have no obligation to approve sites which do not meet our criteria for you to meet the Minimum Performance Schedule.

B. Recognizing that time is of the essence, you agree to exercise each of the Development Rights granted hereunder in the manner specified herein, and in accordance with the Minimum Performance Schedule. Your failure to adhere to the Minimum Performance Schedule shall constitute a default under this Agreement as provided in Section 9.A. hereof. Under no circumstances may you open a 3 Natives restaurant for business unless and until there is a fully executed Franchise Agreement in place for such 3 Natives restaurant, and we have been paid all amounts payable to us upon execution of such Agreement.

C. You shall exercise each Development Right granted herein only by executing a Franchise Agreement for each 3 Natives restaurant at a site approved by us in the Development Area as hereinafter provided within ten days after receipt of said Franchise Agreement from us for the approved site and return same to us for our execution. The Franchise Agreement for the first Development Right exercised hereunder has been executed contemporaneously with this Agreement. The Franchise Agreement for each additional Development Right exercised hereunder shall be the then-current Franchise Agreement, except that the Royalty Fees shall not increase and shall be the same as stated in the first Franchise Agreement executed, subject to any non-material changes therein which are required to be made by changes in any applicable law, regulation or ordinance in effect from time to time. In the event we do not receive the properly executed Franchise Agreement with the appropriate number of copies within said ten days from delivery thereof to you, our approval of the site shall be void, and you shall have no rights with respect to said site.

D. You acknowledge that our approval of a particular site for a 3 Natives restaurant shall not be deemed to be an assurance or guaranty that the 3 Natives restaurant will operate successfully or at a profit from such site.

E. You shall be required to execute each Franchise Agreement and own a minimum of 51% of the issued and outstanding stock for each 3 Natives restaurant to be opened pursuant to said Franchise Agreement. In no event shall you relinquish control over each or any entity operating each 3 Natives restaurant except pursuant to an authorized transfer, as described in Section 11.

4. DEVELOPMENT RIGHTS AND OBLIGATIONS

A. Subject to the provisions of this Agreement, we grant to you the Development Rights, as described in Section 1.A. Notwithstanding any other provision of this Agreement, Development Rights under this Agreement may or may not, in our sole discretion, include the right to develop 3 Natives restaurants at any "Non-Traditional Sites". If a Non-Traditional Site becomes available within the Development Area during the term of this Agreement, we may, in our sole discretion, offer you the opportunity to develop a 3 Natives restaurant at the Non-Traditional Site. You will have 30 days after we notify you that the site is available to accept this right of first refusal.

B. Provided you are in full compliance with all the terms and conditions of this Agreement, including without limitation your development obligations described in Section 3.B. and the Minimum Performance Schedule, and you are in full compliance with all of your obligations under all franchise agreements executed pursuant to this Agreement, then during the term of this Agreement, neither we nor any of our affiliates will develop or operate or grant franchises for the development or operation of 3 Natives restaurants within the Development Area, except the franchises that are granted to you pursuant to this Agreement and except as otherwise expressly provided in this Agreement. However, we have the right to terminate this exclusivity if you are not in full compliance with all of the terms and conditions of the Multi-Unit Development Agreement and all of the franchise agreements signed under it.

C. Upon the termination or expiration of this Agreement, we and our affiliates shall have the right to develop and operate, and to grant to others development rights and franchises to develop and operate, 3 Natives restaurants within the Development Area subject only to the territorial rights granted to you with respect to 3 Natives restaurant operated by you pursuant to the Franchise Agreements and subject, further, to the right of first refusal described in Section 6 below.

D. Except as expressly limited by Section 3.B. above, we and our affiliates retain all rights with respect to 3 Natives restaurants, the Marks and the sale of any goods and services, anywhere in the world, including, without limitation, the right:

1. To produce, offer and sell and to grant others the right to produce, offer and sell any of the products or services offered at 3 Natives restaurants and any other goods or services displaying the Marks or other trade and service marks through alternative distribution channels, as described above, both within and outside your Development Area, and under any terms and conditions we deem appropriate;

2. To operate and to grant others the right to operate 3 Natives restaurants located outside the Development Area under any terms and conditions we deem appropriate and regardless of proximity to your 3 Natives restaurants;

3. To operate and to grant others the right to operate 3 Natives restaurants at Non-Traditional Sites within and outside the Development Area under any terms and conditions we deem appropriate. If a Non-Traditional Site becomes available within the Development Area during the term of the Multi-Unit Development Agreement, we may, in our sole discretion, offer you the opportunity to develop a 3 Natives restaurants at the Non-Traditional Site. You will have 30 days after we notify you that the site is available to accept this right of first refusal; and

4. The right to acquire and operate a business operating one or more competing businesses located or operating in your Development Area.

E. To maintain your rights under the Multi-Unit Development Agreement, you must have open and in operation the cumulative number of 3 Natives restaurants stated on the Minimum Performance Schedule by the dates agreed upon. Failure to do so will be grounds for either a loss of territorial exclusivity or a termination of the Multi-Unit Development Agreement.

5. TERM AND RENEWAL

A. The term of this Agreement shall be the length of the Minimum Performance Schedule. The Minimum Performance Schedule shall be deemed completed, and this Agreement shall expire, upon the opening of the last 3 Natives restaurant to be developed hereunder.

B. This Agreement shall not be subject to renewal; however, if you wish to purchase a new Development Area and continue to develop 3 Natives restaurants, we will, in good faith, negotiate a new Multi-Unit Development Agreement with you.

6. TERM AND RIGHT OF FIRST REFUSAL

A. Unless sooner terminated in accordance with the terms of this Agreement, the term of this Multi-Unit Development Agreement and all Development Rights granted hereunder shall expire on the date the last 3 Natives restaurant is opened pursuant to the Minimum Performance Schedule established in Attachment "D".

B. If, during the term of this Agreement, a Non-Traditional Site becomes available in your Development Area, then we may, in our sole discretion, offer to you the opportunity to develop a 3 Natives restaurant at such Non-Traditional Site. You shall have 30 days after receipt of our notice in which to accept or decline this right of first refusal. Your failure to notify us within such 30 day period shall be interpreted that you have declined the right of first refusal. Nothing in this Agreement shall require us to provide you with a right of first refusal for a Non-Traditional Site.

C. Upon completion of the Minimum Performance Schedule, if we determine that it is desirable to operate one or more additional 3 Natives restaurants in the Development Area, and provided you have timely complied with the Minimum Performance Schedule and are then in compliance with all terms and conditions of all Franchise Agreements, you shall have a right of first refusal to obtain the Development Rights to such additional 3 Natives restaurants upon such reasonable terms and conditions as are then determined by us including, but not limited to, the imposition of a new Reservation Fee and the payment of the then-current initial fees upon execution of the then-current Franchise Agreement. In such case, we shall advise you in writing of the terms and conditions for the acquisition of the Development Rights for such additional 3 Natives restaurants. You must notify us in writing within 60 days of the receipt of such notice whether you wish to acquire the Development Rights to one or all of such additional 3 Natives restaurants. If you do not exercise this right of first refusal, in whole, we may, following the expiration of the 60 day period, grant the Development Rights to such additional 3 Natives restaurants to any other person or persons on the same terms and conditions or we may elect to develop and construct any of such additional 3 Natives restaurants.

7. YOUR OBLIGATIONS

A. You acknowledge and agree that:

1. Except as otherwise provided herein, this Agreement includes only the right to select sites for the establishment of 3 Natives restaurants and to submit the same to us for our approval in accordance with the terms of this Agreement. This Agreement does not include the grant of a license by us to you of any rights to use the Marks, the System, or to open or operate any 3 Natives restaurants within the Development Area. You shall obtain the license to use such additional rights at each 3 Natives restaurant upon the execution of each Franchise Agreement by both you and us and only in accordance with the terms of each Franchise Agreement.

2. The Development Rights granted hereunder are personal to you and cannot be sold, assigned, transferred or encumbered, in whole or in part, except as stated in Section 11 hereof.

3. Except as provided in Sections 6.A. and 6.B. hereof, the Development Rights granted hereunder are non-exclusive, and we retain the right, in our sole discretion:

(a) To continue to construct and operate other 3 Natives restaurants and to use the System and the Marks at any location outside the Development Area, and to license others to do so.

(b) To develop, use and franchise the rights to any trade names, trademarks, service marks, trade symbols, emblems, signs, slogans, insignia, or copyrights not designated by us as Marks for use with different franchise systems for the sale of the different products or services not in connection with the System at any location, on such terms and conditions as we may deem advisable and without granting you any rights therein.

(c) To develop, merchandise, sell and license others to sell any of our products, proprietary or otherwise, presently existing or to be developed in the future, to the public through alternative distribution channels outside or inside of the Development Area and to use the Marks in connection therewith.

4. You have sole responsibility for the performance of all obligations arising out of the operation of your business pursuant to this Agreement, including, but not limited to, the payment when due of any and all taxes levied or assessed by reason of such operation.

5. In all public records, in your relationship with other persons, and in any documents, you shall indicate clearly the independent ownership of your business and that the operations of said business are separate and distinct from the operation of a 3 Natives restaurant.

6. You shall at all times preserve in confidence any and all materials and information furnished or disclosed to you by us and you shall disclose such information or materials only to such of your employees or agents who must have access to it in connection with their employment. You shall not at any time, without our prior written consent, copy, duplicate, record or otherwise reproduce such materials or information, in whole or in part, nor otherwise make the same available to any unauthorized person.

7. You shall comply with all requirements of federal, state and local laws, rules and regulations.

8. You shall at no time have the right to sub-franchise any of your Development Rights hereunder.

9. In no event shall any 3 Natives restaurant be opened for business unless and until a Franchise Agreement for such 3 Natives restaurant has been fully executed and the Initial Franchise Fee for such 3 Natives restaurant has been paid.

8. OUR SERVICES

We shall, at our expense, provide the following services:

A. We will review the information regarding potential sites that you provide to us to determine whether the sites meet our standards and criteria, and if the site meets our criteria, accept the site.

B. We will assist you in determining the layout and configuration of each 3 Natives restaurant once the location has been approved. After you and we have determined the layout and configuration of each 3 Natives restaurant, you must arrange for site plan and build-out plans and specifications to be prepared and submitted to us for our review.

C. We will review your site plan and final build-out plans and specifications for conformity to our standards and specifications.

D. We will provide other resources and assistance as may be developed and offered to our Multi-Unit Developers.

9. **DEFAULT AND TERMINATION**

A. The occurrence of any of the following events of default shall constitute good cause for us, at our option and without prejudice to any other rights or remedies provided for hereunder or by law or equity, to terminate this Agreement upon notice to you without opportunity to cure the default, except where prohibited by any applicable state or federal law, whereupon this Agreement shall be terminated in accordance with the provisions of any such law:

1. If you shall, in any respect, fail to meet the Minimum Performance Schedule.

2. If you shall purport to effect any assignment other than in accordance with Section 11 hereof.

3. Except as provided in Section 11 hereof, if you attempt to sell, assign, transfer or encumber this Agreement prior to the time that at least 25% of the 3 Natives restaurants to be constructed and opened for business in accordance with the Minimum Performance Schedule are, in fact, open or under construction.

4. If you make, or have made, any material misrepresentation to us in connection with obtaining this Agreement, any site approval hereunder, or any Franchise Agreement.

5. If you default in the performance of any obligation under any Franchise Agreement with us, provided such default results in the termination of the Franchise Agreement.

6. If you suffer a violation of any law, ordinance, rule or regulation of a governmental agency in connection with the operation of the 3 Natives restaurant, and permit the same to go uncorrected after notification thereof, unless there is a bona fide dispute as to the violation or legality of such law, ordinance, rule or regulation, and you promptly resort to courts or forums of appropriate jurisdiction to contest such violation or legality.

7. If you or an owner of yours owning a 25% or more interest in you is convicted in a court of competent jurisdiction of an indictable offense punishable by a term of imprisonment in excess of one year.

7. If you, or any of your partners, if you are a partnership, or any of your officers, directors, shareholders, or members, if you are a corporation or limited liability company, shall become insolvent or make a general assignment for the benefit of creditors; if a petition in bankruptcy is filed by you or such a petition is filed against and not opposed by you; if you are adjudicated a bankrupt or insolvent; if a bill in equity or other proceeding for the appointment of a receiver or other custodian for you or your business or assets is filed and consented to by you; if a receiver or other custodian (permanent or temporary) of your assets or property, or any part thereof, is appointed by any court of competent jurisdiction; if proceedings for a composition with creditors under any state or federal law should be instituted by or against you; if a final judgment remains unsatisfied or of record for 30 days or longer (unless a *supersedeas* bond is filed); if you are dissolved; if execution is levied against your business or property; if suit to foreclose any lien or mortgage against the premises or equipment is instituted against you and not

dismissed within 30 days; or if the real or personal property of the business shall be sold after levy thereupon by any sheriff, marshal, or constable.

9. If you, or any shareholder or principal, if you are corporate entity, or any of your affiliates cease to operate all of the 3 Natives restaurants developed pursuant to the terms of this Agreement.

B. Upon occurrence of any of the events stated in this Section 9.B., we may, without prejudice to any other rights or remedies contained in this Agreement or provided by law or equity, terminate this Agreement. Such termination shall be effective 30 days after written notice (or such other notice as may be required by applicable state law) is given by us to you of any of such events, if such defaults are not cured within such period:

1. If you shall use the System or Marks, or any other names, marks, systems, insignia, symbols or rights which are our property except pursuant to, and in accordance with, a valid and effective Franchise Agreement.

2. If you, or persons controlling, controlled by or under common control with you, shall have any interest, direct or indirect, in the ownership or operation of any business engaged in the sale of products or services similar to those permitted to be sold by you within the Development Area or in any business which looks like, copies or imitates the 3 Natives restaurant or operates in a manner tending to have such effect other than pursuant to a valid and effective Franchise Agreement with us.

3. If you shall fail to remit to us any payments pursuant to Section 2 when same are due.

4. If you shall begin work upon any 3 Natives restaurant at any site unless all the conditions stated in Section 3 hereof have been met.

5. If you fail to obtain our prior written approval or consent, including but not limited to site approval or site plan approval, as expressly required by this Agreement.

6. If you default in the performance of any other obligation under this Agreement.

7. If you open any 3 Natives restaurant for business before a Franchise Agreement for such 3 Natives restaurant has been fully executed and the initial fee due to us has been paid.

10. OBLIGATIONS FOLLOWING TERMINATION

A. Upon termination of this Agreement becoming effective for any reason, or upon expiration of the term hereof, you agree as follows:

1. To cease immediately any attempts to select sites on which to establish 3 Natives restaurants.

2. To cease immediately to hold yourself out in any way as a Multi-Unit Developer of ours or to do anything which would indicate a relationship between you and us.

3. To immediately and permanently cease to use the Proprietary Marks and distinctive forms, slogans, signs, and symbols associated with the Multi-Unit Developer program and the System. You shall also cease to use, without limitation, all signs, advertising materials, stationery, forms, and any other articles that display the Proprietary Marks.

4. To promptly pay all sums owing to us and our affiliates under this Agreement. In the event of termination for any default by you, such sums shall include all damages, costs, and expenses, including reasonable attorneys' fees and expenses, incurred by us or such affiliates as a result of the default, which obligation shall give rise to and remain, until paid in full, a lien in favor of us against any and all of the personal property, furnishings, equipment, signs, fixtures, and inventory owned by you and on the premises used in your Multi-Unit Developer business. We shall have the right to set-off any amounts which it deems are payable to it by Multi-Unit Developer.

5. You shall comply with the covenants contained in Section 12 of this Agreement.

B. No right or remedy herein conferred upon or reserved to us is exclusive of any other right or remedy provided or permitted by law or in equity.

11. TRANSFER OF INTEREST

A. This Agreement is personal to you, and you shall neither sell, assign, transfer nor encumber this Agreement, the Development Rights, or any other interest hereunder, nor suffer or permit any such assignment, transfer or encumbrance to occur directly, indirectly or contingently by agreement or by operation of law without our prior written consent. You understand that this Agreement may not be pledged, mortgaged, hypothecated, given as security for an obligation or in any manner encumbered. The assignment or transfer of any interest, except in accordance with this Section 11 shall constitute a material breach of this Agreement.

B. In the event that you are a corporation or desire to conduct business in a corporate capacity, said corporate entity or assignment to a corporate entity (which may include a corporation, limited liability company or partnership) must receive our prior written approval and you agree to comply with the provisions hereinafter specified, including without limitation, personal guarantees by one or more equity owners of all of the obligations of said corporate entity or assignee corporate entity to us and other parties designated by us. The corporate entity or assignee corporate entity shall not engage in any business activities other than those directly related to the operation of the 3 Natives restaurants pursuant to the terms and conditions of the Franchise Agreements with us, and all assets related to the operation of the 3 Natives restaurants shall be held by the corporate entity or assignee corporate entity. There shall be no transfer fee charged by us for a one time assignment to a corporate entity.

C. If you are a corporation or if your rights hereunder are assigned to a corporate entity, you or those individuals disclosed on Attachment "B" attached hereto shall be the legal and beneficial owner of not less than 51% of the outstanding equity of said entity and shall act as such entity's principal officer. The assignment to a corporate entity will not relieve you of personal liability to us for performance of any of the obligations under this Agreement. Any subsequent transfer of voting rights of the equity of the entity or assignee entity, and any transfer or issuance of equity of the entity or assignee entity shall be subject to our prior written approval. We agree that we will not unreasonably restrict the issuance or transfer of equity, provided that you comply with the provisions of this Section 11, and provided that in no event shall any equity of such corporate entity or assignee corporate entity be sold, transferred or assigned to a business competitor of ours. The articles of organization and governing documents (including by-laws, operating agreement or partnership agreement) of the entity or assignee entity shall reflect that the issuance and transfer of equity is restricted, and all certificates shall bear the following legend, which shall be printed legibly and conspicuously on each certificate:

**"The transfer of this certificate is subject to the terms and conditions
of a Multi-Unit Development Agreement with 3 Natives Franchising,**

LLC dated _____. Reference is made to said Multi-Unit Development Agreement and related Franchise Agreements and to restrictive provisions of the governing documents of this entity.”

D. The entity or assignee entity’s records shall indicate that a stop transfer order shall be in effect against the transfer of any equity, except for transfers permitted by this Section 11. In addition to the foregoing, the equity of such entity or assignee entity shall not be publicly sold or traded. You are strictly prohibited from offering your securities through a public offering or private placement.

E. In the event of your death, disability or permanent incapacity, we shall consent to the transfer of all of the interest of you to your spouse, heirs or relatives, by blood or marriage, or if this Agreement was originally executed by more than one party, then to the remaining party(ies) who originally executed this Agreement, whether such transfer is made by your Last Will and Testament or by operation of law, provided that the requirements of Section 11 hereof have been met. In the event that your heirs do not obtain our consent as prescribed herein, your personal representative shall have a reasonable time to dispose of your interest hereunder, which disposition shall be subject to all the terms and conditions for transfers under this Agreement.

F. You have represented to us that you are entering into this Agreement with the intention of complying with its terms and conditions and not for the purpose of resale of the Development Rights hereunder. Therefore, you agree that any attempt to assign this Agreement, prior to the time that at least 25% of the 3 Natives restaurants to be constructed hereunder are opened or under construction, except pursuant to Sections 11.B and 11.C hereof, shall be deemed to be an event of default.

G. Except as provided in Section 11.F., if you receive from an unaffiliated third party and desire to accept a bona fide written offer to purchase your business, Development Rights and interests, we shall have the option, exercisable within 30 days after receipt of written notice setting forth the name and address of the prospective purchaser, the price and terms of such offer, and a copy of such offer and the other information stated in this Section 11.G, to purchase such business, Development Rights and interests, including your right to develop sites within the Development Area, on the same terms and conditions as offered by said third party. In order that we may have information sufficient to enable us to determine whether to exercise this option, we may require you to deliver to us certified financial statements as of the end of your most recent fiscal year and such other information about your business and operations as we may request. If we decline or do not accept the offer in writing within 30 days, you may, within 30 days from the expiration of the option period, sell, assign and transfer your business, Development Rights and interest to said third party, provided we have consented to such transfer as required by this Section 11. Any material change in the terms of the offer prior to closing of the sale to such third party shall constitute a new offer, subject to the same rights of first refusal by us or our nominee, as in the case of an initial offer. Our failure to exercise the option afforded by this Section 11.G. shall not constitute a waiver of any other provision of this Agreement, including all of the requirements of this Section with respect to the proposed transfer.

H. You acknowledge and agree that the restrictions on transfer imposed herein are reasonable and are necessary to protect the Development Rights, the System and the Marks, as well as our reputation and image, and are for the protection of us, you and other multi-unit developers and franchisees. Any assignment or transfer permitted by this Section 11 shall not be effective until we receive a completely executed copy of all transfer documents, and we consent in writing thereto.

I. Except as provided in Section 11.F. hereof, we agree not to unreasonably withhold our consent to a sale, assignment or transfer by you hereunder. Consent to such transfer otherwise permitted or permissible as reasonable may be refused unless:

1. All of your obligations created by this Agreement, all other franchise documents, including all Franchise Agreements, and the relationship created hereunder are assumed by the transferee.

2. All ascertained or liquidated debts of you to us or our affiliates or are paid.

3. You are not in default hereunder.

4. We are reasonably satisfied that the transferee meets all of our requirements for new multi-unit developers, including but not limited to, good reputation and character, business acumen, operational ability, management skills, financial strength and other business considerations.

5. Transferee executes or, in appropriate circumstances, causes all necessary parties to execute, our standard form of Multi-Unit Development Agreement, Franchise Agreements for all 3 Natives restaurants open or under construction hereunder, and such other then-current ancillary agreements being required by us of new multi-unit developers on the date of transfer.

6. You execute a general release, in a form satisfactory to us, of any and all claims against us, our officers, directors, employees and principal stockholders of any and all claims and causes of action that you may have against us or any subsidiary or affiliated corporations in any way relating to this Agreement or the performance or non-performance thereof by us.

7. You or transferee pay to us a transfer fee in an amount greater of 50% of our then-current applicable initial franchise fee for a single unit franchise, or \$17,500, to cover our reasonable costs in effecting the transfer and in providing training and other initial assistance to transferee.

J. Upon the death or mental incapacity of any person with an interest of more than 50% in this Agreement or in you, the executor, administrator or personal representative of such person shall transfer his interest to a third party approved by us within 12 months. Such transfers, including, without limitation, transfers by devise or inheritance, shall be subject to the same conditions as any *inter vivos* transfer. However, in the case of transfer by devise or inheritance, if the heirs or beneficiaries of any such person are unable to meet the conditions stated in Section 11.A. hereof, the personal representative of the deceased shall have a reasonable time, not to exceed 12 months from the date said personal representative is appointed, to dispose of the deceased's interest in you or in the Development Rights, which disposition shall be subject to all the terms and conditions for transfers contained in this Agreement. It is understood and agreed, however, that notwithstanding the foregoing, the Minimum Performance Schedule shall be complied with as though no such death or mental incapacity had occurred. In the event the interest described above is not disposed of within such time, we shall have the right to terminate this Agreement, provided such termination had not previously occurred for failure to perform pursuant to the Minimum Performance Schedule, upon 90 days' notice to your representative, or we shall have the right to re-purchase same at the same price being sought by your representative.

K. Our consent to a transfer of any interest in you or in the Development Rights pursuant to this Section shall not constitute a waiver of any claims we may have against the transferring party, nor shall it be deemed a waiver of our right to demand exact compliance with any of the terms of this Agreement by the transferee.

L. We shall have the right to assign this Agreement and all of our attendant rights and privileges to any person, firm, corporation or other entity provided that, with respect to any assignment resulting in the subsequent performance by the assignee of our functions: (a) the assignee shall, at the time

of such assignment, be financially responsible and economically capable of performing our obligations; and (b) the assignee shall expressly assume and agree to perform such obligations.

You expressly affirm and agree that we may sell our assets, our rights to the Marks or to the System outright to a third party; may go public; may engage in a private placement of some or all of our securities; may merge, acquire other corporations, or be acquired by another corporation; may undertake a refinancing, recapitalization, leveraged buyout or other economic or financial restructuring; and, with regard to any or all of the above sales, assignments and dispositions, you expressly and specifically waive any claims, demands or damages arising from or related to the loss of said Marks (or any variation thereof) and/or the loss of association with or identification of “3 Natives Franchising, LLC” as Franchisor. Nothing contained in this Agreement shall require us to remain in the health and fitness industry or to offer the same products and services, whether or not bearing the Marks, in the event that we exercise our right to assign our rights in this Agreement.

12. COVENANTS

A. You covenant that during the term of this Agreement, except as otherwise approved in writing by us, you (or if Multi-Unit Developer is a corporation or partnership, the Operating Principal) or your manager shall devote full time, energy, and best efforts to the management and operation of the Multi-Unit Developer Business.

B. You and your owners covenant that during the term of this Multi-Unit Development Agreement you shall not, either directly or indirectly, for yourself, or in conjunction with others:

1. Divert or attempt to divert any business, customer, franchisee or prospective franchisee of any franchised business operated under the System to any competitor or do any other act injurious or prejudicial to the goodwill associated with the System.

2. Solicit any person who is at that time employed by us or any of our franchisees or who is subject to a franchise agreement with us, or directly or indirectly induce such person to violation a nondisclosure, noncompetition or franchise agreement.

3. Own, maintain, operate, affiliate with, or have an interest in any business (whether directly operating such a business or as a franchisee, area representative, developer, or otherwise) that is competitive with a 3 Natives restaurant.

C. You and your owners covenant that, except as otherwise approved in writing by us, you shall not, for a continuous uninterrupted period of two years from the date of: (a) a Transfer permitted under Section 11, above; (b) expiration or termination of this Agreement (regardless of the cause for termination); or (c) a final order of a duly authorized arbitrator, panel of arbitrators, or a court of competent jurisdiction (after all appeals have been taken) with respect to any of the foregoing or with respect to the enforcement of this Section 12.C.; either directly or indirectly, for yourself, or through, on behalf of, or in conjunction with any persons or entity, own, maintain, operate, engage in, develop or acquire any interest in any business that is competitive with a 3 Natives restaurant and, and which business is, or is intended to be, located (a) within the Development Area; (b) within a 3 to 5 mile radius of the Development Area; or (c) within a 3 to 5 mile radius of any 3 Natives restaurant operating under the System at the time of expiration or termination.

D. Sections 12.B. and 12.C. above shall not apply to ownership by Multi-Unit Developer of an interest in any business operated under the System under a franchise granted by us or of less than 5% beneficial interest in the outstanding equity securities of any publicly held entity.

E. The parties agree that each of the foregoing covenants shall be construed as independent of any other covenant or provision of this Agreement. If all or any portion of a covenant is held unreasonable or unenforceable by a court or agency having valid jurisdiction in an unappealed final decision to which we are a party, you expressly agree to be bound by any lesser covenant subsumed within the terms of such covenant that imposes the maximum duty permitted by law, as if the resulting covenant were separately stated in and made a part of this Section 12.

F. You understand and acknowledge that we shall have the right, in our sole discretion, to reduce the scope of any covenant set forth in Sections 12.B. and 12.C. of this Agreement, or any portion thereof, without your consent, effective immediately upon receipt of written notice thereof; and you agree that you shall comply forthwith with any covenant as so modified, which shall be fully enforceable.

G. You expressly agree that the existence of any claims you may have against us, whether or not arising from this Agreement, shall not constitute a defense to the enforcement by us of the covenants in this Section 12. You agree to pay all costs and expenses (including reasonable attorneys' fees and expenses) incurred we incur in connection with the enforcement of this Section 12.

H. You shall require and obtain execution of covenants, in a form reasonably acceptable to us, of confidentiality and non-competition similar to those set forth elsewhere in this Agreement (including covenants applicable upon the termination of a person's relationship with you) from any or all of the following persons: (a) all managers of Multi-Unit Developer; (b) all officers, directors, and holders of a beneficial interest of 5% or more of the securities of Multi-Unit Developer, and of any entity directly or indirectly controlling Multi-Unit Developer, if Multi-Unit Developer is an entity; and (c) the general partners and any limited partners (including any entity, and the officers, directors, members, and holders of a beneficial interest of 5% or more of the securities of any entity that controls, directly or indirectly, any general or limited partner), if Multi-Unit Developer is a partnership. The covenants required by this Section 12 shall be in a form specified by us, including, without limitation, specific identification of us as a third-party beneficiary of such covenants with the independent right to enforce them.

I. You and your owners agree to comply with and/or to assist us to the fullest extent possible in our efforts to comply with Anti-Terrorism Laws (as defined below). In connection with such compliance, you and your owners certify, represent, and warrant that none of your respective property or interests is subject to being "blocked" under any of the Anti-Terrorism Laws and that neither you nor any of your owners are otherwise in violation of any of the Anti-Terrorism Laws.

1. For the purposes of this Section 12.9, the following terms have the following meanings: (a) "Anti-Terrorism Laws" means Executive Order 13224 issued by the President of the United States ("Executive Order 13224"), the Terrorism Sanctions Regulations (Title 31, Part 595 of the U.S. Code of Federal Regulations), the Foreign Terrorist Organizations Sanctions Regulations (Title 31, Part 597 of the U.S. Code of Federal Regulations), the Cuban Assets Control Regulations (Title 31, Part 515 of the U.S. Code of Federal Regulations), the USA PATRIOT Act, and all other present and future federal, state and local laws, ordinances, regulations, policies, lists and any other requirements of any other requirements of any governmental authority (including, without limitation, the United States Department of Treasury Office of Foreign Assets Control, and any other government agency with jurisdiction over the parties to this Agreement and/or their actions) addressing or in any way relating to terrorist acts and/or acts of war; (b) "Owner" means any person, partner, member, or shareholder who owns any direct or indirect interest in Multi-Unit Developer.

2. You and your owners certify that none of you, your respective employees, or

anyone associated with any of them is listed in the Annex to Executive Order 13224 (the "Annex"), which is available at: <http://www.treasury.gov/offices/enforcement/ofac/sanctions/terrorism.html>.

You agree not to knowingly hire any individual who is listed in the Annex (or, if he or she is already employed, retain the employment of that individual). You also agree not to knowingly: (a) establish a new relationship with a person as an employee, owner, banker, or otherwise who is listed in the Annex (whether or not we have consented to a Transfer involving such new owner); and (b) maintain a business relationship (whether with an employee, an owner, banker, or otherwise) with a person who is added to the Annex.

3. You certify that you have no knowledge or information that, if generally known, would result in you or your owners, your employees, or anyone else associated with you to be listed in the Annex to Executive Order 13224.

4. You understand that you are solely responsible for ascertaining what actions you must take to comply with the Anti-Terrorism Laws, and you specifically acknowledge and agree that your indemnification responsibilities set forth in this Agreement also apply to your obligations under this Section 12.I.

5. Any misrepresentation by you under this Section or any violation of the Anti-Terrorism Laws by you, your owners, your employees, and/or their respective affiliates shall constitute grounds for immediate termination of this Agreement and any other agreement you have entered into with us or one of our affiliates.

13. NOTICES

Any and all notices required or permitted under this Agreement shall be in writing and shall be personally delivered or mailed by certified or registered mail, return receipt requested, to the respective parties at the following addresses unless and until a different address has been designated by written notice to the other party:

Notices to Franchisor: 3 Natives Franchising, LLC
18 Pine Hill Trail West
Tequesta, FL 33469
Attn.: Anthony Bambino

With a copy to: The Franchise Firm LLP
433 Plaza Real Suite 275
Boca Raton, FL 33432

Notices to the Multi-Unit Developer: _____

Any notice by certified or registered mail shall be deemed to have been given at the date and time of mailing.

14. INDEPENDENT CONTRACTOR AND INDEMNIFICATION

A. It is understood and agreed by the parties hereto that this Agreement does not create a fiduciary relationship between them, and that nothing in this Agreement is intended to constitute either

party an agent, legal representative, subsidiary, joint venturer, partner, employee or servant of the other for any purpose whatsoever. Each party to this Agreement is an independent contractor, and neither shall be responsible for the debts or liabilities incurred by the other.

B. You shall hold yourself out to the public to be an independent contractor operating pursuant to this Agreement. You agree to take such actions as shall be necessary to that end.

C. You understand and agree that nothing in this Agreement authorizes you to make any contract, agreement, warranty or representation on our behalf, or to incur any debt or other obligation in our name, and that we assume no liability for, nor shall be deemed liable by reason of, any act or omission of yours or any claim or judgment arising therefrom. You shall indemnify and hold us and our officers, directors, and employees harmless against any and all such claims arising directly or indirectly from, as a result of, or in connection with your activities hereunder, as well as the cost, including reasonable attorneys' fees, of defending against them, except that the foregoing shall not apply to infringement actions regarding the Marks which are caused solely by our actions or actions caused by the negligent acts of us or our agents.

15. APPROVALS

A. Whenever this Agreement requires our prior approval or consent, you shall make a timely written request to us for such approval or consent, and, except as otherwise provided herein, any approval or consent granted shall be in writing.

B. We make no warranties or guarantees upon which you may rely, and assume no liability or obligation to you or any third party to which we would not otherwise be subject, by providing any waiver, approval, advise, consent or services to you in connection with this Agreement, or by reason of any neglect, delay or denial of any request therefor.

16. NON-WAIVER

A. No failure of ours to exercise any power reserved to us under this Agreement or to insist upon compliance by you with any obligation or condition in this Agreement, and no custom or practice of the parties at variance with the terms hereof, shall constitute a waiver of our rights to demand exact compliance with the terms of this Agreement. Our waiver of any particular default shall not affect or impair our right with respect to any subsequent default of the same or of a different nature; nor shall any delay, forbearance or omission of ours to exercise any power or right arising out of any breach or default by you of any of the terms, provisions or covenants of this Agreement affect or impair our rights, nor shall such constitute a waiver by us of any rights hereunder or rights to declare any subsequent breach or default.

17. SEVERABILITY AND CONSTRUCTION

A. Each covenant and provision of this Agreement shall be construed as independent of any other covenant or provision of this Agreement. The provisions of this Agreement shall be deemed severable.

B. If all or any portion of a covenant or provision of this Agreement is held unreasonable or unenforceable by a court or agency having valid jurisdiction in a decision to which we are a party, you expressly agree to be bound by any lesser covenant or provision imposing the maximum duty permitted by law which is subsumed within the terms of such covenant or provision, as if that lesser covenant or provision were separately stated in and made a part of this Agreement.

C. Nothing in this Agreement shall confer upon any person or legal entity other than us or you, and such of our respective successors and assigns as may be contemplated by Section 11 hereof, any rights or remedies under or by reason of this Agreement.

D. All captions in this Agreement are intended solely for the convenience of the parties and none shall be deemed to affect the meaning or construction of any provision hereof.

E. All references herein to gender and number shall be construed to include such other gender and number as the context may require, and all acknowledgments, promises, covenants, agreements and obligations herein made or undertaken by you shall be deemed jointly and severally undertaken by all those executing this Agreement on your behalf.

F. This Agreement may be executed in multiple copies, each of which shall be deemed an original.

18. ENTIRE AGREEMENT; APPLICABLE LAW

A. This Agreement, the documents referred to herein and the Attachments attached hereto constitute the entire, full and complete agreement between us and you concerning the subject matter hereof and supersede any and all prior agreements; provided, however, that nothing in this or any related agreement is intended to disclaim the representations made by us in the Disclosure Document that was furnished to you by us. No amendment, change or variance from this Agreement shall be binding on either party unless mutually agreed to by the parties and executed by their authorized officers or agents in writing.

B. This Multi-Unit Development Agreement takes effect upon its acceptance and execution by us. Except to the extent this Agreement or any particular dispute is governed by the U.S. Trademark Act of 1946 (Lanham Act, 15 U.S.C. Section 1051 and the sections following it) or other federal law, this Agreement and the relationship created hereby are governed by Florida law, excluding any law regulating the sale of franchises or governing the relationship between a franchisor and franchisee, unless the jurisdictional requirements of such laws are met independently without reference to this Section. References to any law or regulation also refer to any successor laws or regulations and any implementing regulations for any statute, as in effect at the relevant time. References to a governmental agency also refer to any successor regulatory body that succeeds to the function of such agency.

C. Subject to the Arbitration provision below, you and we each consent and irrevocably submit to the exclusive jurisdiction and venue of the state and federal courts of competent jurisdiction for Palm Beach County, Florida, and waive any objection to the jurisdiction and venue of such courts. This exclusive choice of jurisdiction and venue provision does not restrict the ability of the parties to confirm or enforce judgments or awards in any appropriate jurisdiction.

19. DISPUTE RESOLUTION

A. **Mediation. WITH THE EXCEPTION OF ANY CONTROVERSY OR CLAIM RELATING TO THE OWNERSHIP OR IMPROPER USE OF OUR PROPRIETARY MARKS OR CONFIDENTIAL INFORMATION, AND EXCEPT FOR EQUITABLE CLAIMS, THE PARTIES AGREE TO SUBMIT ANY CLAIM, CONTROVERSY OR DISPUTE BETWEEN OR INVOLVING US OR ANY OF OUR AFFILIATES (AND OUR AND THEIR RESPECTIVE SHAREHOLDERS, OFFICERS, DIRECTORS, AGENTS, REPRESENTATIVES AND/OR EMPLOYEES) AND YOU (AND YOUR AGENTS, REPRESENTATIVES AND/OR EMPLOYEES, AS APPLICABLE) ARISING OUT OF OR RELATED TO: (A) THIS AGREEMENT OR ANY OTHER AGREEMENT BETWEEN US AND YOU OR OUR AND YOUR RESPECTIVE**

AFFILIATES; (B) OUR RELATIONSHIP WITH YOU; (C) THE VALIDITY OF THIS AGREEMENT OR ANY OTHER AGREEMENT BETWEEN YOU AND US OR OUR AND YOUR RESPECTIVE AFFILIATES; OR (D) ANY SYSTEM STANDARD, TO NON-BINDING MEDIATION AT A MUTUALLY AGREEABLE LOCATION (IF YOU AND WE CANNOT AGREE ON A LOCATION, THE MEDIATION WILL BE CONDUCTED AT OUR HEADQUARTERS) PRIOR TO BRINGING SUCH CLAIM, CONTROVERSY OR DISPUTE IN A COURT OR BEFORE ANY OTHER TRIBUNAL. THE MEDIATION SHALL BE CONDUCTED BY EITHER A MUTUALLY AGREED-UPON MEDIATOR OR, FAILING SUCH AGREEMENT WITHIN A REASONABLE PERIOD OF TIME (NOT TO EXCEED FIFTEEN (15) DAYS) AFTER EITHER PARTY HAS NOTIFIED THE OTHER OF ITS DESIRE TO SEEK MEDIATION, BY THE AMERICAN ARBITRATION ASSOCIATION IN ACCORDANCE WITH ITS COMMERCIAL MEDIATION PROCEDURES. ABSENT AGREEMENT TO THE CONTRARY, THE MEDIATOR SHALL BE EXPERIENCED IN THE MEDIATION OF DISPUTES BETWEEN FRANCHISORS AND FRANCHISEES. YOU AND WE AGREE THAT ANY STATEMENTS MADE BY EITHER YOU OR US IN ANY SUCH MEDIATION PROCEEDING WILL NOT BE ADMISSIBLE IN ANY SUBSEQUENT ARBITRATION OR LEGAL PROCEEDING. EACH PARTY WILL BEAR ITS OWN COSTS AND EXPENSES OF CONDUCTING THE MEDIATION AND SHARE EQUALLY THE COSTS OF ANY THIRD PARTIES WHO ARE REQUIRED TO PARTICIPATE. NEVERTHELESS, BOTH YOU AND WE HAVE THE RIGHT IN A PROPER CASE TO OBTAIN TEMPORARY RESTRAINING ORDERS AND TEMPORARY OR PRELIMINARY INJUNCTIVE RELIEF FROM A COURT OF COMPETENT JURISDICTION. HOWEVER, THE PARTIES MUST IMMEDIATELY AND CONTEMPORANEOUSLY SUBMIT THE DISPUTE FOR NON-BINDING MEDIATION. IF THE PARTIES ARE UNABLE TO RESOLVE THE CLAIM, CONTROVERSY OR DISPUTE WITHIN NINETY (90) DAYS AFTER THE MEDIATOR HAS BEEN CHOSEN, THEN, UNLESS SUCH TIME PERIOD IS EXTENDED BY THE WRITTEN AGREEMENT OF THE PARTIES, EITHER PARTY MAY BRING A LEGAL PROCEEDING UNDER THIS SECTION 25. THE MEDIATION PROVISIONS OF THIS AGREEMENT ARE INTENDED TO BENEFIT AND BIND CERTAIN THIRD PARTY NON-SIGNATORIES, AND ALL OF YOUR AND OUR OWNERS AND AFFILIATES.

B. Arbitration. WITH THE EXCEPTION OF ANY CONTROVERSY OR CLAIM RELATING TO THE OWNERSHIP OR IMPROPER USE OF OUR PROPRIETARY MARKS OR CONFIDENTIAL INFORMATION, AND EXCEPT FOR EQUITABLE CLAIMS, ANY DISPUTE ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT, IF NOT RESOLVED BY THE NEGOTIATION AND MEDIATION PROCEDURES DESCRIBED ABOVE, MUST BE DETERMINED AT A MUTUALLY AGREEABLE LOCATION (IF YOU AND WE CANNOT AGREE ON A LOCATION, THE ARBITRATION WILL BE CONDUCTED AT OUR HEADQUARTERS) BY THE AMERICAN ARBITRATION ASSOCIATION ("AAA"). THIS ARBITRATION CLAUSE WILL NOT DEPRIVE US OF ANY RIGHT WE MAY OTHERWISE HAVE TO SEEK PROVISIONAL INJUNCTIVE RELIEF FROM A COURT OF COMPETENT JURISDICTION. THE ARBITRATOR MUST HAVE SUBSTANTIAL EXPERIENCE IN FRANCHISE LAW AND WITH COMMERCIAL DISPUTES. THE PARTIES ASK THAT THE ARBITRATOR LIMIT DISCOVERY TO THE GREATEST EXTENT POSSIBLE CONSISTENT WITH BASIC FAIRNESS IN ORDER TO MINIMIZE THE TIME AND EXPENSE OF ARBITRATION. IF PROPER NOTICE OF ANY HEARING HAS BEEN GIVEN, THE ARBITRATOR WILL HAVE FULL POWER TO PROCEED TO TAKE EVIDENCE OR TO PERFORM ANY OTHER ACTS NECESSARY TO ARBITRATE THE MATTER IN THE ABSENCE OF ANY PARTY WHO FAILS TO APPEAR. BOTH PARTIES WAIVE ANY RIGHTS THEY MAY HAVE TO DEMAND TRIAL BY JURY OR TO SEEK PUNITIVE DAMAGES FROM ONE ANOTHER. THE ARBITRATOR WILL HAVE NO POWER TO: (A) STAY THE

EFFECTIVENESS OF ANY PENDING TERMINATION OF FRANCHISE; (B) ASSESS PUNITIVE DAMAGES AGAINST EITHER PARTY; OR (C) MAKE ANY AWARD THAT MODIFIES OR SUSPENDS ANY LAWFUL PROVISION OF THIS AGREEMENT. THE PARTY AGAINST WHOM THE ARBITRATORS RENDER A DECISION MUST PAY ALL EXPENSES OF ARBITRATION. ANY COURT OF COMPETENT JURISDICTION MAY ENTER JUDGMENT UPON ANY AWARD.

C. **Notice and Opportunity to Cure.** As a mandatory condition precedent prior to your taking any legal or other action against us, whether for damages, injunctive, equitable or other relief (including, but not limited to, rescission), based upon any alleged act or omission of ours, you shall first give us 90 days prior written notice and opportunity to cure such alleged act or omission, or to resolve such matter.

D. **Governing Law.** Except to the extent this Agreement or any particular dispute is governed by the U.S. Trademark Act of 1946 (Lanham Act, 15 U.S.C. Section 1051 and the sections following it) or other federal law, this Agreement and the relationship created hereby are governed by Florida law, excluding any law regulating the sale of franchises or governing the relationship between a franchisor and franchisee, unless the jurisdictional requirements of such laws are met independently without reference to this Section. References to any law or regulation also refer to any successor laws or regulations and any implementing regulations for any statute, as in effect at the relevant time. References to a governmental agency also refer to any successor regulatory body that succeeds to the function of such agency.

E. **Jurisdiction and Venue.** You and we each consent and irrevocably submit to the exclusive jurisdiction and venue of the state and federal courts of competent jurisdiction for Palm Beach County, Florida, and waive any objection to the jurisdiction and venue of such courts. This exclusive choice of jurisdiction and venue provision does not restrict the ability of the parties to confirm or enforce judgments or awards in any appropriate jurisdiction.

F. **Waiver of Jury Trial.** YOU AND WE HEREBY UNCONDITIONALLY AND IRREVOCABLY WAIVE ANY RIGHT TO A JURY TRIAL IN ANY ACTION ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT, THE RELATIONSHIP CREATED BY THIS AGREEMENT, OR ANY OTHER AGREEMENTS BETWEEN YOU AND US AND/OR YOUR AND OUR RESPECTIVE AFFILIATES.

G. **Waiver of Punitive Damages** EXCEPT FOR YOUR OBLIGATIONS TO US AND CLAIMS FOR UNAUTHORIZED USE OF THE PROPRIETARY MARKS OR CONFIDENTIAL INFORMATION, YOU AND WE EACH WAIVE, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY RIGHT TO, OR CLAIM FOR, ANY PUNITIVE OR EXEMPLARY DAMAGES AGAINST THE OTHER. YOU AND WE ALSO AGREE THAT, IN THE EVENT OF A DISPUTE BETWEEN YOU AND US, THE PARTY MAKING THE CLAIM WILL BE LIMITED TO EQUITABLE RELIEF AND RECOVERY OF ANY ACTUAL DAMAGES IT SUSTAINS.

H. **Limitations of Claims** ANY AND ALL CLAIMS ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT OR THE RELATIONSHIP BETWEEN YOU AND US MUST BE MADE BY WRITTEN NOTICE TO THE OTHER PARTY WITHIN ONE (1) YEAR FROM THE OCCURRENCE OF THE ACT OR EVENT GIVING RISE TO SUCH CLAIM OR ONE (1) YEAR FROM THE DATE ON WHICH YOU OR WE KNEW OR SHOULD HAVE KNOWN, IN THE EXERCISE OF REASONABLE DILIGENCE, OF THE FACTS GIVING RISE TO SUCH CLAIMS, WHICHEVER OCCURS FIRST, EXCEPT FOR CLAIMS FOR: (A) INDEMNIFICATION; OR (B) UNAUTHORIZED USE OF THE CONFIDENTIAL

INFORMATION OR PROPRIETARY MARKS. HOWEVER, THIS PROVISION DOES NOT LIMIT OUR RIGHT TO TERMINATE THIS AGREEMENT IN ANY WAY.

I. Specific Performance/Injunctive Relief. Nothing in this Agreement shall bar our right to obtain specific performance of the provisions of this Agreement and injunctive relief against threatened conduct that will cause us loss or damage, under customary equity rules, including applicable rules for obtaining restraining orders and preliminary injunctions. You agree that we may apply for such injunctive relief, without bond, but upon due notice, in addition to such further and other relief as may be available at equity or law, and your sole remedy, in the event of the entry of such injunction, shall be the dissolution of such injunction, if warranted, upon hearing duly held (all claims for damages by reason of the wrongful issuance of any such injunction being expressly waived).

J. Cumulative Rights and Remedies. No right or remedy conferred upon or reserved to us or you by this Agreement is intended to be, nor shall be deemed, to be exclusive of any other right or remedy provided or permitted in this Agreement, by law or at equity, but each right or remedy shall be cumulative of every other right or remedy. Nothing contained herein shall bar our right to obtain injunctive relief against threatened conduct that may cause us loss or damages, including obtaining restraining orders and preliminary and permanent injunctions.

K. Private Disputes. Any dispute and any litigation will be conducted and resolved on an individual basis only and not a class-wide, multiple plaintiff or similar basis. Any such proceeding will not be consolidated with any other proceeding involving

20. TIMELY PERFORMANCE

You hereby acknowledge that your timely development of the 3 Natives restaurants in the Development Area in accordance with the Minimum Performance Schedule is of material importance to us and you. You agree, as a condition of the continuance of the rights granted hereunder, to develop and open 3 Natives restaurants within the Development Area in accordance with the Minimum Performance Schedule, to operate such 3 Natives restaurants pursuant to the terms of the Franchise Agreements and to maintain all such 3 Natives restaurants in operation continuously. We agree to diligently act upon any request of or approval from you and any material delay in your ability to meet the Minimum Performance Schedule which is directly caused by our failure to act diligently upon a request for approval shall not constitute a default hereunder. Further, a failure or delay in performance by any party to this Agreement shall not be a default hereunder if such failure or delay arises out of or results from a Force Majeure, which for purposes of this Agreement shall be defined as fire, flood, earthquake or other natural disasters, or acts of a public enemy, war, rebellion or sabotage. Force Majeure shall not include your lack of financing.

21. ACKNOWLEDGMENTS

A. You acknowledge and agree that 3 Natives Franchising, LLC shall have the right to operate the System as we determine is appropriate, including but not limited to making decisions of whether to enter into an agreement of any sort with any party (such as a prospective Franchisee), determining the terms of any agreement that we will enter into with any party (such as the provisions of a Franchise Agreement), determining whether and how to enforce its agreements (such as whether and when to bring actions to require payment in full by all parties, including Franchisees), and all other matters whatsoever pertaining to the System. You understand that you shall not have any right whatsoever to enforce or to require us to do business with any particular party, enter into any particular agreement, or to enforce the terms of any particular Franchise Agreement.

B. You acknowledge that you have conducted an independent investigation of the 3

Natives restaurants business, and recognize that the business venture contemplated by this Agreement involves business risks and that its success will be largely dependent upon the ability of you as an independent businessperson or business. We expressly disclaim the making of, and you acknowledge that you have not received, any warranty or guarantee, express or implied, orally or in writing, as to the potential volume, profits, or success of the business venture contemplated by this Agreement.

C. You acknowledge that you have read and understood this Agreement, the documents referred to in this Agreement and agreements relating thereto, if any; and that we have accorded you ample time and opportunity to consult with advisors and/or attorneys of your own choosing about the potential benefits and risks of entering into this Agreement.

D. You acknowledge and agree that we have in the past, and may in the future, modify the offer of its licenses to other multi-unit developers in any manner and at any time, which offers and agreements have or may have terms, conditions, and obligations that differ from the terms, conditions, and obligations in this Agreement.

E. You acknowledge that you received the franchise disclosure document (FDD) required by the Federal Trade Commission Franchise Rule at least 14 calendar days prior to the date on which this Agreement was executed or any consideration was paid to us.

F. Each party represents and warrants to the others that there are no other agreements, court orders, or any other legal obligations that would preclude or in any manner restrict such party from: (a) negotiating and entering into this Agreement; (b) exercising its rights under this Agreement; and/or (c) fulfilling its responsibilities under this Agreement.

G. You acknowledge that the success of the business venture contemplated under this Agreement is speculative and depends, to a large extent, upon your ability as an independent businessperson, his/her active participation in the daily affairs of the business, market conditions, area competition, availability of product, quality of services provided as well as other factors. We do not make any representation or warranty express or implied as to the potential success of the business venture contemplated hereby.

H. We expressly disclaim the making of, and you acknowledge that you have not received nor relied upon, any warranty or guaranty, express or implied, as to the revenues, profits or success of the business venture contemplated by this Agreement.

22. EFFECTIVE DATE

This Agreement shall be effective as of the date it is executed by us.

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

3 NATIVES FRANCHISING, LLC

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

MULTI-UNIT DEVELOPER:

By: _____
Name: _____
Title: _____

3 NATIVES FRANCHISING, LLC MULTI-UNIT DEVELOPMENT AGREEMENT

ATTACHMENT "A"

CERTIFICATION BY MULTI-UNIT DEVELOPER

The undersigned, personally and as an officer or partner, as applicable, of _____ ("Multi-Unit Developer") does hereby certify that he has conducted an independent investigation of the business contemplated by this Multi-Unit Development Agreement and the 3 Natives Franchise Agreement, and that the decision to execute the Multi-Unit Development Agreement was based entirely upon the independent investigation by the undersigned; and the undersigned further certifies that he has not relied upon, in any way, any claims regarding potential sales, income, or earnings to be derived from the business contemplated by the Franchise Agreement and Multi-Unit Development Agreement, and has not relied upon any claims regarding past or current sales, income or earnings of Franchisor-operated 3 Natives restaurants, except as may be included in Item 19 of the Franchise Disclosure Document heretofore provided to Multi-Unit Developer. The undersigned further certified that he understands the risks involved in this investment and 3 Natives Franchising, LLC makes no representation or guaranty, explicit or implied, that the Multi-Unit Developer will be successful or will recoup his investment.

IN WITNESS WHEREOF, the undersigned has signed, sealed and delivered this Certificate this _____ day of _____, 20__.

_____ WITNESS	_____
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_____ WITNESS	_____
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_____ WITNESS	_____
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Each of the undersigned owns a 5% or greater beneficial interest in Multi-Unit Developer, each has read this Multi-Unit Development Agreement, and each agrees to be individually bound by all obligations of Multi-Unit Developer hereunder.

_____ WITNESS	_____
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_____ WITNESS	_____
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_____ WITNESS	_____
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3 NATIVES FRANCHISING, LLC MULTI-UNIT DEVELOPMENT AGREEMENT

**ATTACHMENT “B”
GUARANTY**

(TO BE EXECUTED ONLY IF MULTI-UNIT DEVELOPER IS A CORPORATION, LIMITED LIABILITY COMPANY OR PARTNERSHIP)

In consideration of the execution by 3 Natives Franchising, LLC of the annexed Multi-Unit Development Agreement, and acknowledging that undersigned will benefit directly or indirectly from the execution thereof, the undersigned, being all of the shareholders, directors, and officers of _____ (“Multi-Unit Developer”), agree to be jointly and severally bound by and agree to guaranty the performance of all of the terms and conditions of the Multi-Unit Development Agreement and any amendments thereto or renewals thereof, and do hereby execute this Multi-Unit Development Agreement for the purpose of binding and obligating themselves to the terms and conditions of the aforesaid Multi-Unit Development Agreement and any amendments thereto or renewals thereof.

The guarantors hereunder hereby waive notice of termination or default under the Multi-Unit Development Agreement.

SIGNATURES OF ALL SHAREHOLDERS, DIRECTORS, OFFICERS,
MEMBERS AND PARTNERS, AS APPLICABLE

WITNESS

WITNESS

WITNESS

Each of the undersigned owns a 5% or greater beneficial interest in Multi-Unit Developer, each has read this Multi-Unit Development Agreement, and each agrees to be individually bound by all obligations of Multi-Unit Developer hereunder.

WITNESS

WITNESS

WITNESS

3 NATIVES FRANCHISING, LLC MULTI-UNIT DEVELOPMENT AGREEMENT

ATTACHMENT "C"

TRANSFER OF A FRANCHISE TO A CORPORATION OR LIMITED LIABILITY COMPANY

This Transfer Agreement shall amend that certain Multi-Unit Development Agreement between _____ ("Multi-Unit Developer") and 3 Natives Franchising, LLC ("Franchisor").

The undersigned, an Officer, Director and Owner of a majority of the issued and outstanding voting stock of the Corporation set forth below, or Members of the issued and outstanding Interests of the Limited Liability Company set forth below, and the Multi-Unit Developer of the 3 Natives restaurants under a Multi-Unit Development Agreement executed on the date set forth below, between himself or herself and Franchisor, granting him/her a franchise to operate in the Development Area set forth below, and the other undersigned Directors, Officers and Shareholders of the Corporation, or the Members of the Limited Liability Company, who together with Multi-Unit Developer constitute all of the Shareholders of the Corporation, or the Members of the Limited Liability Company, in order to induce Franchisor to consent to the assignment of the Multi-Unit Development Agreement to the Corporation or Limited Liability Company in accordance with the provisions of Section 11 of the Multi-Unit Development Agreement, agree as follows:

1. The undersigned Multi-Unit Developer shall remain personally liable in all respects under the Multi-Unit Development Agreement and all the other undersigned Officers, Directors and Shareholders of the Corporation, or the Members of the Limited Liability Company, intending to be legally bound hereby, agree jointly and severally to be personally bound by the provisions of the Multi-Unit Development Agreement including the restrictive covenants contained in Section 12 thereof, to the same extent as if each of them were the Multi-Unit Developer set forth in the Multi-Unit Development Agreement and they jointly and severally personally guarantee all of the Multi-Unit Developer's obligations set forth in said Agreement.

2. The undersigned agree not to transfer any stock in the Corporation, or any interest in the Limited Liability Company without the prior written approval of the Franchisor and agree that all stock certificates representing shares in the Corporation, or all certificates representing interests in the Limited Liability Company shall bear the following legend:

"The shares of stock represented by this certificate are subject to the terms and conditions set forth in a Multi-Unit Development Agreement dated _____, 20__ between _____ and 3 Natives Franchising, LLC."

or

"The ownership interests represented by this certificate are subject to the terms and conditions set forth in a Multi-Unit Development Agreement dated _____, 20__ between _____ and 3 Natives Franchising, LLC."

3. _____ or his designee shall devote his best efforts to the day-to-day operation and development of the 3 Natives restaurants.

4. _____ hereby agrees to become a party to and to be bound by all of the provisions of the Multi-Unit Development Agreement executed on the date set forth below between Multi-Unit Developer and Franchisor, to the same extent as if it were named as the Multi-Unit Developer therein.

Date of Multi-Unit Development Agreement: _____

Development Area for 3 Natives restaurants: _____

WITNESS:

As to Paragraph 3:

[Name]

As to Paragraph 4:

[Name]

ATTEST:

Name of Corp. or Limited Liability Company

By: _____

Title: _____

In consideration of the execution of the above Agreement, 3 NATIVES FRANCHISING, LLC hereby consents to the above referred to assignment on this ____ day of _____, 20__.

3 NATIVES FRANCHISING, LLC

By: _____

Name: _____

Title: _____

3 NATIVES FRANCHISING, LLC MULTI-UNIT DEVELOPMENT AGREEMENT

ATTACHMENT “D”

MINIMUM PERFORMANCE SCHEDULE

The Agreement authorizes and obliges Multi-Unit Developer to establish and operate _____ (_____) 3 Natives restaurants pursuant to a Franchise Agreement for each 3 Natives restaurants. The following is Multi-Unit Developer’s Minimum Performance Schedule:

Minimum Cumulative Number
of Franchise Agreements for
3 Natives restaurants to be located
and Operating
Within the Development Area

By this Date

Total: _____

The Minimum Performance Schedule shall be deemed completed, and this Agreement shall expire, upon the opening of the final 3 Natives restaurant to be developed pursuant to this Agreement.

APPROVED:

MULTI-UNIT DEVELOPER

3 NATIVES FRANCHISING, LLC

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

3 NATIVES FRANCHISING, LLC MULTI-UNIT DEVELOPMENT AGREEMENT

ATTACHMENT “E”

"DEVELOPMENT AREA"

The following describes the Development Area within which Multi-Unit Developer may locate 3 Natives restaurants under this Agreement:

APPROVED:

MULTI-UNIT DEVELOPER

By: _____

Name: _____

Title: _____

3 NATIVES FRANCHISING, LLC

By: _____

Name: _____

Title: _____

3 NATIVES FRANCHISING, LLC MULTI-UNIT DEVELOPMENT AGREEMENT

ATTACHMENT “F”

**"STATE SPECIFIC ADDENDA AND RIDERS
TO MULTI-UNIT DEVELOPMENT AGREEMENT"**

ILLINOIS RIDER TO MULTI-UNIT DEVELOPMENT AGREEMENT

This Rider amends the Multi-Unit Development Agreement dated _____
(the “Agreement”), between 3 Natives Franchising, LLC (“Company”) and _____ (“Multi-Unit Developer”).

1. Definitions. Capitalized terms used but not defined in this Rider have the meanings given in the Agreement. The “Illinois Act” means the Illinois Franchise Disclosure Act of 1987.

2. Governing Law and Jurisdiction. Notwithstanding any provision of the Agreement to the contrary, the Agreement is governed by Illinois law. The parties irrevocably submit to the jurisdiction and venue of the federal and state courts in Illinois, except for matters which the Agreement provides will be resolved by arbitration.

3. Limitation of Claims. No action can be maintained to enforce any liability created by the Illinois Act unless brought before the expiration of 3 years from the act or transaction constituting the violation upon which it is based, the expiration of 1 year after Multi-Unit Developer became aware of facts or circumstances reasonably indicating that Multi-Unit Developer may have a claim for relief in respect to conduct governed by the Illinois Act, or 90 days after delivery to the Multi-Unit Developer of a written notice disclosing the violation, whichever shall first expire.

4. Waivers Void. Notwithstanding any provision of the Agreement to the contrary, any condition, stipulation, or provision purporting to bind Multi-Unit Developer to waive compliance with any provision of the Illinois Act or any other law of the State of Illinois is void. This Section shall not prevent Multi-Unit Developer from entering into a settlement agreement or executing a general release regarding a potential or actual lawsuit filed under any of the provisions of this Act, nor shall it prevent the litigation of any claim pursuant to the provisions of Title 9 of the United States Code.

5. Effective Date. This Rider is effective as of the Effective Date.

IN WITNESS WHEREOF, the parties have signed and delivered this Rider on the day and year first written.

3 NATIVES FRANCHISING, LLC:

By: _____

Title: _____

Date: _____

MULTI-UNIT DEVELOPER:

Sign: _____

Print: _____

Date: _____

Sign: _____

Print: _____

Date: _____

INDIANA RIDER TO MULTI-UNIT DEVELOPMENT AGREEMENT

This Rider amends the Multi-Unit Development Agreement dated _____
(the “**Agreement**”), between 3 Natives Franchising, LLC (“**Company**”) and _____ (“**Multi-Unit Developer**”).

1. Definitions. Capitalized terms used but not defined in this Rider have the meanings given in the Agreement. The “**Indiana Acts**” means the Indiana Franchise Act and the Indiana Deceptive Franchise Practices Act.

2. Certain Provisions Modified. Any provision of the Agreement which would have any of the following effects is hereby modified to the extent required for the Agreement to be in compliance with the Indiana Acts:

(1) Requiring goods, supplies, inventories, or services to be purchased exclusively from the franchisor or sources designated by the franchisor where such goods, supplies, inventories, or services of comparable quality are available from sources other than those designated by the franchisor. However, the publication by the franchisor of a list of approved suppliers of goods, supplies, inventories, or services or the requirement that such goods, supplies, inventories, or services comply with specifications and standards prescribed by the franchisor does not constitute designation of a source nor does a reasonable right of the franchisor to disapprove a supplier constitute a designation. This subdivision does not apply to the principal goods, supplies, inventories, or services manufactured or trademarked by the franchisor.

(2) Allowing the franchisor to establish a franchisor-owned outlet engaged in a substantially identical business to that of the franchisee within the exclusive territory granted the franchisee by the franchise agreement; or, if no exclusive territory is designated, permitting the franchisor to compete unfairly with the franchisee within a reasonable area.

(3) Allowing substantial modification of the franchise agreement by the franchisor without the consent in writing of the franchisee.

(4) Allowing the franchisor to obtain money, goods, services, or any other benefit from any other person with whom the franchisee does business, on account of, or in relation to, the transaction between the franchisee and the other person, other than for compensation for services rendered by the franchisor, unless the benefit is promptly accounted for, and transmitted to the franchisee.

(5) Requiring the franchisee to prospectively assent to a release, assignment, novation, waiver, or estoppel which purports to relieve any person from liability to be imposed by the Indiana Deceptive Franchise Practices Act or requiring any controversy between the franchisee and the franchisor to be referred to any person, if referral would be binding on the franchisee. This subsection (5) does not apply to arbitration before an independent arbitrator.

(6) Allowing for an increase in prices of goods provided by the franchisor which the franchisee had ordered for private retail consumers prior to the franchisee's receipt of an official price increase notification. A sales contract signed by a private retail consumer shall constitute evidence of each order. Price changes applicable to new models of a product at the time of introduction of such new models shall not be considered a price increase. Price increases caused by conformity to a state or federal law, or the revaluation of the United States dollar in the case of foreign-made goods, are not subject to this subsection (6).

(7) Permitting unilateral termination of the franchise if such termination is without good cause or in bad faith. Good cause within the meaning of this subsection (7) includes any material violation of the franchise agreement.

(8) Permitting the franchisor to fail to renew a franchise without good cause or in bad faith. This chapter shall not prohibit a franchise agreement from providing that the agreement is not renewable upon expiration or that the agreement is renewable if the franchisee meets certain conditions specified in the agreement.

(9) Requiring a franchisee to covenant not to compete with the franchisor for a period longer than three years or in an area greater than the exclusive area granted by the franchise agreement or, in absence of such a provision in the agreement, an area of reasonable size, upon termination of or failure to renew the franchise.

(10) Limiting litigation brought for breach of the agreement in any manner whatsoever.

(11) Requiring the franchisee to participate in any (A) advertising campaign or contest; (B) promotional campaign; (C) promotional materials; or (D) display decorations or materials; at an expense to the franchisee that is indeterminate, determined by a third party, or determined by a formula, unless the franchise agreement specifies the maximum percentage of gross monthly sales or the maximum absolute sum that the franchisee may be required to pay.

3. Effective Date. This Rider is effective as of the Effective Date.

IN WITNESS WHEREOF, the parties have signed and delivered this Rider on the day and year first written.

3 NATIVES FRANCHISING, LLC:

MULTI-UNIT DEVELOPER:

By: _____

Sign: _____

Title: _____

Print: _____

Date: _____

Date: _____

Sign: _____

Print: _____

Date: _____

MARYLAND RIDER TO MULTI-UNIT DEVELOPMENT AGREEMENT

This Rider amends the Multi-Unit Development Agreement dated _____
(the “**Agreement**”), between 3 Natives Franchising, LLC (“**Company**”) and _____ (“**Multi-Unit Developer**”) to amend

1. Definitions. Capitalized terms used but not defined in this Rider have the meanings given in the Agreement. The “**Maryland Franchise Law**” means the Maryland Franchise Registration and Disclosure Law, Business Regulation Article, §14-206, Annotated Code of Maryland.

2. Releases, Estoppels and Waivers of Liability. All representations requiring prospective franchisees to assent to a release, estoppel or waiver of liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Law.

3. Statute of Limitations. Any provision of the Agreement which provides for a period of limitations for causes of action shall not apply to causes of action under the Maryland Franchise Law, Business Regulation Article, §14-227, Annotated Code of Maryland. Developer must bring an action under such law within three years after the grant of the franchise.

4. Jurisdiction. Multi-Unit Developer does not waive its right to file a lawsuit alleging a cause of action arising under the Maryland Franchise Law in any court of competent jurisdiction in the State of Maryland.

5. Effective Date. This Rider is effective as of the Effective Date.

IN WITNESS WHEREOF, the parties have signed and delivered this Rider on the day and year first written.

3 NATIVES FRANCHISING, LLC:

MULTI-UNIT DEVELOPER:

By: _____

Sign: _____

Title: _____

Print: _____

Date: _____

Date: _____

Sign: _____

Print: _____

Date: _____

MINNESOTA RIDER TO MULTI-UNIT DEVELOPMENT AGREEMENT

This Rider amends the Multi-Unit Development Agreement dated _____
(the “**Agreement**”), between 3 Natives Franchising, LLC (“**Company**”) and _____ (“**Multi-Unit Developer**”).

1. **Definitions.** Capitalized terms used but not defined in this Rider have the meanings given in the Agreement. The “**Minnesota Act**” means Minnesota Statutes, Sections 80C.01 to 80C.22.

2. **Amendments.** The Agreement is amended to comply with the following:

- Minnesota Statutes, Section 80C.21 and Minnesota Rules 2860.4400(J) prohibit the franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or agreement(s) can abrogate or reduce (1) any of the franchisee’s rights as provided for in Minnesota Statutes, Chapter 80C or (2) franchisee’s rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.
- With respect to franchises governed by Minnesota law, the franchisor will comply with Minnesota Statutes, Section 80C.14, Subd. 3-5, which require (except in certain specified cases) (1) that a franchisee be given 90 days’ notice of termination (with 60 days to cure) and 180 days’ notice for non-renewal of the franchise agreement and (2) that consent to the transfer of the franchise will not be unreasonably withheld.
- The franchisor will protect the franchisee’s rights to use the trademarks, service marks, trade names, logotypes or other commercial symbols or indemnify the franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the name. Minnesota considers it unfair to not protect the franchisee’s right to use the trademarks. Refer to Minnesota Statutes, Section 80C.12, Subd. 1(g).
- Minnesota Rules 2860.4400(D) prohibits a franchisor from requiring a franchisee to assent to a general release.
- The franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. See Minn. Rules 2860.4400J. Also, a court will determine if a bond is required.
- The Limitations of Claims section must comply with Minnesota Statutes, Section 80C.17, Subd. 5, and therefore the applicable provision of the Agreement is amended to state “No action may be commenced pursuant to Minnesota Statutes, Section 80C.17 more than three years after the cause of action accrues.”

3. Effective Date. This Rider is effective as of the Effective Date.

IN WITNESS WHEREOF, the parties have signed and delivered this Rider on the day and year first written.

3 NATIVES FRANCHISING, LLC:

By: _____

Title: _____

Date: _____

MULTI-UNIT DEVELOPER:

Sign: _____

Print: _____

Date: _____

Sign: _____

Print: _____

Date: _____

NEW YORK RIDER TO MULTI-UNIT DEVELOPMENT AGREEMENT

This Rider amends the Multi-Unit Development Agreement dated _____
(the “**Agreement**”), between 3 Natives Franchising, LLC (“**Company**”) and _____ (“**Multi-Unit Developer**”).

1. Definitions. Capitalized terms used but not defined in this Rider have the meanings given in the Agreement.

2. Waivers Not Required. Notwithstanding any provision of the Agreement to the contrary, Developer is not required to assent to a release, assignment, novation, waiver or estoppel which would relieve J.S. Subs or any other person from any duty or liability imposed by New York General Business Law, Article 33.

3. Waivers of New York Law Deleted. Any condition, stipulation, or provision in the Agreement purporting to bind Developer to waive compliance by Franchisor with any provision of New York General Business Law, or any rule promulgated thereunder, is hereby deleted.

4. Governing Law. Notwithstanding any provision of the Agreement to the contrary, the New York Franchises Law shall govern any claim arising under that law.

5. Effective Date. This Rider is effective as of the Effective Date.

IN WITNESS WHEREOF, the parties have signed and delivered this Rider on the day and year first written.

3 NATIVES FRANCHISING, LLC:

MULTI-UNIT DEVELOPER:

By: _____

Sign: _____

Title: _____

Print: _____

Date: _____

Date: _____

Sign: _____

Print: _____

Date: _____

NORTH DAKOTA RIDER TO MULTI-UNIT DEVELOPMENT AGREEMENT

This Rider amends the Multi-Unit Development Agreement dated _____
(the “Agreement”), between 3 Natives Franchising, LLC (“Company”) and _____ (“Multi-Unit Developer”) to amend

1. Definitions. Capitalized terms used but not defined in this Rider have the meanings given in the Agreement.

2. Amendments. The Agreement (and any Guaranty Agreement) is amended to comply with the following:

- (1) Restrictive Covenants: Every contract by which Multi-Unit Developer, any Guarantor, or any other person is restrained from exercising a lawful profession, trade, or business of any kind is subject to NDCC Section 9-08-06.
- (2) Situs of Arbitration or Litigation Proceedings: Multi-Unit Developer and any Guarantor are not required to agree to the arbitration or litigation of disputes at a location that is remote from the site of Multi-Unit Developer’s business.
- (3) Restrictions on Forum: Multi-Unit Developer and any Guarantor are not required to consent to the jurisdiction of courts outside of North Dakota.
- (4) Liquidated Damages and Termination Penalties: Multi-Unit Developer is not required to consent to liquidated damages or termination penalties.
- (5) Applicable Laws: The Agreement (and any Guaranty Agreement) is governed by the laws of the State of North Dakota.
- (6) Waiver of Trial by Jury: Multi-Unit Developer and any Guarantor do not waive a trial by jury.
- (7) Waiver of Exemplary and Punitive Damages: The parties do not waive exemplary and punitive damages.
- (8) General Release: Multi-Unit Developer and any Guarantor are not required to sign a general release upon renewal of the Agreement.
- (9) Limitation of Claims: Multi-Unit Developer is not required to consent to a limitation of claims. The statute of limitations under North Dakota law applies.
- (10) Enforcement of Agreement: The prevailing party in any enforcement action is entitled to recover all costs and expenses including attorney’s fees.

3. **Effective Date.** This Rider is effective as of the Effective Date.

IN WITNESS WHEREOF, the parties have signed and delivered this Rider on the day and year first written.

3 NATIVES FRANCHISING, LLC:

By: _____

Title: _____

Date: _____

MULTI-UNIT DEVELOPER:

Sign: _____

Print: _____

Date: _____

Sign: _____

Print: _____

Date: _____

RHODE ISLAND RIDER TO MULTI-UNIT DEVELOPMENT AGREEMENT

This Rider amends the Multi-Unit Development Agreement dated _____
(the “Agreement”), between 3 Natives Franchising, LLC (“Company”) and _____ (“Multi-Unit Developer”).

1. Definitions. Capitalized terms used but not defined in this Rider have the meanings given in the Agreement.

2. Jurisdiction and Venue. Any provision of the Agreement restricting jurisdiction or venue to a forum outside the State of Rhode Island or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under Rhode Island Franchise Investment Act.

3. Effective Date. This Rider is effective as of the Effective Date.

IN WITNESS WHEREOF, the parties have signed and delivered this Rider on the day and year first written.

3 NATIVES FRANCHISING, LLC:

By: _____

Title: _____

Date: _____

MULTI-UNIT DEVELOPER:

Sign: _____

Print: _____

Date: _____

Sign: _____

Print: _____

Date: _____

WASHINGTON RIDER TO MULTI-UNIT DEVELOPMENT AGREEMENT

This Rider amends the Multi-Unit Development Agreement dated _____ (the “**Agreement**”), between 3 Natives Franchising, LLC (“**Company**”) and _____ (“**Multi-Unit Developer**”).

The state of Washington has a statute, RCW 19.100.180 which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

In any arbitration involving a franchise purchased in Washington, the arbitration site shall be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration, or as determined by the arbitrator.

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW shall prevail.

A release or waiver of rights executed by a franchisee shall not include rights under the Washington Franchise Investment Protection Act except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitation period for claims under the Act, rights or remedies under the Act such as a right to a jury trial may not be enforceable.

Transfer fees are collectable to the extent that they reflect the franchisor’s reasonable estimated or actual costs in effecting a transfer.

IN WITNESS WHEREOF, the parties have signed and delivered this Rider on the day and year first written.

3 NATIVES FRANCHISING, LLC:

By: _____

Title: _____

Date: _____

MULTI-UNIT DEVELOPER:

Sign: _____

Print: _____

Date: _____

Sign: _____

Print: _____

Date: _____

EXHIBIT D TO THE DISCLOSURE DOCUMENT

OPERATING MANUAL TABLE OF CONTENTS

Operations Manual

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EXHIBIT E TO THE DISCLOSURE DOCUMENT

STATE ADDENDA TO DISCLOSURE DOCUMENT

EXHIBIT E

STATE SPECIFIC ADDENDA TO DISCLOSURE DOCUMENT

CALIFORNIA ADDENDUM TO DISCLOSURE DOCUMENT

THESE FRANCHISES HAVE BEEN REGISTERED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF CALIFORNIA. SUCH REGISTRATION DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION, OR ENDORSEMENT BY THE COMMISSIONER OF THE DEPARTMENT OF BUSINESS OVERSIGHT, NOR A FINDING BY THE COMMISSIONER THAT THE INFORMATION PROVIDED HERIN IS TRUE, COMPLETE AND NOT MISLEADING.

OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT, ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT AT WWW.DBO.CA.GOV.

THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE OFFERING CIRCULAR.

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

Item 3 of the Disclosure Document is amended to add:

The franchisor, and the persons and franchise brokers listed in Item 2 of the Disclosure Document are not subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a et seq., suspending or expelling such persons from membership in that association or exchange.

Item 6 of the Disclosure Document is amended to add:

The highest interest rate allowed in California is 10% annually.

Item 17 of the Disclosure Document is amended to add:

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

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 application of the laws of the State of Florida. This provision may not be enforceable under California law.

The franchise agreement contains forum selection provisions requiring mediation and arbitration be conducted near the franchisor's headquarters at the time of mediation and arbitration, and any suits must be filed in the state or federal courts located in Palm Beach County, Florida. These provisions may not be enforceable under California law.

California Business and Professions Code Sections 20000 through 20043 provide rights to the franchisee concerning termination 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 requires binding arbitration. The arbitration will occur in the city where the franchisor's headquarters are located at the time of arbitration (currently West Palm Beach, Florida) with the costs being borne equally by the parties. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as the Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281 and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California.

The franchise agreement contains a liquidated damages clause. Under California Civil Code § 1671, certain liquidated damages clauses are unenforceable.

The franchise agreement contains waivers of punitive damages and jury trial provisions. These provisions may not be enforceable under California law.

HAWAII ADDENDUM TO DISCLOSURE DOCUMENT

THESE FRANCHISES WILL BE (OR 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 ANY FRANCHISE IN THIS STATE WITHOUT FIRST PROVIDING TO 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 OCCURS FIRST. A COPY OF THE DISCLOSURE DOCUMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE.

THIS 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.

Item 17 of the Disclosure Document is amended to add:

You must sign a general release if you renew or transfer your franchise. The Hawaii Franchise Investment Law voids a waiver of your rights under the Franchise Investment Law. Any provisions in the franchise agreement for the release of the franchisor from liability imposed under the Franchise Investment Law or accompanying regulations is unenforceable.

ILLINOIS ADDENDUM TO DISCLOSURE DOCUMENT

Item 17.g. of the Disclosure Document entitled “Renewal, Termination, Transfer and Dispute Resolution” is amended by adding the following language:

The conditions under which a franchise can be terminated and rights upon non-renewal may be affected by the Illinois Franchise Disclosure Act, Sections 19 and 20.

Item 17.v. of the Disclosure Document entitled “Choice of Forum” and Item 17.w. of the Disclosure Document entitled “Choice of Law” are amended to add the following language:

Section 4 of the Illinois Franchise Disclosure Act provides that any provision in a franchise agreement that designates jurisdiction and venue outside of the State of Illinois is void. However, a franchise agreement may provide for arbitration in a venue outside of Illinois.

Section 20 of the Illinois Franchise Disclosure Act provides that termination and non-renewal of a franchise agreement are governed by Illinois law.

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

MARYLAND ADDENDUM TO DISCLOSURE DOCUMENT

Item 17.c. and Item 17.m. of the Franchise Disclosure Document are amended by adding the following language:

A general release required as a condition of renewal, sale or transfer shall not apply to liability under the Maryland Franchise Registration and Disclosure Law.

Item 17.h. of the Franchise Disclosure Document is amended to add the following:

The provision in the franchise agreement that provides for termination upon your bankruptcy may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101 et seq.).

Item 17.u., 17.v. and 17.w. are amended by adding the following language:

A franchise may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law. Any suit for a claim arising under the Maryland Franchise Registration and Disclosure Law must be filed within 3 years of the grant of the franchise.

MINNESOTA ADDENDUM TO DISCLOSURE DOCUMENT

Item 13 is amended by adding the following at the end of the item:

To the extent required by the Minnesota Franchises Act, we will protect your rights to use the trademarks, service marks, trade names, logo types, or other commercial symbols related to the trademarks or indemnify you from any loss, costs, or expenses arising out of any claim, suit, or demand regarding the use of the trademarks.

Items 17.c. and 17.m. are amended by adding the following disclosure:

Minnesota Rule 2860.4400(D) prohibits us from requiring you to assent to a release, assignment, novation or waiver that would relieve any person from liability under Minnesota Statutes Sections 80C.01-80C.22.

Item 17.c. and 17.g. are amended by adding the following:

Minnesota Statutes, Section 80C.14, Subds. 3-5 requires (except in certain circumstances): (a) that a franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice of non-renewal of the franchise agreement, and (b) that consent to the transfer of the franchise will not be unreasonably withheld.

Item 17.u. is amended by adding the following language:

Under Minnesota Rule 2860.4400(J), any provision in a franchise agreement requiring a franchisee to consent to the franchisor obtaining injunctive relief is unenforceable. A franchisor may seek injunctive relief. Also, a court will determine if a bond is required.

A limitation of claims provision must comply with Minnesota Statutes, Section 80C.17, Subd. 5.

Items 17.v. and 17.w. are amended by the addition of the following:

Minnesota Statutes, Section 80C.21 and Minnesota Rule 2860.4400(J) prohibit the franchisor from requiring litigation to be conducted outside of Minnesota, requiring waiver of the right to a jury trial, or requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes. Nothing in the franchise disclosure document or agreements can abrogate or reduce (a) any of the franchisee's rights as provided for in Minnesota Statutes, Chapter 80C or (b) the franchisee's rights to any process, forum or remedies provided for under the laws of Minnesota.

NEW YORK ADDENDUM TO OFFERING PROSPECTUS

As to franchises governed by the New York franchise laws, if any of the terms of the Disclosure Document are inconsistent with the terms below, the terms below control.

1. The following information is added to the cover page of the Franchise Disclosure Document:

INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR 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 DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND THE APPROPRIATE STATE OR PROVINCIAL AUTHORITY. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE SET THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

2. The following is added at the end of Item 3:

Except as provided above, with regard to the franchisor, its predecessor, a person identified in Item 2, or an affiliate offering franchises under the franchisor's principal trademark:

A. No such party has an administrative, criminal or civil action pending against that person alleging: a felony, a violation of a franchise, antitrust or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices or comparable civil or misdemeanor allegations.

B. No such party has pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchisees and the size, nature or financial condition of the franchise system or its business operations.

C. No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the 10-year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud or securities law, fraud, embezzlement, fraudulent conversion or misappropriation of property, or unfair or deceptive practices or comparable allegations.

D. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency, or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

3. The following is added to the end of the “Summary” sections of Item 17(c), titled “**Requirements for franchisee to renew or extend,**” and Item 17(m), entitled “**Conditions for franchisor approval of transfer**”:

However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of General Business Law Sections 687.4 and 687.5 be satisfied.

4. The following language replaces the “Summary” section of Item 17(d), titled “**Termination by franchisee**”:

You may terminate the agreement on any grounds available by law.

5. The following is added to the end of the “Summary” sections of Item 17(v), titled “**Choice of forum,**” and Item 17(w), titled “**Choice of law**”:

The foregoing choice of law should not be considered a waiver of any right conferred upon the franchisor or upon the franchisee by Article 33 of the General Business Law of the State of New York.

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

7. Receipts—Any sale made must be in compliance with §683(8) of the Franchise Sale Act (N.Y. Gen. Bus. L. §680 *et. seq.*), which describes the time period a Franchise Disclosure Document (offering prospectus) must be provided to a prospective franchisee before a sale may be made. New York law requires a franchisor to provide the Franchise Disclosure Document at the earlier of the first personal meeting, ten (10) business days before the execution of the franchise or other agreement, or the payment of any consideration that relates to the franchise relationship.

NEW YORK MATERIAL FACT STATEMENT

WE REPRESENT THAT THIS OFFERING PROSPECTUS DOES NOT KNOWINGLY OMIT
ANY MATERIAL FACT OR CONTAIN ANY UNTRUE STATEMENT OF MATERIAL FACT

NORTH DAKOTA ADDENDUM TO DISCLOSURE DOCUMENT

The North Dakota Securities Commissioner has held the following to be unfair, unjust or inequitable to North Dakota franchisees (North Dakota Century Code Section 51-19-09):

1. Restrictive Covenants: Franchise disclosure documents that disclose the existence of covenants restricting competition contrary to NDCC Section 9-08-06, without further disclosing that such covenants will be subject to the statute.
2. Situs of Arbitration Proceedings: Franchise agreements providing that the parties must agree to the arbitration of disputes at a location that is remote from the site of the franchisee's business.
3. Restrictions on Forum: Requiring North Dakota franchisees to consent to the jurisdiction of courts outside of North Dakota.
4. Liquidated Damages and Termination Penalties: Requiring North Dakota franchisees to consent to liquidated damages or termination penalties.
5. Applicable Laws: Franchise agreements that specify that they are to be governed by the laws of a state other than North Dakota.
6. Waiver of Trial by Jury: Requiring North Dakota Franchises to consent to the waiver of a trial by jury.
7. Waiver of Exemplary & Punitive Damages: Requiring North Dakota Franchisees to consent to a waiver of exemplary and punitive damage.
8. General Release: Franchise Agreements that require the franchisee to sign a general release upon renewal of the franchise agreement.
9. Limitation of Claims: Franchise Agreements that require the franchisee to consent to a limitation of claims. The statute of limitations under North Dakota law applies.
10. Enforcement of Agreement: Franchise Agreements that require the franchisee to pay all costs and expenses incurred by the franchisor in enforcing the agreement. The prevailing party in any enforcement action is entitled to recover all costs and expenses including attorney's fees.

RHODE ISLAND ADDENDUM TO DISCLOSURE DOCUMENT

Item 17.v. and 17.w. is amended to add the following:

Any provision in the franchise agreement restricting jurisdiction or venue to a forum outside Rhode Island or requiring application of the laws of a state other than Rhode Island is void as to a claim otherwise enforceable under the Rhode Island Franchise Investment Act.

VIRGINIA ADDENDUM TO DISCLOSURE DOCUMENT

Item 17(h) of the disclosure document is amended to add the following:

Under Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for us to cancel a franchise without reasonable cause. If any ground for default or termination stated in the franchise agreement does not constitute “reasonable cause” as that term may be defined in the Act or other laws of Virginia, that provision may not be enforceable.

WASHINGTON ADDENDUM TO DISCLOSURE DOCUMENT

The State of Washington has a Statute, RCW 19.100.180 which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

The following replaces the language in the “Summary” column of Item 17(d), titled “Termination by franchisee”:

You may terminate the franchise agreement under any grounds permitted by law.

Item 17.v. is amended to add the following:

In any arbitration involving a franchise purchased in Washington, the arbitration site shall be either in the State of Washington, or in a place mutually agreed upon at the time of the arbitration, or as determined by the arbitrator.

Item 17.w. is amended to add the following:

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW shall prevail.

Items 17.c. and 17.m are amended to add the following:

A release or waiver of rights executed by a franchisee shall not include rights under the Washington Franchise Investment Protection Act except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel.

Item 17.m. is amended to add the following:

Transfer fees are collectable to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

EXHIBIT F TO THE DISCLOSURE DOCUMENT

ROSTER OF CURRENT AND FORMER FRANCHISEES

AS OF DECEMBER 31, 2024

ROSTER OF CURRENT AND FORMER FRANCHISEES

(a) **Operational Franchisees.** The following are the names, addresses and telephone numbers of all 3 Natives Franchisees as of December 31, 2024 who are operational:

ARIZONA:

Michael Donnelly 4525 22 nd Street Phoenix, AZ 85016	Miked2948@gmail.com
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FLORIDA:

NAME AND ADDRESS OF FRANCHISEE	TELEPHONE NUMBER
3 Natives Yamato LLC 1200 Yamato Road Boca Raton, Florida 33431 Attn: JP Caruso	561-859-6318
Jamel's Auto LLC 7166 Beracasa Way Boca Raton, Florida 33433 Attn: Umit Gullec	786-770-9539
Jenrick LLC 10795 SW Tradition Square Port St. Lucie, Florida 34987 Attn: Jeanetta Torres and Nick Estrada	772-345-6684
JNG Capital, LLC 4250 Alafaya Trail, #179 Orlando, Florida 32765 Attn: Arisili Cacciatore and Stephen Cacciatore	407-542-3491
4 Cala Group, LLC 2873 SW Café Court Palm City, Florida 34990 Attn: Amaury Ramos	772-266-4980
SRS3Natives 6671 West Indiantown Road, Bay 51, Jupiter, Florida 33458 Attn: Dorothy Sikora	740-317-9306
Nutribowls, LLC 4812 Pines Boulevard Pembroke Pines, Florida 33027	970-859-9661

Attn: Monica Villegas	
MCOzuna, LLC 1413 NW St. Lucie Boulevard West Port St. Lucie, Florida 33027 Attn: Chasity Ruiz Ozuna	772-800-3151

Rock On Bowls Limited Liability Company 2602 S. Dixie Hwy West Palm Beach, FL 33401 Attn: Michael Serra	561-513-8000
3 Natives Sarasota LLC 11577 State Road 70 E Bradenton, FL 34202 Attn: Patrick McCarthy	941-751-119
3 Natives Satellite Beach, LLC Attn: Caroline Caruso and Brent Johnson 1024 Florida A1A #106 Satellite Beach, FL 32937	(561) 703-8276
3 Natives #19, LLC Attn: Melissa and Emily Leimer 2761 SE Ocean Blvd. Stuart, FL 34996	(561) 222-9885
3 Natives 20, LLC Attn: Dorothy Sikora 870 SE Indian St. Stuart, FL 34996	(740) 317-9306
3 Natives Hobe Sound, LLC Attn: Veronica Silveira 11750 SE Federal Hwy Hope Sound, FL 33455	(212) 787-9081
3 Natives East Delray, Inc. Attn: JP Caruso and Tyler Cameron 1155 E. Atlantic Avenue, #103 Delray Beach, FL 33483	tyler@3natives.com
JNG One, LLC Attn: Arisili Cacciatore and Stephen Cacciatore 242 Wheelhouse Lane, Ste 1200 Lake Mary, FL 32746	arisilic@3natives.com

3 Natives Lake Nona LLC 1110 Craig Court St. Cloud, FL	Jan129@icloud.com
3 Natives The Landings LLC 4942 S. Tamiami Trail, Suite 300 Sarasota, FL 34231 Attn: Patrick McCarthy	(508) 667-5937
3:16 Investment Partners LLC Attn: Mark Roche and Nicole Henry 8226 S. Tamiami Trail Sarasota, FL 34238	mark@3natives.com
Lotus Franchise Group, LLC Attn: Nuru and Renicia Witherspoon 7650 Francisca Club Lane Delray Beach, FL	reniciaw@3natives.com
East West Franchising, LLC Attn: Sean Morrison and Joseph Ruiz 911 Ocean Drive Juno Beach, FL	seandavidmorrison@gmail.com
Nik & Nat 1, LLC Attn: Natalie Lambert and Nicole Lambert 3120 NE 46 th Street Fort Lauderdale, FL	natalielambertt@gmail.com
M&G 3 Natives, LLC Attn: Michele H. Robertson 371 Tumbled Stone Way St. Augustine, FL 32086	micheler@3natives.com
3 Natives Melbourne, LLC Attn: Sean Morrison and Joseph Ruiz 6365 North Wickham Rd., Suite 105 Melbourne, FL 32940	seanm@3natives.com
3 Natives West Boynton, LLC Attn: Greg Brown 16467 Brookfield Estates Way Delray Beach, FL	gregb@3natives.com
TBG Sales, Inc. Attn: Timothy Barnes 9373 Coxwell Lane Jacksonville, FL 32221	Tbarnes9373@gmail.com

3 Natives Tampa Bay, Inc. Attn: Sneha Shah and Rick Orosco 2777 Calvano Drive Land O Lakes, FL 34639	ricko@3natives.com
EQ Restaurants, LLC Attn: Elizabeth Quinoes 2014 Seminole Blvd. West Palm Beach, FL	elizabethq@3natives.com
3 Natives Linton Inc. Attn: Michael Ludwig and Nancy Ludwig 5052 NW Circle Boca Raton, FL	Michael.b.ludwig@gmail.com

GEORGIA:

Turnkey Property Care LLC Attn: Cailus Gay and Cynthis Dow 1681 Club Drive Greensboro, GA 30642	cindy@3natives.com
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NEW YORK:

Shamrock Cove Capital Attn: Brian Moriarty 1 Lloyd Cove Court Lloyd Harbor, NY 11743	brianm@3natives.com
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OKLAHOMA:

Sean, Mary and Zachary Morris 14114 N. Memorial Drive Collinsville, OK	marym@3natives.com
J.O.C. Ventures LLC Attn: O'Neil Anderson 11412 N. 134 E. Ave. Owasso, OK	(786) 257-1619

(b) **Franchises Executed But Not Yet Operational.** The following are the names, addresses and telephone numbers of all 3 Natives Franchisees as of December 31, 2024 who are not yet operational but have signed a 3 Natives Franchise Agreement:

FLORIDA:

TJAAMT, LLC Attn: Tony and Josi Villagomez	tonyv@3natives.com
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83 Stoney Drive Palm Beach Gardens, FL 33410	
Bayside Juice Ventures, LLC* Attn: Julie Belzeski and Harold Leeper 848 Manns Harbor Apollo Beach, FL 33572	jbelzeski@icloud.com
Vianna & Swati, LLC Attn: Bhrijesh Patel 5003 Blistering Way Lake Worth, FL 33467	jayp@3natives.com
Uniquely Bry Inc. Attn: Bryanna Siebecker 15090 Stuttgart Alley Winter Garden, FL 34787	bryas@3natives.com
Creekside Joint Ventures* Attn: Julie Belzeski and Harold Leeper 848 Manns Harbor Apollo Beach, FL 33572	jbelzeski@icloud.com
Lockwood Juice Ventures* Attn: Julie Belzeski and Harold Leeper 848 Manns Harbor Apollo Beach, FL 33572	jbelzeski@icloud.com
Westonbowl LLC Attn: Marlo Salvatierra and Alvaro Alavatierra 122 Lyndhurst # F Deerfield Beach, FL 33442	marlos@3natives.com
Bahala Nah, LLC Attn: Cody Ingrahm 4395 35 th Avenue Vero Beach, FL 32967	codyi@3natives.com
AVVA, LLC Attn: Adrian Trelles and Vanessa Duenas 1453 Briar Oak CT Royal Palm Beach, FL 33411	adrianRT@3natives.com

OKLAHOMA:

ZT Morris Holdings, LLC Attn: Sean, Mary and Zachary Morris To be determined in Tulsa, OK	marym@3natives.com
HR Unified Ventures, LLC 10903 E 166 th Street N. Collinsville, OK	SavannahR@3natives.com

(c) **Former Franchisees.** The following are the names, last known home addresses and home telephone numbers of all franchisees that have been terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under a 3 Natives Franchise Agreement during the most recently completed fiscal year (from January 1, 2024 to December 31, 2024) or who have not communicated with us within 10 weeks of the date of issuance of this Franchise Disclosure Document:

FLORIDA:

Charles Haley Sofge	561-972-3143
3 Natives Boca Del Mar LLC (Sebastian Rivera)	561-385-7550
3 Natives Jupiter West LLC (Jessica Eggenberger)	561-596-0144

TEXAS:

Cary and Jin Mocanu	carymocanu@gmail.com
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*Indicates Multi-Unit Developer

EXHIBIT G TO THE DISCLOSURE DOCUMENT

FINANCIAL STATEMENTS



3 NATIVES FRANCHISING, LLC
FINANCIAL STATEMENTS
December 31, 2024, 2023, 2022

Mari Huff C.P.A., P.A.
CERTIFIED PUBLIC ACCOUNTANTS
Stuart, Florida

3 NATIVES FRANCHISING, LLC

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Mari Huff C.P.A., P.A.

CERTIFIED PUBLIC ACCOUNTANTS

MEMBER:
American Institute of Certified
Public Accountants

Florida Institute of Certified
Public Accountants

National Association of Certified
Valuators and Analysts

INDEPENDENT AUDITOR'S REPORT

The Member of
3 Natives Franchising, LLC
Tequesta, Florida

Opinion

We have audited the accompanying financial statements of 3 Natives Franchising, LLC (a Florida limited liability company), which comprise the balance sheets as of December 31, 2024, 2023, 2022 and the related statements of operations, changes in member's equity, and cash flows for the years then ended and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of 3 Natives Franchising, LLC as of December 31, 2024, 2023, 2022 and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of 3 Natives Franchising, LLC and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the ability of 3 Natives Franchising, LLC to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Auditor's Responsibilities for the Audit of the Financial Statements *(continued)*

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of 3 Natives Franchising, LLC's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about 3 Natives Franchising, LLC's ability to continue as a going concern for a reasonable period of time.

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

Mari Huff CPA PA

Mari Huff C.P.A., P.A.

April 14, 2025

3 NATIVES FRANCHISING, LLC

Balance Sheets

As of December 31, 2024, 2023 and 2022

	12/31/2024	12/31/2023	12/31/2022
ASSETS:			
Current assets:			
Cash and cash equivalents	\$ 6,343	\$ 75,808	\$ 22,020
Accounts receivable (net)	121,334	104,473	45,190
Total current assets	127,677	180,281	67,210
Property and equipment, net	16,766	19,001	10,848
Other assets:			
Due from 3 Natives Juice Company, LLC, long-term	-	5,319	5,519
Due from 3 Natives Northlake, LLC, long-term	-	-	23,000
Due from 3 Natives Hold Co., LLC, long-term	6,369	1,989	-
Due from 3 Natives Gardens., LLC, long-term	-	44,000	-
Due from 3 Natives Management Company, long-term	-	-	500
Due from 3 Natives Winderm, LLC, long-term	2,029	-	-
Due from 3 Natives Jacksonville, LLC, long-term	60	-	-
Due from PMB, long-term	147	-	-
Due from 3 Natives #19, LLC, long-term	2,441	-	-
Deposits	7,061	7,061	4,737
Operating right of use asset	49,452	96,996	122,178
Total other assets	67,559	155,365	155,934
Total assets	\$ 212,002	\$ 354,647	\$ 233,992

(continued on next page)

See independent auditor's report and notes to financial statements

3 NATIVES FRANCHISING, LLC

Balance Sheets (continued)

As of December 31, 2024, 2023 and 2022

	12/31/2024	12/31/2023	12/31/2022
LIABILITIES AND MEMBER'S EQUITY:			
Current liabilities:			
Accounts payable	\$ 50,951	\$ 43,067	\$ 62,309
Due to 3 Natives Juice Company, LLC	18,504	-	-
Due to 3 Natives Coffee Shop, LLC	66,342	60,342	60,494
Due from 3 Natives Management Company	13,164	27,760	-
Due from 3 Natives Gardens, LLC	50,578	-	-
Deferred franchise sales revenue, net	134,750	323,500	202,500
Operating right of use liabilities, current portion	49,452	50,513	29,592
Total current liabilities	383,741	505,182	354,895
Long-term liabilities:			
Operating right of use liabilities, less current portion	-	46,483	92,586
Total long-term liabilities	-	46,483	92,586
Total liabilities	383,741	551,665	447,481
Member's equity:			
Member's equity	(171,739)	(197,018)	(213,489)
Total member's equity	(171,739)	(197,018)	(213,489)
Total liabilities and member's equity	\$ 212,002	\$ 354,647	\$ 233,992

See independent auditor's report and notes to financial statements

3 NATIVES FRANCHISING, LLC

Statements of Operations

For the Years Ended December 31, 2024, 2023, and 2022

	12/31/2024	12/31/2023	12/31/2022
Income from operations:			
Franchise sales	\$ 268,750	\$ 210,000	\$ 180,000
Franchise royalties, net	1,002,645	746,511	469,981
Marketing fees	128,981	200,879	114,042
Total income	<u>1,400,376</u>	<u>1,157,390</u>	<u>764,023</u>
Operating expenses:			
Advertising and marketing	153,332	186,473	198,508
Auto expense	2,384	208	7,502
Bad debt	9,620	2,549	3,037
Bank charges	832	829	894
Commissions	500	63,600	105,544
Contract labor	13,261	6,173	-
Depreciation	3,496	2,475	2,753
Donations	12,708	23,079	1,700
Insurance	-	19,829	36,040
Interest	252	1,383	263
Management fees	799,435	463,118	39,600
Office expense	28,387	45,544	16,965
Personnel	-	143,155	228,329
Printing and postage	24,770	25,133	28,107
Professional fees	189,499	33,565	60,275
Rent	50,526	29,592	25,667
Repairs and maintenance	1,643	5,562	1,416
Travel and meals	60,700	38,289	37,360
Uniforms	10,079	8,573	5,288
Utilities	12,482	12,584	11,636
Total operating expenses	<u>1,373,906</u>	<u>1,111,713</u>	<u>810,884</u>
Other income and expenses:			
Interest income	-	657	3,420
Other income	12,000	-	-
Total other income and expenses	<u>12,000</u>	<u>657</u>	<u>3,420</u>
Net income	<u><u>\$ 38,470</u></u>	<u><u>\$ 46,334</u></u>	<u><u>\$ (43,441)</u></u>

See independent auditor's report and notes to financial statements

3 NATIVES FRANCHISING, LLC

Statements of Changes in Member's Equity

For the Years Ended December 31, 2024, 2023, and 2022

	12/31/2024	12/31/2023	12/31/2022
Member's equity, beginning of year as adjusted	\$ (197,018)	\$ (213,489)	\$ (36,968)
Net income	38,470	46,334	(43,441)
Distributions	(13,191)	(29,863)	(133,080)
Member's equity, end of year	<u>\$ (171,739)</u>	<u>\$ (197,018)</u>	<u>\$ (213,489)</u>

See independent auditor's report and notes to financial statements

3 NATIVES FRANCHISING, LLC

Statements of Cash Flows

For the Years Ended December 31, 2024, 2023, and 2022

	12/31/2024	12/31/2023	12/31/2022
Cash flows (used in) / provided by operating activities:			
Proceeds from franchise sales	\$ 80,000	\$ 331,000	\$ 337,500
Proceeds from franchise royalties, net	985,784	687,228	472,079
Proceeds from marketing fees	128,981	200,879	114,042
Interest income	-	657	3,420
Other income	12,000	-	-
Interest payments	(1,643)	(5,562)	(1,416)
Payments to suppliers and contractors	(1,360,883)	(1,122,918)	(774,388)
Net cash (used in) / provided by operating activities	(155,761)	91,284	151,237
Cash flows provided by / (used in) investing activities:			
Loan to 3 Natives Juice Company, LLC	5,319	200	-
Purchases of property and equipment	(1,261)	(12,952)	-
Net cash provided by / used in investing activities	4,058	(12,752)	-
Cash flows used in financing activities:			
Repayments to 3 Natives Holdco, LLC	(4,380)	(1,989)	(4,114)
Loan proceeds received from 3 Natives Juice Company, LLC	18,504	-	-
Principal payments to 3 Natives Juice Company, LLC	-	-	(5,519)
Loan proceeds received from 3 Natives Coffee Shop, LLC	6,000	-	60,494
Principal payments to 3 Natives Coffee Shop, LLC	-	(152)	(33,847)
Loan proceeds from Natives Northlake, LLC	-	23,000	-
Principal payments to 3 Natives Northlake, LLC	-	-	(23,000)
Loan proceeds from 3 Natives Management Co, LLC	-	28,260	-
Principal payments to 3 Natives Management Co, LLC	(14,596)	-	(500)
Loan from 3 Natives Gardens, LLC	94,578	-	-
Principal payments to 3 Natives Gardens, LLC	-	(44,000)	-
Loan to 3 Natives Winderm	(2,029)	-	-
Loan to 3 Natives Jax	(60)	-	-
Loan to Phil	(147)	-	-
Loan to 3 Natives #19	(2,441)	-	-
Distributions paid to member	(13,191)	(29,863)	(133,080)
Net cash used in financing activities	82,238	(24,744)	(139,566)
Net change in cash and cash equivalents	(69,465)	53,788	11,671
Cash and cash equivalents, beginning of year	75,808	22,020	10,349
Cash and cash equivalents, end of year	\$ 6,343	\$ 75,808	\$ 22,020

(continued on next page)

See independent auditor's report and notes to financial statements

3 NATIVES FRANCHISING, LLC

Statements of Cash Flows (continued)

For the Years Ended December 31, 2024, 2023, and 2022

	12/31/2024	12/31/2023	12/31/2022
Reconciliation of net income to cash flows (used in) / provided by operating activities:			
Net income	\$ 38,470	\$ 46,334	\$ (43,441)
Adjustments to reconcile net income to cash flows from operating activities:			
Depreciation	3,496	2,475	2,753
Changes in assets and liabilities:			
Accounts receivable (net)	(16,861)	(59,283)	2,098
Accounts payable	7,884	(19,242)	32,327
Deferred franchise sales revenue, net	(188,750)	121,000	157,500
Net cash (used in) / provided by operating activities	\$ (155,761)	\$ 91,284	\$ 151,237

See independent auditor's report and notes to financial statements

3 NATIVES FRANCHISING, LLC

Notes to the Financial Statements

December 31, 2024, 2023, 2022

NOTE 1: NATURE OF THE ORGANIZATION

3 Natives Franchising, LLC (“the Company”) is a Florida single member limited liability company organized in June 2015. The Company franchises caf  s that offer customers a variety of premium fruit smoothies and cold-pressed juices prepared fresh in the stores using proprietary recipes, in addition to acai bowls, salads, sandwiches, wraps and other healthy snacks.

As December 31, 2024, 2023, 2022, thirty-nine, twenty-four, and twelve franchises, respectively, were operational and fully open to the public and located in Florida and Oklahoma.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Cash and Cash Equivalents

For purposes of the balance sheets and statements of cash flows, the Company considers demand deposits with banks, certificates of deposit, money market funds and all highly liquid investments purchased with an initial maturity of three months or less to be cash equivalents.

Accounts Receivable

Accounts receivable from performing contracts are based on contracted prices. The Company bills franchises monthly pursuant to their franchise agreement.

Allowance for Credit Losses

The allowance estimate is derived from a review of the Company’s historical losses based on the ageing of receivables. This estimate is adjusted for management’s assessment of current conditions, reasonable and supportable forecasts regarding future events, and any other factors deemed relevant by the company. The company believes historical loss information is a reasonable starting point in which to calculate the expected allowance for credit losses as the company’s account receivables have remained constant since the company’s inception.

Property and Equipment

Property and equipment are stated at cost, net of accumulated depreciation. Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets. Useful lives were five years for all property held by the Company as of December 31, 2024, 2023, 2022. The Company capitalizes property and equipment with a cost of \$1,000 or greater. Upon retirement or disposition of property and equipment, the cost and related accumulated depreciation are removed from the accounts and any resulting gain or loss is recognized in the statement of income. The Company reviews its long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. A long-lived asset, which is considered held and used, would be impaired if the carrying value exceeds the undiscounted future net cash flows related to the asset. The impairment would be measured by the extent the fair value of the asset does not exceed carrying value. No impairment occurred as of December 31, 2024, 2023, or 2022.

3 NATIVES FRANCHISING, LLC

Notes to the Financial Statements

December 31, 2024, 2023, 2022

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue Recognition Under Contract with Customers

The Company principally earns revenue from franchise sales, franchise royalties, marketing fees, and franchise termination fees. Fees from franchise sales are typically recorded as deferred revenue upon receipt and recognized when the performance obligation is completed. The revenue from the franchise fee is a single performance obligation for pre-opening service costs satisfied over the length of time the franchise takes to open and commence operations.

For the years ended December 31, 2024, 2023, and 2022, the Company's initial franchise fee requirement was \$30,000, and the initial term provided under these agreements was typically 10 years. The Company's fee for a new franchise for those developed by an existing owner was generally \$20,000.

The Company earns nonrefundable royalty fees which are 6% of franchise sales. Payment is due in the month following the month sales are generated. Under *FASB Accounting Standard Codification 606*, royalty fees are recorded in the month revenue is earned. The performance obligation is satisfied over time on a daily pro-rata basis using the input method.

Depending on the circumstances, in the early phase of a franchisee's operations, management may waive the Company's collection of royalties. When adopted by management, this action does not entail modification to the overriding rights or obligations arising under the franchise agreement. Rather, it constitutes a discretionary practice to promote the early growth and stability of the franchise during this early and delicate window of time.

Income Taxes

The Company has elected to be treated as a disregarded entity and does not pay federal or state income taxes on its taxable income. The Company is owned by 3 Natives Holdco, LLC (a limited liability company which files as a partnership) which passes through income, gain, loss, deduction, or credit to its members, including those attributable to the Company.

Use of Estimates

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

Reclassifications

Some prior year accounts have been reclassified to provide a better comparison with current year amounts. These changes do not materially affect the financial statements presented.

3 NATIVES FRANCHISING, LLC

Notes to the Financial Statements

December 31, 2024, 2023, 2022

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Advertising and Marketing

The Company expenses the cost of advertising and marketing as the expense is incurred. For the years ended December 31, 2024, 2023, and 2022, advertising and marketing costs totaled \$ 153,332, \$ 186,473, and \$ 185,188 respectively. The Company collects 1% of franchise revenues to cover the cost of marketing for all franchises. For the years ended December 31, 2024, 2023, and 2022, marketing fees collected totaled \$ 128,981 , \$ 200,879 , and \$ 114,042 , respectively.

Initial Obligations under Franchise Agreements

The following services are typically required by the Company prior to the opening of a franchised café: 1) If the location of the franchise has not been approved at the time the franchise agreement is signed, the Company designates a geographic area within which the franchise will be located, reviews for approval the proposed locations, and provides general criteria concerning suitable locations; 2) Review and approval of the lease or sublease 3) Furnishing of mandatory and suggested specifications for the café, including requirements for dimensions, design, color scheme, image, interior layout, décor, fixtures, equipment, signs and furnishings; 4) Provision of written specifications for the operation and management of the franchise, as well as lists of approved suppliers; 5) Administration of initial training for designated management; 6) Provision of five days of onsite preopening and opening assistance, subject to an exception for owners with two or more existing outlets; and 7) Provision of a single set of operating manuals, which include specifications for equipment, supplies, inventory, management and operation of the franchise.

Continuing Obligations under Franchise Agreements

Additionally, on a continuing basis, the Company typically undertakes certain significant obligations, including the following: 1) Providing general advisory assistance and field support that it determines is beneficial to the ongoing operation, advertising and promotion of the franchise; 2) Advancing efforts to establish and maintain high standards of quality, customer satisfaction and service; 3) Providing updates, revisions and amendments to its manual, although these modifications do not alter the fundamental status and rights of a franchise under its agreement; 4) On a periodic basis, performing inspections of the franchise and its operations and evaluations of the methods and the staff; 5) Providing guidance to the franchise concerning: (a) specifications, standards and operating procedures, including suggested retail prices; (b) purchasing approved equipment, fixtures, signs, inventory, and operating materials and supplies; and (c) development and implementation of local advertising and promotional programs; 6) Upon request, in the Company's discretion, providing additional refresher or continuing training and operational assistance; and 7) Upon request, in the Company's discretion, periodically providing services of a representative, whether in person or telephonically or via consultations held at the Company's office, to provide additional operating assistance.

3 NATIVES FRANCHISING, LLC

Notes to the Financial Statements

December 31, 2024, 2023, 2022

NOTE 3: ACCOUNTS RECEIVABLE, NET

Accounts receivable was comprised of the following at December 31:

<u>At December 31, 2024:</u>	<u>0-30</u>	<u>31-60</u>	<u>61-90</u>	<u>>90</u>	<u>Total</u>
Currently receivable	\$ 133,503	\$ -	\$ -	\$ -	\$ 133,503
Allowance for doubtful accounts	-	-	-	-	(12,169)
Total receivable	<u>\$ 133,503</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 121,334</u>
<u>At December 31, 2023:</u>	<u>0-30</u>	<u>31-60</u>	<u>61-90</u>	<u>>90</u>	<u>Total</u>
Currently receivable	\$ 82,639	\$ 4,620	\$ 559	\$ 19,204	\$ 107,022
Allowance for doubtful accounts	-	-	-	-	(2,549)
Total receivable	<u>\$ 82,639</u>	<u>\$ 4,620</u>	<u>\$ 559</u>	<u>\$ 19,204</u>	<u>\$ 104,473</u>
<u>At December 31, 2022:</u>	<u>0-30</u>	<u>31-60</u>	<u>61-90</u>	<u>>90</u>	<u>Total</u>
Currently receivable	\$ 44,780	\$ 85	\$ 85	\$ 3,277	\$ 48,227
Allowance for doubtful accounts	-	-	-	-	(3,037)
Total receivable	<u>\$ 44,780</u>	<u>\$ 85</u>	<u>\$ 85</u>	<u>\$ 3,277</u>	<u>\$ 45,190</u>
<u>At December 31, 2021:</u>	<u>0-30</u>	<u>31-60</u>	<u>61-90</u>	<u>>90</u>	<u>Total</u>
Currently receivable	\$ 35,595	\$ 823	\$ -	\$ 10,870	\$ 47,288
Allowance for doubtful accounts	-	-	-	-	-
Total receivable	<u>\$ 35,595</u>	<u>\$ 823</u>	<u>\$ -</u>	<u>\$ 10,870</u>	<u>\$ 47,288</u>

Bad debt expense for the years ended December 31, 2024, 2023, 2022 was \$ 9,620, \$ 2,549, and \$ 3,037, respectively.

Allowance for credit losses

The allowance for credit losses for accounts receivable by portfolio segment and related activity are as follows:

	<u>12/31/2024</u>	<u>12/31/2023</u>	<u>12/31/2022</u>
Beginning balance	\$ 2,549	\$ 3,037	\$ -
Add: Provision for credit losses	9,620	2,549	3,037
(Less): Write-offs	-	(3,037)	-
Ending balance	<u>\$ 12,169</u>	<u>\$ 2,549</u>	<u>\$ 3,037</u>

3 NATIVES FRANCHISING, LLC

Notes to the Financial Statements

December 31, 2024, 2023, 2022

NOTE 4: PROPERTY AND EQUIPMENT, NET

Property and equipment was comprised of the following at December 31:

	<u>12/31/2024</u>	<u>12/31/2023</u>	<u>12/31/2022</u>
Computer and equipment	\$ 14,832	\$ 14,311	\$ 14,311
Leasehold improvements	1,812	1,811	1,811
Furniture	12,782	12,043	1,415
Total fixed assets	29,426	28,165	17,537
Less accumulated depreciation	(12,660)	(9,164)	(6,689)
Property and equipment, net	<u>\$ 16,766</u>	<u>\$ 19,001</u>	<u>\$ 10,848</u>

Depreciation expense was \$ 3,496, \$ 2,475, and \$ 2,753 for the years ended December 31, 2024, 2023, and 2022, respectively.

NOTE 5: AFFILIATED GROUP AND RELATED PARTY TRANSACTIONS

	Receivable (Payable)		
Entity	<u>12/31/2024</u>	<u>12/31/2023</u>	<u>12/31/2022</u>
3 Natives Gardens, LLC	(50,578)	44,000	-
3 Natives Holdco, LLC	6,369	1,989	-
3 Natives Northlake, LLC	-	-	23,000
3 Natives Winderm, LLC	2,029	-	-
3 Natives Jacksonville, LLC	60	-	-
3 Natives #19, LLC	2,441	-	-
3 Natives Coffee Shop, LLC	(66,342)	(60,342)	(60,494)
3 Natives Management Company	(13,164)	(27,760)	500
3 Natives Juice Company, LLC	(18,504)	5,319	5,519
Due from PMB	147	-	-

In 2022, the owners of 3 Natives Holdco, LLC also created 3 Natives Management Company, LLC to manage the activities of 3 Natives Franchising, LLC. For the years ending December 31, 2024, 2023, and 2022, the Company paid \$ 799,435, \$ 463,118, and \$ 39,600, respectively in management fees to 3 Natives Management Company.

3 NATIVES FRANCHISING, LLC

Notes to the Financial Statements

December 31, 2024, 2023, 2022

NOTE 6: DEFERRED FRANCHISE SALES REVENUES

Deferred revenues represent payments received in advances of services performed. The Company had eight new franchises that were signed but not opened as of December 31, 2024. The balance of deferred revenues will be recognized as revenue when the franchises are open and operational. Prepaid franchise expenses represents cost the Company has incurred while setting up these franchises. Deferred franchise sales revenue and expenses were:

	<u>12/31/2024</u>	<u>12/31/2023</u>	<u>12/31/2022</u>
Deferred franchise sales revenues	\$ 205,000	\$ 680,000	\$ 360,000
Prepaid franchise expenses	70,250	356,500	157,500
Net deferred franchise fees	<u>\$ 134,750</u>	<u>\$ 323,500</u>	<u>\$ 202,500</u>

NOTE 7: DISAGGREGATION OF REVENUES FROM CONTRACTS WITH CUSTOMERS

The following table disaggregates the Company's revenue earned from contracts with customers based on the timing of satisfaction of performance obligations for the years ended:

	<u>12/31/2024</u>	<u>12/31/2023</u>	<u>12/31/2022</u>
Performance obligations satisfied over time:			
Franchise sales	\$ 268,750	\$ 210,000	\$ 180,000
Franchise royalties, net	1,002,645	746,511	469,981
Marketing fees	128,981	200,879	114,042
Total revenues from contract with customers	<u>\$ 1,400,376</u>	<u>\$ 1,157,390</u>	<u>\$ 764,023</u>

NOTE 8: LEASES

Operating leases

The Company entered into an agreement with Tequesta Business Associates, LLC on September 30, 2021 to lease office space for two years from November 15, 2021 to November 15, 2023. In November 2022, the lease was transferred to JJI Properties, LLC and extended to December 31, 2025. Additionally, the Company must maintain general liability insurance of reasonable limits. A security deposit of \$7,061 required. The rent expense recorded for this operating lease for the years ended December 31, 2024, 2023, and 2022 was \$ 50,526, \$ 29,592, and \$ 25,667, respectively.

3 NATIVES FRANCHISING, LLC

Notes to the Financial Statements

December 31, 2024, 2023, 2022

NOTE 8: LEASES (continued)

Operating leases (continued)

The following summarizes the line items in the balance sheet which include amounts for leases December 31:

	<u>12/31/2024</u>	<u>12/31/2023</u>	<u>12/31/2022</u>
Operating lease right -of-use assets	\$ 49,452	\$ 96,996	\$ 122,178
Operating lease right-of-use liability, current portion	49,452	50,513	29,592
Operating lease right-of-use liability , long term portion	-	46,483	\$ 92,586
Total operating lease liabilities	<u>\$ 49,452</u>	<u>\$ 96,996</u>	<u>\$ 122,178</u>

The components of lease expense that are included in the statement of income for the years ended December 31, are as follows:

	<u>12/31/2024</u>	<u>12/31/2023</u>	<u>12/31/2022</u>
Operating lease cost (rent Expense)	<u>\$ 50,526</u>	<u>\$ 29,592</u>	<u>\$ 25,667</u>

The following summarizes the cash flow information related to leases for the years ended December 31:

Cash paid for amounts included in the measurements of lease liabilities:

	<u>12/31/2024</u>	<u>12/31/2023</u>	<u>12/31/2022</u>
Operating lease cash flows	<u>\$ 50,526</u>	<u>\$ 29,592</u>	<u>\$ 25,667</u>

Weighted average lease term and discount rate as of December 31, were as follows:

	<u>12/31/2024</u>	<u>12/31/2023</u>	<u>12/31/2022</u>
Weighted average remaining lease term	0.7 Years	1 Year	2 Years
Weighted average discount rate	3.98%	1.37%	0.50%

The maturities of lease liabilities as of December 31, 2024, were as follows:

2025	\$ 50,513
2026 and thereafter	-
Toal payments	<u>\$ 50,513</u>
Less: interest	<u>(1,061)</u>
Present value of lease liability	<u>\$ 49,452</u>

3 NATIVES FRANCHISING, LLC

Notes to the Financial Statements

December 31, 2024, 2023, 2022

NOTE 9: CONCENTRATIONS AND COMMITMENTS

Credit Risk

Cash accounts held by the Company are insured by the FDIC up to \$250,000 per depositor. As of December 31, 2024, 2023, and 2022, there were no uninsured balances.

Other Concentrations

With respect to geographic and customer concentrations, no franchise (or franchise group) contributed 10% or more of revenue in December 31, 2024, 2023, or 2022.

NOTE 10: SUBSEQUENT EVENTS

In preparing the financial statements, the Company has evaluated events and transactions for potential recognition and disclosure through April 14, 2025, the date the financial statements were available to be issued.

Subsequent to December 31, 2024, four new stores were opened that had franchise agreements signed in 2024. One new franchise agreement was signed subsequent to December 31, 2024.



3 NATIVES FRANCHISING, LLC
FINANCIAL STATEMENTS
December 31, 2023, 2022 and 2021

Mari Huff C.P.A., P.A.
CERTIFIED PUBLIC ACCOUNTANTS
Stuart, Florida

3 NATIVES FRANCHISING, LLC

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Mari Huff C.P.A., P.A.

CERTIFIED PUBLIC ACCOUNTANTS

MEMBER:
American Institute of Certified
Public Accountants

Florida Institute of Certified
Public Accountants

National Association of Certified
Valuators and Analysts

INDEPENDENT AUDITOR'S REPORT

The Member of
3 Natives Franchising, LLC
Tequesta, Florida

Opinion

We have audited the accompanying financial statements of 3 Natives Franchising, LLC (a Florida limited liability company), which comprise the balance sheets as of December 31, 2023, 2022 and 2021, and the related statements of operations, changes in member's equity, and cash flows for the years then ended and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of 3 Natives Franchising, LLC as of December 31, 2023, 2022 and 2021, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of 3 Natives Franchising, LLC and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the ability of 3 Natives Franchising, LLC to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Auditor's Responsibilities for the Audit of the Financial Statements *(continued)*

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of 3 Natives Franchising, LLC's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about 3 Natives Franchising, LLC's ability to continue as a going concern for a reasonable period of time.

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

Emphasis of matter

As discussed in Note 7, 2021 and 2022 financial statements have been restated to record the prepaid franchise expenses which represent cost the Company's has incurred while setting up these franchises. Our opinion is not modified with respect to this matter. These cost were previously included in the operating expenses for the years ended December 31, 2021 and 2022 and these years have been restated to properly reflect these costs as a reduction of the net 2022 and 2021 deferred revenues.

MARI HUFF CPA, PA

Mari Huff C.P.A., P.A.

April 19, 2024

3 NATIVES FRANCHISING, LLC

Balance Sheets

As of December 31, 2023, 2022 and 2021

	2023	2022 RESTATED	2021 RESTATED
ASSETS:			
Current assets:			
Cash and cash equivalents	\$ 75,808	\$ 22,020	\$ 10,349
Accounts receivable (net)	104,473	45,190	47,288
Total current assets	180,281	67,210	57,637
Property and equipment, net	19,001	10,848	13,601
Other assets:			
Due from 3 Natives Juice Company, LLC, long-term	5,319	5,519	-
Due from 3 Natives Northlake, LLC, long-term	-	23,000	-
Due from 3 Natives Hold Co., LLC, long-term	1,989	-	-
Due from 3 Natives Gardens., LLC, long-term	44,000	-	-
Due from 3 Natives Management Company, LLC, long-term	-	500	-
Deposits	7,061	4,737	4,737
Operating right of use asset	96,996	122,178	132,148
Total other assets	155,365	155,934	136,885
Total assets	\$ 354,647	\$ 233,992	\$ 208,123
LIABILITIES AND MEMBER'S EQUITY:			
Current liabilities:			
Accounts payable	\$ 43,067	\$ 62,309	\$ 29,982
Due to 3 Natives Coffee Shop, LLC	60,342	60,494	33,847
Due from 3 Natives Management Company, LLC,	27,760	-	-
Deferred franchise sales revenue, net	323,500	202,500	45,000
Operating right of use liabilities, current portion	50,513	29,592	29,592
Total current liabilities	505,182	354,895	142,535
Long-term liabilities:			
Operating right of use liabilities, less current portion	46,483	92,586	102,556
Total long-term liabilities	46,483	92,586	102,556
Total liabilities	551,665	447,481	245,091
Member's equity:			
Member's equity	(197,018)	(213,489)	(36,968)
Total member's equity	(197,018)	(213,489)	(36,968)
Total liabilities and member's equity	\$ 354,647	\$ 233,992	\$ 208,123

See independent auditor's report and notes to financial statements

3 NATIVES FRANCHISING, LLC

Statements of Operations

For the Years Ended December 31, 2023, 2022, and 2021

	2023	2022 RESTATED	2021 RESTATED
Income from operations:			
Franchise sales	\$ 210,000	\$ 180,000	\$ 40,000
Franchise royalties, net	746,511	469,981	472,627
Marketing fees	200,879	114,042	81,429
Operational franchise termination , net	-	-	10,000
Total income	<u>1,157,390</u>	<u>764,023</u>	<u>604,056</u>
Operating expenses:			
Advertising and marketing	186,473	198,508	165,478
Auto expense	208	7,502	7,402
Bad debt	2,549	3,037	-
Bank charges	829	894	1,522
Commissions	63,600	105,544	-
Depreciation	2,475	2,753	10,143
Donations	23,079	1,700	5,000
Guaranteed payments-auto allowance, health insurance	-	-	11,911
Insurance	19,829	36,040	1,985
Interest	1,383	263	2,390
Management fees	463,118	39,600	-
Office expense	45,544	16,965	13,694
Personnel	149,328	228,329	286,158
Printing and postage	25,133	28,107	1,556
Professional fees	33,565	60,275	39,758
Rent	29,592	25,667	9,970
Repairs and maintenance	5,562	1,416	793
Travel and meals	38,289	37,360	29,290
Uniforms	8,573	5,288	12,721
Utilities	12,584	11,636	6,853
Total operating expenses	<u>1,111,713</u>	<u>810,884</u>	<u>606,624</u>
Other income and expenses:			
Interest income	657	3,420	96
Gain on forgiveness of SBA PPP loans	-	-	20,600
Loss on sale of assets	-	-	(11,946)
Total other income and expenses	<u>657</u>	<u>3,420</u>	<u>8,750</u>
Net income	<u><u>\$ 46,334</u></u>	<u><u>\$ (43,441)</u></u>	<u><u>\$ 6,182</u></u>

See independent auditor's report and notes to financial statements

3 NATIVES FRANCHISING, LLC

Statements of Changes in Member's Equity

For the Years Ended December 31, 2023, 2022, and 2021

	2023	2022	2021
		RESTATED	RESTATED
Member's equity, beginning of year as adjusted	\$ (213,489)	\$ (36,968)	\$ 20,162
Net income	46,334	(43,441)	6,182
Distributions	(29,863)	(133,080)	(63,312)
Member's equity, end of year	<u>\$ (197,018)</u>	<u>\$ (213,489)</u>	<u>\$ (36,968)</u>

See independent auditor's report and notes to financial statements

3 NATIVES FRANCHISING, LLC

Statements of Cash Flows

For the Years Ended December 31, 2023, 2022, and 2021

	2023	2022 RESTATED	2021 RESTATED
Cash flows provided by operating activities:			
Proceeds from franchise sales	\$ 331,000	\$ 337,500	\$ 85,000
Proceeds from franchise royalties, net	687,228	472,079	453,974
Proceeds from marketing fees	200,879	114,042	81,429
Proceeds received upon franchise terminations	-	-	10,000
Interest income	657	3,420	96
Interest payments	(5,562)	(1,416)	(793)
Payments to suppliers and contractors	(1,122,918)	(774,388)	(582,994)
Net cash provided by operating activities	91,284	151,237	46,712
Cash flows used in investing activities:			
Loan to 3 Natives Juice Company, LLC	200	-	-
Purchases of property and equipment	(12,952)	-	(15,822)
Net cash used in investing activities	(12,752)	-	(15,822)
Cash flows used in financing activities:			
Repayments to 3 Natives Holdco, LLC	-	(4,114)	-
Loan to 3 Natives Holdco, LLC	(1,989)	-	-
Loan proceeds received from 3 Natives Holdco, LLC	-	-	4,114
Loan proceeds received from 3 Natives Juice Company, LLC	-	-	33,847
Principal payments to 3 Natives Juice Company, LLC	-	(5,519)	-
Loan proceeds received from 3 Natives Coffee Shop, LLC	-	60,494	-
Principal payments to 3 Natives Coffee Shop, LLC	(152)	(33,847)	-
Loan proceeds from Natives Northlake, LLC	23,000	-	-
Principal payments to 3 Natives Northlake, LLC	-	(23,000)	-
Loan proceeds from 3 Natives Management Co, LLC	28,260	-	-
Principal payments to 3 Natives Management Co, LLC	-	(500)	-
Loan to 3 Natives Gardens, LLC	(44,000)	-	-
Principal payments on note payable	-	-	(20,476)
Distributions paid to member	(29,863)	(133,080)	(63,312)
Net cash used in financing activities	(24,744)	(139,566)	(45,827)
Net change in cash and cash equivalents	53,788	11,671	(14,937)
Cash and cash equivalents, beginning of year	22,020	10,349	25,286
Cash and cash equivalents, end of year	\$ 75,808	\$ 22,020	\$ 10,349

See independent auditor's report and notes to financial statements

3 NATIVES FRANCHISING, LLC

Statements of Cash Flows (continued)

For the Years Ended December 31, 2023, 2022, and 2021

	2023	2022	2021
		RESTATED	RESTATED
Reconciliation of net income to cash flows provided by operating activities:			
Net income	\$ 46,334	\$ (43,441)	\$ 6,182
Adjustments to reconcile net income to cash flows from operating activities:			
Depreciation	2,475	2,753	10,143
Gain on forgiveness of SBA PPP loans	-	-	(20,600)
Loss on sale of assets	-	-	11,946
Changes in assets and liabilities:			
Accounts receivable (net)	(59,283)	2,098	(18,653)
Other current assets	-	-	511
Accounts payable	(19,242)	32,327	12,183
Deferred franchise sales revenue, net	121,000	157,500	45,000
Net cash provided by operating activities	\$ 91,284	\$ 151,237	\$ 46,712

See independent auditor's report and notes to financial statements

3 NATIVES FRANCHISING, LLC

Notes to the Financial Statements

December 31, 2023, 2022 and 2021

NOTE 1: NATURE OF THE ORGANIZATION

3 Natives Franchising, LLC (“the Company”) is a Florida single member limited liability company organized in June 2015. The Company franchises caf  s that offer customers a variety of premium fruit smoothies and cold-pressed juices prepared fresh in the stores using proprietary recipes, in addition to acai bowls, salads, sandwiches, wraps and other healthy snacks.

As of December 31, 2023, 2022 and 2021, twenty-four, twelve, and seventeen franchises, respectively, were operational and fully open to the public and located in Florida and Oklahoma.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Adoption of FASB ASC 326: Financial Instruments - Credit Losses

In June 2016, the FASB issued guidance ASU 2016-13: *Financial Instruments – Credit Losses* (FASB ASC 326) which significantly changed how entities will measure credit losses for most financial assets and certain other instruments that aren’t measured at fair value through net income. The most significant change in this standard is a shift from the incurred loss model to the expected loss model. Under the standard, disclosures are required to provide users of the financial statements with useful information in analyzing an entity’s exposure to credit risk and the measurement of credit losses. Financial assets held by the company that are subject to the guidance in FASB ASC 326 were trade accounts receivable.

The Company adopted the standard effective January 1, 2023. The impact of the adoption was not considered material to the financial statements and primarily resulted in new/enhanced disclosures only.

Cash and Cash Equivalents

For purposes of the balance sheets and statements of cash flows, the Company considers demand deposits with banks, certificates of deposit, money market funds and all highly liquid investments purchased with an initial maturity of three months or less to be cash equivalents.

Accounts Receivable

Accounts receivable from performing contracts are based on contracted prices. The Company bills franchises monthly pursuant to their franchise agreement.

Allowance for Credit Losses

The allowance estimate is derived from a review of the Company’s historical losses based on the ageing of receivables. This estimate is adjusted for management’s assessment of current conditions, reasonable and supportable forecasts regarding future events, and any other factors deemed relevant by the company. The company believes historical loss information is a reasonable starting point in which to calculate the expected allowance for credit losses as the company’s account receivables have remained constant since the company’s inception.

3 NATIVES FRANCHISING, LLC

Notes to the Financial Statements

December 31, 2023, 2022 and 2021

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property and Equipment

Property and equipment are stated at cost, net of accumulated depreciation. Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets. Useful lives were five years for all property held by the Company as of December 31, 2023, 2022 and 2021. The Company capitalizes property and equipment with a cost of \$1,000 or greater. Upon retirement or disposition of property and equipment, the cost and related accumulated depreciation are removed from the accounts and any resulting gain or loss is recognized in the statement of income. The Company reviews its long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. A long-lived asset, which is considered held and used, would be impaired if the carrying value exceeds the undiscounted future net cash flows related to the asset. The impairment would be measured by the extent the fair value of the asset does not exceed carrying value. No impairment occurred in 2023, 2022 and 2021.

Revenue Recognition Under Contract with Customers

The Company principally earns revenue from franchise sales, franchise royalties, marketing fees, and franchise termination fees. Fees from franchise sales are typically recorded as deferred revenue upon receipt and recognized when the performance obligation is completed. The revenue from the franchise fee is a single performance obligation for pre-opening service costs satisfied over the length of time the franchise takes to open and commence operations.

For the years ended December 31, 2023, 2022 and 2021, the Company's initial franchise fee requirement was \$30,000, and the initial term provided under these agreements was typically 10 years. The Company's fee for a new franchise for those developed by an existing owner was generally \$20,000.

The Company earns nonrefundable royalty fees which are 6% of franchise sales. Payment is due in the month following the month sales are generated. Under *FASB Accounting Standard Codification 606*, royalty fees are recorded in the month revenue is earned. The performance obligation is satisfied over time on a daily pro-rata basis using the input method.

Depending on the circumstances, in the early phase of a franchisee's operations, management may waive the Company's collection of royalties. When adopted by management, this action does not entail modification to the overriding rights or obligations arising under the franchise agreement. Rather, it constitutes a discretionary practice to promote the early growth and stability of the franchise during this early and delicate window of time.

Income Taxes

The Company has elected to be treated as a disregarded entity and does not pay federal or state income taxes on its taxable income. The Company is owned by 3 Natives Holdco, LLC (a limited liability company which files as a partnership) which passes through income, gain, loss, deduction, or credit to its members, including those attributable to the Company.

3 NATIVES FRANCHISING, LLC

Notes to the Financial Statements

December 31, 2023, 2022 and 2021

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Use of Estimates

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

Reclassifications

Some prior year accounts have been reclassified to provide a better comparison with current year amounts. These changes do not materially affect the financial statements presented.

Advertising and Marketing

The Company expenses the cost of advertising and marketing as the expense is incurred. For the years ended December 31, 2023, 2022 and 2021, advertising and marketing costs totaled \$186,473, \$198,508, and \$165,478, respectively. The Company collects 1% of franchise revenues to cover the cost of marketing for all franchises. For the years ended December 31, 2023, 2022 and 2021, marketing fees collected totaled \$200,879, \$114,042 and \$81,429, respectively.

Initial Obligations under Franchise Agreements

The following services are typically required by the Company prior to the opening of a franchised café: 1) If the location of the franchise has not been approved at the time the franchise agreement is signed, the Company designates a geographic area within which the franchise will be located, reviews for approval the proposed locations, and provides general criteria concerning suitable locations; 2) Review and approval of the lease or sublease 3) Furnishing of mandatory and suggested specifications for the café, including requirements for dimensions, design, color scheme, image, interior layout, décor, fixtures, equipment, signs and furnishings; 4) Provision of written specifications for the operation and management of the franchise, as well as lists of approved suppliers; 5) Administration of initial training for designated management; 6) Provision of five days of onsite preopening and opening assistance, subject to an exception for owners with two or more existing outlets; and 7) Provision of a single set of operating manuals, which include specifications for equipment, supplies, inventory, management and operation of the franchise.

Continuing Obligations under Franchise Agreements

Additionally, on a continuing basis, the Company typically undertakes certain significant obligations, including the following: 1) Providing general advisory assistance and field support that it determines is beneficial to the ongoing operation, advertising and promotion of the franchise; 2) Advancing efforts to establish and maintain high standards of quality, customer satisfaction and service; 3) Providing updates, revisions and amendments to its manual, although these modifications do not alter the fundamental status and rights of a franchise under its agreement; 4) On a periodic basis, performing inspections of the franchise and its operations and evaluations of the methods and the staff;

3 NATIVES FRANCHISING, LLC

Notes to the Financial Statements

December 31, 2023, 2022 and 2021

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Continuing Obligations under Franchise Agreements (continued)

5) Providing guidance to the franchise concerning: (a) specifications, standards and operating procedures, including suggested retail prices; (b) purchasing approved equipment, fixtures, signs, inventory, and operating materials and supplies; and (c) development and implementation of local advertising and promotional programs; 6) Upon request, in the Company's discretion, providing additional refresher or continuing training and operational assistance; and 7) Upon request, in the Company's discretion, periodically providing services of a representative, whether in person or telephonically or via consultations held at the Company's office, to provide additional operating assistance.

NOTE 3: ACCOUNTS RECEIVABLE, NET

Accounts receivable was comprised of the following at December 31:

<u>At December 31, 2023:</u>	<u>0-30</u>	<u>31-60</u>	<u>61-90</u>	<u>>90</u>	<u>Total</u>
Currently receivable	\$ 82,639	\$ 4,620	\$ 559	\$ 19,204	\$ 107,022
Allowance for doubtful accounts	-	-	-	-	(2,549)
Total receivable	<u>\$ 82,639</u>	<u>\$ 4,620</u>	<u>\$ 559</u>	<u>\$ 19,204</u>	<u>\$ 104,473</u>
<u>At December 31, 2022:</u>	<u>0-30</u>	<u>31-60</u>	<u>61-90</u>	<u>>90</u>	<u>Total</u>
Currently receivable	\$ 44,780	\$ 85	\$ 85	\$ 3,277	\$ 48,227
Allowance for doubtful accounts	-	-	-	-	(3,037)
Total receivable	<u>\$ 44,780</u>	<u>\$ 85</u>	<u>\$ 85</u>	<u>\$ 3,277</u>	<u>\$ 45,190</u>
<u>At December 31, 2021:</u>	<u>0-30</u>	<u>31-60</u>	<u>61-90</u>	<u>>90</u>	<u>Total</u>
Currently receivable	\$ 35,595	\$ 823	\$ -	\$ 10,870	\$ 47,288
Allowance for doubtful accounts	-	-	-	-	-
Total receivable	<u>\$ 35,595</u>	<u>\$ 823</u>	<u>\$ -</u>	<u>\$ 10,870</u>	<u>\$ 47,288</u>
<u>At December 31, 2020:</u>	<u>0-30</u>	<u>31-60</u>	<u>61-90</u>	<u>>90</u>	<u>Total</u>
Currently receivable	\$ 18,475	\$ 2,500	\$ -	\$ 7,660	\$ 28,635
Allowance for doubtful accounts	-	-	-	-	-
Total receivable	<u>\$ 18,475</u>	<u>\$ 2,500</u>	<u>\$ -</u>	<u>\$ 7,660</u>	<u>\$ 28,635</u>

Bad debt expense for the years ended December 31, 2023 and 2022 was \$2,549, \$3,037. No bad debt expense was recorded for the year ended December 31, 2021.

3 NATIVES FRANCHISING, LLC

Notes to the Financial Statements

December 31, 2023, 2022 and 2021

NOTE 4: PROPERTY AND EQUIPMENT, NET

Property and equipment was comprised of the following at December 31:

	2023	2022	2021
Computer and equipment	\$ 14,311	\$ 14,311	\$ 14,311
Leasehold improvements	1,811	1,811	1,811
Furniture	12,043	1,415	1,415
Total fixed assets	28,165	17,537	17,537
Less accumulated depreciation	9,164	6,689	3,936
Property and equipment, net	<u>\$ 19,001</u>	<u>\$ 10,848</u>	<u>\$ 13,601</u>

Depreciation expense was \$2,475, \$2,753, and \$10,143 for 2023, 2022 and 2021, respectively.

NOTE 5: AFFILIATED GROUP AND RELATED PARTY TRANSACTIONS

In December 2021, the membership interest of 3 Natives Coffee Shop LLC (“CoffeeCo”), 3 Natives Juice Company, LLC (“JuiceCo”), 3 Natives Jacksonville LLC, 3 Natives TC LLC, and 3 Natives Northlake, LLC, were transferred 100% into 3 Natives Holdco, LLC (“Holdco”).

Holdco additionally owns a 100% interest in 3 Natives Gardens LLC, which is a non-franchised 3 Natives Café outlet operating in Juno Beach, Florida that was formed in 2015 and 3 Natives Franchising, LLC.

As of December 31, 2023 and 2022, \$5,319 and \$5,519 was due from 3 Natives Juice Company, LLC respectively. No intercompany loans existed for years ended December 31, 2021.

As of December 2022, \$23,000 was due from 3 Natives Northlake, LLC respectively. No intercompany loans existed for years ended December 31, 2023 or 2021.

As of December 31, 2023, \$1,989 was due from 3 Natives Holdco, LLC. No intercompany loans existed for year ended December 31, 2022. As of December 31, 2021, the Company owed \$4,114 to 3 Natives Holdco, LLC.

As of December 31, 2023, \$44,000 was due from 3 Natives Gardens, LLC. No intercompany loans existed for year ended December 31, 2022 and 2021.

As of December 31, 2023, 2022 and 2021, \$60,342, 60,494 and \$33,847 was due to 3 Natives Coffee Shop LLC respectively.

In 2022, the owners of 3 Natives Holdco, LLC also created 3 Natives Management Company, LLC to manage the activities of 3 Natives Franchising, LLC. For the year ending December 31, 2023 and 2022, the Company paid \$463,118 and \$39,600 in management fees to 3 Natives Management Company. As of December 2023 the Company owed \$27,760 to 3 Natives Management Company, LLC and as of December 31, 2022, the Company had a receivable of \$500 from 3 Natives Management Company, LLC.

3 NATIVES FRANCHISING, LLC

Notes to the Financial Statements

December 31, 2023, 2022 and 2021

NOTE 6: DEFERRED FRANCHISE SALES REVENUES

Deferred revenues represent payments received in advances of services performed. The Company had sixteen new franchises that were signed but not opened as of December 31, 2023. The balance of deferred revenues will be recognized as revenue when the franchises are open and operational. Prepaid franchise expenses represents cost the Company has incurred while setting up these franchises. Deferred franchise sales revenue and expenses were:

	2023	2022	2021
Deferred franchise sales revenues	\$ 680,000	\$ 360,000	\$ 60,000
Prepaid franchise expenses	356,500	157,500	15,000
Net deferred franchise fees	<u>\$ 323,500</u>	<u>\$ 202,500</u>	<u>\$ 45,000</u>

NOTE 7: RESTATEMENTS

The 2021 and 2022 financial statements have been restated to record the prepaid franchise expenses which represent cost the Company's has incurred while setting up these franchises.

2021 Financial Statement:	As reported	Correction of error	Restated
Balance Sheet:			
Deferred franchise sales revenue, net	\$ 60,000	\$ (15,000)	\$ 45,000
Statement of Operations:			
Personnel	\$ 301,158	\$ (15,000)	\$ 286,158
Net income	\$ (8,818)	\$ 15,000	\$ 6,182
Members Equity:			
Members Equity, end of year	\$ (51,968)	\$ 15,000	\$ (36,968)

2022 Financial Statement:	As reported	Correction of error	Restated
Balance Sheet:			
Deferred franchise sales revenue, net	\$ 360,000	\$ (157,500)	\$ 202,500
Statement of Operations:			
Personnel	\$ 370,829	\$ (142,500)	\$ 228,329
Net income	\$ (185,941)	\$ 142,500	\$ (43,441)
Members Equity:			
Members Equity, beginning of year	\$ (51,968)	\$ 15,000	\$ (36,968)
Members Equity, end of year	\$ (370,989)	\$ 157,500	\$ (213,489)

3 NATIVES FRANCHISING, LLC

Notes to the Financial Statements

December 31, 2023, 2022 and 2021

NOTE 8: LEASES

Operating leases

The Company entered into an agreement with Tequesta Business Associates, LLC on September 30, 2021 to lease office space for two years from November 15, 2021 to November 15, 2023. In November 2022, the lease was transferred to JJI Properties, LLC and extended to December 31, 2025. Additionally, the Company must maintain general liability insurance of reasonable limits. A security deposit of \$7,061 required. The rent expense recorded for this operating lease for the years ended December 31, 2023, 2022 and 2021 was \$29,592, \$25,666, and \$9,970.

The following summarizes the line items in the balance sheet which include amounts for leases as of December 31, 2023, 2022 and 2021:

	2023	2022	2021
Operating lease right -of-use assets	\$ 96,996	\$ 122,178	\$ 132,148
Operating lease right-of-use liability, current portion	50,513	29,592	29,592
Operating lease right-of-use liability , long term portion	46,483	92,586	\$ 102,556
Total operating lease liabilities	<u>\$ 96,996</u>	<u>\$ 122,178</u>	<u>\$ 132,148</u>

The components of lease expense that are included in the statement of income for the year ended December 31, 2023, 2022 and 2021 are as follows:

	2023	2022	2021
Operating lease cost (rent Expense)	<u>\$ 29,592</u>	<u>\$ 25,667</u>	<u>\$ 9,970</u>

The following summarizes the cash flow information related to leases for the year ended December 31, 2023, 2022 and 2021:

Cash paid for amounts included in the measurements of lease liabilities:

	2023	2022	2021
Operating lease cash flows	<u>\$ 29,592</u>	<u>\$ 25,667</u>	<u>\$ 9,970</u>

Weighted average lease term and discount rate as of December 31, 2023, 2022 and 2021 were as follows:

	2023	2022	2021
Weighted average remaining lease term	2 Years	1 Year	2 Years
Weighted average discount rate	3.98%	1.37%	0.50%

3 NATIVES FRANCHISING, LLC

Notes to the Financial Statements

December 31, 2023, 2022 and 2021

NOTE 8: LEASES (continued)

The maturities of lease liabilities as of December 31, 2023, were as follows:

2024	\$	50,513
2025 and thereafter		50,513
Total payments	\$	101,026
Less: interest		(4,030)
Present value of lease liability	\$	<u>96,996</u>

NOTE 9: CONCENTRATIONS AND COMMITMENTS

Credit Risk

Cash accounts held by the Company are insured by the FDIC up to \$250,000 per depositor. As of December 31, 2023, 2022 and 2021, there were no uninsured balances.

Other Concentrations

With respect to geographic and customer concentrations, no franchise (or franchise group) contributed 10% or more of revenue in 2023, 2022 and 2021.

NOTE 10: SUBSEQUENT EVENTS

In preparing the financial statements, the Company has evaluated events and transactions for potential recognition and disclosure through April 19, 2024, the date the financial statements were available to be issued.

Subsequent to December 31, 2023, five stores were opened that had franchise agreements signed in 2022 and 2023. No new franchise agreements were signed.

EXHIBIT H TO THE DISCLOSURE DOCUMENT

GENERAL RELEASE

GENERAL RELEASE

This General Release ("General Release") is made and entered into by _____ (the "Franchisee") on this ____ day of _____, 20__.

A. Franchisee had previously been established as a franchisee under the 3 NATIVES franchise system pursuant to a Franchise Agreement executed by Franchisee and 3 Natives Franchising, LLC (the "Franchisor") dated as of _____ (the "Original Franchise Agreement").

B. The Franchisee currently proposes to renew its franchise relationship with the Franchisor under a new Franchise Agreement.

C. As required under the Original Franchise Agreement, Franchisee is obligated to enter into this Release in connection with a renewal thereof.

D. The Franchisee acknowledges that it understands the effect of this Release to disallow any claims by it for actions taken by the Franchisor in connection with the Original Franchise Agreement and further acknowledges and agrees that the Franchisor already has paid, or provided the Franchisee with, all of the obligations and benefits that the Franchisee was owed under the Original Franchise Agreement.

1. **Release.** In accordance with the Original Franchise Agreement and to induce execution by the Franchisor of the new Franchise Agreement and acceptance of the terms set forth therein, the Franchisee with the intent of binding itself and its successors, affiliates, heirs, assigns, attorneys, and principal owners, hereby releases and forever discharges the Franchisor and its parents, affiliates, subsidiaries, divisions, successors and assigns, and other related companies and each of their officers, directors, shareholders, affiliated Franchisees, agents, and representatives of any kind (collectively, "Released Parties") from and against any and all liabilities, claims, grievances, demands, charges, actions and causes of action whatsoever which first arose prior to and through the date on which this Release becomes effective, including but not limited to, any and all claims arising under or pursuant to any constitution, common law, statute, regulation, executive order or ordinance (and specifically from and against any and all liabilities, claims, grievances, demands, charges, actions and causes of action whatsoever related to the Original Franchise Agreement). In addition, the Franchisee expressly waives the benefit of any statute or rule of law that, if applied to this Release, would otherwise exclude from its binding effect any claims not known by the Franchisee to exist. The Franchisee also agrees that the Franchisee will not institute any claims for damages or for other relief by charge or otherwise, nor will the Franchisee authorize, encourage, or induce any other person or entity, governmental or otherwise, to enter into any claim for damages or for other relief via administrative or legal proceedings against the Released Parties for any such claims.

2. **Consideration Period.** The Franchisee acknowledges that the Franchisee has been given the opportunity to consider this Release for at least fourteen (14) days before its execution.

3. **Knowing and Voluntary Waiver.** The Franchisee agrees and acknowledges that: (a) no promise or inducement for this Release has been made to the Franchisee except as set forth herein; (b) this Release is executed by the Franchisee freely and voluntarily and without reliance upon any statement or representation by the Franchisor or anyone acting on its behalf other than as set forth herein; (d) the Franchisee has read and fully understands this Release and the meaning of its provisions; (f) the Franchisee is legally competent to enter into this Release and understands the meaning of Franchisee's responsibility therefore; (g) Franchisee has been given sufficient time to consider this Release and its terms; and (h) Franchisee has been advised to consult with an attorney prior to entering into this Release.

IN WITNESS WHEREOF, the Franchisee hereby executes this Release.

FRANCHISEE

By_____

Date_____

EXHIBIT I TO THE DISCLOSURE DOCUMENT

ASSIGNMENT AND ASSUMPTION OF FRANCHISE AGREEMENT

ASSIGNMENT AND ASSUMPTION OF FRANCHISE AGREEMENT

This ASSIGNMENT AND ASSUMPTION OF FRANCHISE AGREEMENT (this “**Assignment**”) is executed and delivered as of _____, 20____, by and between Franchisee, _____ individually, and/or _____, Corporation (“**Assignor**”), and _____, individually, and/or _____, Corporation (“**Assignee**”).

WHEREAS, Assignor and 3 Natives Franchising, LLC (“**Franchisor**”) entered into that certain Franchise Agreement (the “**Franchise Agreement**”), dated as of _____, pursuant to which Franchisor granted Assignor the right and license to operate a **3 Natives restaurant** in accordance with the terms and conditions stated therein;

WHEREAS, the Franchise Agreement permits Assignor to assign the Franchise Agreement provided that Franchisor consents to such transfer and certain specified conditions are satisfied.

NOW, THEREFORE, in consideration of the promises, undertakings and commitments set forth herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows.

1. Recitals. The Recitals set forth above are true and correct and are incorporated herein as if set forth herein.

2. Assignment of Franchise Agreement. Assignor does hereby sell, assign, transfer, convey, set over and confirm, to Assignee, its successors and assigns, to have and to hold forever, all of Assignor’s right, title and interest of every kind and character whatsoever in, to or with respect to the Franchise Agreement, and Assignee hereby accepts the assignment of the Franchise Agreement.

3. Assumption of Franchise Agreement. Assignee does hereby assume the Franchise Agreement and agrees to perform all of the duties and obligations, and abide by all of the covenants, terms and conditions, applicable to Assignor under the Franchise Agreement. Notwithstanding the foregoing, Assignor shall (i) remain liable for all direct and indirect obligations owed to Franchisor in connection with the Franchise Agreement prior to the effective date of this Assignment; and (ii) continue to comply with the nondisclosure, noncompetition and indemnification provisions set forth in the Franchise Agreement.

4. Consent to the Assignment. Franchisor by its execution below, hereby acknowledges and consents to the assignment of all of Assignor’s rights and interests under the Franchise Agreement to Assignee and the assumption by Assignee of the liabilities of the Assignor under the Franchise Agreement as set forth above; provided, however, that the foregoing consent to the assignment and assumption of the Franchise Agreement by Franchisor shall not release Assignor from any continuing liability under the Franchise Agreement.

5. Further Actions. Assignor and Assignee agree that they shall execute and deliver or cause to be executed and delivered from time to time such instruments, documents, agreements, and assurances and take such other action as any other party may reasonably require to more effectively assign and transfer to and vest in Assignee, its successors and assigns, all right, title and interest of Assignor in and to the Franchise Agreement.

6. **Miscellaneous.**

(a) **Governing Law.** This Assignment is governed by Florida law. The parties reconfirm and submit to venue and jurisdiction in Palm Beach County, Florida.

(b) **Counterparts.** This Assignment may be executed in any number of counterparts, each of which shall be deemed to be an original, and all of which together shall constitute one and the same document.

(c) **Binding Nature.** This Assignment shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. This Assignment, however, may not be assigned by any party without the prior written consent of the other parties.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, this Assignment is executed as of this ____ day of _____, 20__.

“Assignor”

_____,
Individually

Corporation

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

STATE OF _____
COUNTY OF _____

The foregoing instrument was acknowledged/sworn before me this ____ day of _____, 20__, by _____, who is either personally known to me (or who has produced _____ as identification) and did (did not) take an oath.

NOTARY PUBLIC

Name:
State of _____, At Large
My Commission Expires:

(SEAL)

STATE OF _____
COUNTY OF _____

The foregoing instrument was acknowledged/sworn before me this ____ day of _____, 20__, by _____, who is an authorized representative of _____, and is either personally known to me (or who has produced _____ as identification) and did (did not) take an oath.

NOTARY PUBLIC

Name:
State of _____, At Large
My Commission Expires:
(SEAL)

“Assignee”

Individually

Corporation

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

STATE OF _____
COUNTY OF _____

The foregoing instrument was acknowledged/sworn before me this ____ day of _____, 20__, by _____, who is either personally known to me (or who has produced _____ as identification) and did (did not) take an oath.

NOTARY PUBLIC

Name:
State of _____, At Large
My Commission Expires:

(SEAL)

STATE OF _____
COUNTY OF _____

The foregoing instrument was acknowledged/sworn before me this ____ day of _____, 20__, by _____, who is an authorized representative of _____, and is either personally known to me (or who has produced _____ as identification) and did (did not) take an oath.

NOTARY PUBLIC

(SEAL)

Name:
State of _____, At Large
My Commission Expires:

The undersigned hereby consents to the foregoing assignment:

3 Natives Franchising, LLC, a Florida limited liability company,

By: _____
Name: _____
Title: _____

EXHIBIT J TO THE DISCLOSURE DOCUMENT

FRANCHISEE DISCLOSURE QUESTIONNAIRE

3 NATIVES FRANCHISING, LLC

FRANCHISEE DISCLOSURE QUESTIONNAIRE*

As you know 3 NATIVES FRANCHISING, LLC ("we" or "us"), and you are preparing to enter into a Franchise Agreement for the operation of a 3 Natives franchise. The purpose of this Questionnaire is to determine whether any statements or promises were made to you that we have not authorized or that may be untrue, inaccurate or misleading, to be certain that you have been properly represented in this transaction, and to be certain that you understand the limitations on claims you may make by reason of the purchase and operation of your franchise. **You cannot sign or date this Questionnaire the same day as the Receipt for the Franchise Disclosure Document but you must sign and date it the same day you sign the Franchise Agreement and pay your franchise fee.** Please review each of the following questions carefully and provide honest responses to each question. If you answer "No" to any of the questions below, please explain your answer on the back of this sheet.

- Yes__No__ 1. Have you received and personally reviewed the Franchise Agreement and each exhibit or schedule attached to it?
- Yes__No__ 2. Did you receive the Franchise Agreement and each related agreement, containing all material terms, at least 7 calendar days before signing any binding agreement with us or an affiliate? (Note: This does not include changes to any agreement arising out of negotiations you initiated with us.)
- Yes__No__ 3. Have you received and personally reviewed the Franchise Disclosure Document we provided?
- Yes__No__ 4. Did you receive the Franchise Disclosure Document at least 14 calendar days before signing the Franchise Agreement or any related agreement, or before paying any funds to us or an affiliate?
- Yes__No__ 5. Did you sign a receipt for the Franchise Disclosure Document indicating the date you received it?
- Yes__No__ 6. Do you understand all the information contained in the Franchise Disclosure Document and Franchise Agreement?
- Yes__No__ 7. Have you reviewed the Franchise Disclosure Document and Franchise Agreement with a lawyer, accountant or other professional advisor?
- Yes__No__ 8. Do you acknowledge and understand that no parent or affiliate of ours promises to back us financially or otherwise guarantees our performance or commits to perform post-sale obligations for us?
- Yes__No__ 9. Have you discussed the benefits and risks of developing and operating a 3 Natives franchise with an existing 3 Natives franchisee?
- Yes__No__ 10. Do you understand the risks of developing and operating a 3 Natives franchise?
- Yes__No__ 11. Do you understand the success or failure of your franchise will depend in large part upon your skills, abilities and efforts and those of the persons you employ, as well as many

factors beyond your control such as weather, competition, interest rates, the economy, inflation, labor and supply costs, lease terms and the marketplace?

Yes__No__ 12. Do you understand we have not granted you any territorial rights, other than the right to your Protected Territory as indicated in the Franchise Agreement?

Yes__No__ 13. Do you understand we and our affiliates retain the exclusive unrestricted right to engage, directly or through others, in the production, distribution and sale of products and services under the 3 Natives name or other mark, at any location or by any method of distribution, without regard to the location of other 3 Natives franchises and these other 3 Natives franchises or methods of distribution may compete with your unit and adversely affect its sales?

Yes__No__ 14. Do you understand that, except where prohibited by the laws of your state, all disputes or claims you may have arising out of or relating to the Franchise Agreement must be litigated in Florida, if not resolved informally or by mediation?

Yes__No__ 15. Do you understand that you and your manager must satisfactorily complete the initial training course before we will allow the 3 Natives to open?

Yes__No__ 16. Is it true no employee or other person speaking on our behalf made any statement or promise or agreement, other than those matters addressed in your Franchise Agreement, concerning advertising, marketing, media support, marketing penetration, training, support service or assistance that is contrary to, or different from, the information contained in the Franchise Disclosure Document?

Yes__No__ 17. Is it true no employee or other person speaking on our behalf made any statement or promise regarding the actual, average or projected profits or earnings, the likelihood of success, the amount of money you may earn, or the total amount of revenue a 3 Natives franchise will generate, that is not contained in the Franchise Disclosure Document or that is contrary to, or different from, the information contained in the Franchise Disclosure Document?

Yes__No__ 18. Do you understand that the Franchise Agreement contains the entire agreement between us and you concerning the franchise for a 3 Natives meaning any prior oral or written statements not set out in the Franchise Agreement will not be binding?*

Yes__No__ 19. Do you acknowledge and understand that the Franchise Agreement and related agreements are not effective until signed by us?

YOU UNDERSTAND THAT YOUR ANSWERS ARE IMPORTANT TO US AND THAT WE WILL RELY ON THEM. BY SIGNING THIS QUESTIONNAIRE, YOU ARE REPRESENTING THAT YOU HAVE CONSIDERED EACH QUESTION CAREFULLY AND RESPONDED TRUTHFULLY TO THE ABOVE QUESTIONS.

* Nothing contained in this Questionnaire is intended to disclaim the representations we made in the Franchise Disclosure Document.

Signature of Franchise Applicant

Signature of Franchise Applicant

Name (please print)

Name (please print)

Dated _____

Dated _____

Signature of Franchise Applicant

Signature of Franchise Applicant

Name (please print)

Name (please print)

Dated _____

Dated _____

EXPLANATION OF ANY NEGATIVE RESPONSES [REFER TO QUESTION NUMBER]:

* Nothing contained in this Questionnaire is intended to disclaim the representations we made in the Franchise Disclosure Document.

EXHIBIT K TO THE DISCLOSURE DOCUMENT

STATE 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:

State	Effective Date
California	
Hawaii	
Illinois	
Indiana	
Maryland	
Michigan	February 26, 2025
Minnesota	
New York	Pending
North Dakota	
Rhode Island	
South Dakota	
Virginia	
Washington	
Wisconsin	

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans

EXHIBIT L TO THE DISCLOSURE DOCUMENT

RECEIPTS

RECEIPT

This Disclosure Document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If 3 Natives Franchising, LLC offers you a franchise, it must provide this Disclosure Document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale. New York and Rhode Island require that we give you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of any binding franchise or other agreement, or 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 payment of any consideration, whichever occurs first.

If 3 Natives Franchising, LLC does not deliver this Disclosure Document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and any applicable state agency (as listed in Exhibit "A" to this disclosure document).

The franchisor is 3 Natives Franchising, LLC, located at 250 Tequesta Drive, Suite 201, Tequesta, Florida 33469. Its telephone number is (561) 301-9448.

We authorize the respective state agencies identified on Exhibit "A" to receive service of process for us if we are registered in the particular state.

Issuance Date: April 28, 2025

The name, principal business address, and telephone number of the franchise sellers offering the franchise are:

Name	Principal Business Address	Telephone Number
Anthony Bambino, Philip Bambino, Michael Serra, or:	250 Tequesta Drive, Suite 201, Tequesta, Florida 33469	(561) 301-9448

I received a Disclosure Document dated April 28, 2025. (See Exhibit K for state effective dates.) The Disclosure Document included the following Exhibits:

- | | |
|---|--|
| A State Agencies and Administrators/Agents for Service of Process | F Roster of Current and Former Franchisees |
| B Form of Franchise Agreement (and Guaranty) | G Financial Statements |
| C Multi-Unit Development Agreement | H General Release |
| D Operating Manual Table of Contents | I Assignment and Assumption of Franchise Agreement |
| E State Specific Addenda to Disclosure Document | J Franchisee Disclosure Questionnaire |
| | K State Effective Dates |
| | L Receipts |

KEEP THIS COPY FOR YOUR RECORDS.

Signature _____
Print Name: _____

_____ Date

RECEIPT

This Disclosure Document summarizes certain provisions of the franchise agreement and other information in plain language. Read this Disclosure Document and all agreements carefully.

If 3 Natives Franchising, LLC offers you a franchise, it must provide this Disclosure Document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale. New York and Rhode Island require that we give you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of any binding franchise or other agreement, or 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 payment of any consideration, whichever occurs first.

If 3 Natives Franchising, LLC does not deliver this Disclosure Document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and any applicable state agency (as listed in Exhibit "A" to this disclosure document).

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| | K State Effective Dates |
| | L Receipts |

Signature _____
Print Name: _____

_____ Date

RETURN THIS RECEIPT TO US AT:

3 Natives Franchising, LLC
18 Pine Hill Trail West
Tequesta, FL 33469
Tel: (561) 301-9448
E-mail: info@3natives.com

