

FRANCHISE DISCLOSURE DOCUMENT



Cultivate Franchise Corp, a Georgia corporation
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Canton, Georgia 30114
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Email: ryan@cultivating.co
<https://cultivating.co/>
Facebook: www.facebook.com/CultivateFood/
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As a franchisee, you will operate a café under the trademark “CULTIVATE FOOD + COFFEE” as a trend-forward fast casual brunch and organic coffee concept built on a foundation of fresh from scratch, farm-to-table culinary principles, truly world-class customer service, and an authentically positive experience for all customers.

The total investment necessary to begin operation of a Cultivate Coffee location ranges between \$970,250 and \$1,866,000, excluding real estate costs. This amount includes \$35,000 that must be paid to the franchisor or its affiliate. The initial franchise fee will be \$35,000 for each Cultivate Coffee location that you agree to develop. If you sign a Development Agreement, you must pay an area development fee, the amount of which will vary, depending on the factors described in Item 5 of this disclosure document. The portion of area development fee you pay for each Cultivate Coffee location being developed will be credited against the initial franchise fee that would be due for that Cultivate Coffee location, and the remainder of the initial franchise fee, if any, for each Cultivate Coffee location will be due upon execution of the franchise agreement for that Cultivate Coffee location.

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

You may wish to receive your Disclosure Document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Ryan Bowersox at 1353 Riverstone Pkwy, Ste. 120-172, Canton, Georgia, 30114, 678-851-5604, ryan@cultivating.co.

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

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

The date of issuance of this Disclosure Document is August 8, 2022.

How to Use This Franchise Disclosure Document

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

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibits G and H.
How much will I need to invest?	Items 5 and 6 list fees you will be paying to the franchisor or at the franchisor’s direction. Item 7 lists the initial investment to open. Item 8 describes the suppliers you must use.
Does the franchisor have the financial ability to provide support to my business?	Item 21 or Exhibit F 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 Cultivate 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 Cultivate franchisee?	Item 20 lists current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

What You Need To Know About Franchising *Generally*

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

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

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

Operating restrictions. The franchise agreement may prohibit you from operating a similar business during the term of the franchise. There are usually other restrictions. Some examples may include

controlling your location, your access to customers, what you sell, how you market, and your hours of operation.

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

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

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

Some States Require Registration

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

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

Special Risks to Consider About *This* Franchise

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

1. **Out-of-State Dispute Resolution**. The Franchise Agreement and Market Development Agreement requires you to resolve disputes with the franchisor by mediation, arbitration and/or litigation only in Georgia. 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 Georgia than in your own state.

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

INFORMATION FOR RESIDENTS OF THE STATE OF MICHIGAN

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

(A) A PROHIBITION ON THE RIGHT OF A FRANCHISEE TO JOIN AN ASSOCIATION OF FRANCHISEES.

(B) A REQUIREMENT THAT A FRANCHISEE ASSENT TO A RELEASE, ASSIGNMENT, NOVATION, WAIVER, OR ESTOPPEL WHICH DEPRIVES A FRANCHISEE OF RIGHTS AND PROTECTIONS PROVIDED IN THIS ACT. THIS SHALL NOT PRECLUDE A FRANCHISEE, AFTER ENTERING INTO A FRANCHISE AGREEMENT, FROM SETTling ANY AND ALL CLAIMS.

(C) A PROVISION THAT PERMITS A FRANCHISOR TO TERMINATE A FRANCHISE BEFORE THE EXPIRATION OF ITS TERM EXCEPT FOR GOOD CAUSE. GOOD CAUSE SHALL INCLUDE THE FAILURE OF THE FRANCHISEE TO COMPLY WITH ANY LAWFUL PROVISIONS OF THE FRANCHISE AGREEMENT AND TO CURE SUCH FAILURE AFTER BEING GIVEN WRITTEN NOTICE THEREOF AND A REASONABLE OPPORTUNITY, WHICH IN NO EVENT NEED BE MORE THAN 30 DAYS, TO CURE SUCH FAILURE.

(D) A PROVISION THAT PERMITS A FRANCHISOR TO REFUSE TO RENEW A FRANCHISE WITHOUT FAIRLY COMPENSATING THE FRANCHISEE BY REPURCHASE OR OTHER MEANS FOR THE FAIR MARKET VALUE, AT THE TIME OF EXPIRATION, OF THE FRANCHISEE'S INVENTORY, SUPPLIES, EQUIPMENT, FIXTURES, AND FURNISHINGS. PERSONALIZED MATERIALS WHICH HAVE NO VALUE TO THE FRANCHISOR AND INVENTORY, SUPPLIES, EQUIPMENT, FIXTURES, AND FURNISHINGS NOT REASONABLY REQUIRED IN THE CONDUCT OF THE FRANCHISED BUSINESS ARE NOT SUBJECT TO COMPENSATION. THIS SUBSECTION APPLIES ONLY IF: (i) THE TERM OF THE FRANCHISE IS LESS THAN 5 YEARS; AND (ii) THE FRANCHISEE IS PROHIBITED BY THE FRANCHISE OR OTHER AGREEMENT FROM CONTINUING TO CONDUCT SUBSTANTIALLY THE SAME BUSINESS UNDER ANOTHER TRADEMARK, SERVICE MARK, TRADE NAME, LOGOTYPE, ADVERTISING, OR OTHER COMMERCIAL SYMBOL IN THE SAME AREA SUBSEQUENT TO THE EXPIRATION OF THE FRANCHISE OR THE FRANCHISEE DOES NOT RECEIVE AT LEAST 6 MONTHS ADVANCE NOTICE OF FRANCHISOR'S INTENT NOT TO RENEW THE FRANCHISE.

(E) A PROVISION THAT PERMITS THE FRANCHISOR TO REFUSE TO RENEW A FRANCHISE ON TERMS GENERALLY AVAILABLE TO OTHER FRANCHISEES OF THE SAME CLASS OR TYPE UNDER SIMILAR CIRCUMSTANCES. THIS SECTION DOES NOT REQUIRE A RENEWAL PROVISION.

(F) A PROVISION REQUIRING THAT ARBITRATION OR LITIGATION BE CONDUCTED OUTSIDE THIS STATE. THIS SHALL NOT PRECLUDE THE FRANCHISEE FROM ENTERING INTO AN AGREEMENT, AT THE TIME OF ARBITRATION, TO CONDUCT ARBITRATION AT A LOCATION OUTSIDE THIS STATE.

(G) A PROVISION WHICH PERMITS A FRANCHISOR TO REFUSE TO PERMIT A TRANSFER OF OWNERSHIP OF A FRANCHISE, EXCEPT FOR GOOD CAUSE. THIS SUBDIVISION DOES NOT PREVENT A FRANCHISOR FROM EXERCISING A RIGHT OF FIRST REFUSAL TO PURCHASE THE FRANCHISE. GOOD CAUSE SHALL INCLUDE, BUT IS NOT LIMITED TO:

(i) THE FAILURE OF THE PROPOSED FRANCHISEE TO MEET THE FRANCHISOR'S THEN CURRENT REASONABLE QUALIFICATIONS OR STANDARDS.

(ii) THE FACT THAT THE PROPOSED TRANSFEREE IS A COMPETITOR OF THE FRANCHISOR OR SUBFRANCHISOR.

(iii) THE UNWILLINGNESS OF THE PROPOSED TRANSFEREE TO AGREE IN WRITING TO COMPLY WITH ALL LAWFUL OBLIGATIONS.

(iv) THE FAILURE OF THE FRANCHISEE OR PROPOSED TRANSFEREE TO PAY ANY SUMS OWING TO THE FRANCHISOR OR TO CURE ANY DEFAULT IN THE FRANCHISE AGREEMENT EXISTING AT THE TIME OF THE PROPOSED TRANSFER.

(H) A PROVISION THAT REQUIRES THE FRANCHISEE TO RESELL TO THE FRANCHISOR ITEMS THAT ARE NOT UNIQUELY IDENTIFIED WITH THE FRANCHISOR. THIS SUBDIVISION DOES NOT PROHIBIT A PROVISION THAT GRANTS TO A FRANCHISOR A RIGHT OF FIRST REFUSAL TO PURCHASE THE ASSETS OF A FRANCHISE ON THE SAME TERMS AND CONDITIONS AS A BONA FIDE THIRD PARTY WILLING AND ABLE TO PURCHASE THOSE ASSETS, NOR DOES THIS SUBDIVISION PROHIBIT A PROVISION THAT GRANTS THE FRANCHISOR THE RIGHT TO ACQUIRE THE ASSETS OF A FRANCHISE FOR THE MARKET OR APPRAISED VALUE OF SUCH ASSETS IF THE FRANCHISEE HAS BREACHED THE LAWFUL PROVISIONS OF THE FRANCHISE AGREEMENT AND HAS FAILED TO CURE THE BREACH IN THE MANNER PROVIDED IN SUBDIVISION (C).

(I) A PROVISION WHICH PERMITS THE FRANCHISOR TO DIRECTLY OR INDIRECTLY CONVEY, ASSIGN, OR OTHERWISE TRANSFER ITS OBLIGATIONS TO FULFILL CONTRACTUAL OBLIGATIONS TO THE FRANCHISEE UNLESS PROVISION HAS BEEN MADE FOR PROVIDING THE REQUIRED CONTRACTUAL SERVICES.

*** * * ***

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.

*** * * ***

IF THE FRANCHISOR'S MOST RECENT FINANCIAL STATEMENTS ARE UNAUDITED AND SHOW A NET WORTH OF LESS THAN \$100,000.00, THE FRANCHISOR MUST, AT THE REQUEST OF THE FRANCHISEE, ARRANGE FOR THE ESCROW OF INITIAL INVESTMENT AND OTHER FUNDS PAID BY THE FRANCHISEE UNTIL THE OBLIGATIONS 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 NAME AND ADDRESS OF THE FRANCHISOR'S AGENT IN THIS STATE AUTHORIZED TO RECEIVE SERVICE OF PROCESS IS: MICHIGAN DEPARTMENT OF COMMERCE, CORPORATIONS AND SECURITIES BUREAU, 6546 MERCANTILE WAY, P.O. BOX 30222, LANSING, MICHIGAN 48910.

* * * *

ANY QUESTIONS REGARDING THIS NOTICE SHOULD BE DIRECTED TO:

**DEPARTMENT OF THE ATTORNEY GENERAL'S OFFICE
CONSUMER PROTECTION DIVISION
ATTN: FRANCHISE SECTION
670 LAW BUILDING
LANSING, MICHIGAN 48913**

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APPLICABLE STATE LAW MIGHT REQUIRE ADDITIONAL DISCLOSURES RELATED TO THE INFORMATION CONTAINED IN THIS DISCLOSURE DOCUMENT. THESE ADDITIONAL DISCLOSURES, IF ANY, APPEAR IN EXHIBIT G.

ITEM 1

THE FRANCHISOR AND ANY PARENTS, PREDECESSORS AND AFFILIATES

Franchisor, Parent and Affiliates

The franchisor is Cultivate Franchise Corp, a Georgia corporation. To simplify the language in this Disclosure Document, we will refer to Cultivate Franchise Corporation as “**we**”, “**us**”, “**our**” or “**Cultivate**”. This Disclosure Document will refer to the person or entity that buys the franchise from us as “**you**” or “**your**”, and the term includes your partners if you are a partnership, your members if you are a limited liability company or your shareholders if you are a corporation. If you are a corporation, partnership or limited liability company, certain of your owners will have to guarantee your obligations and be obligated to comply with the terms of the franchise agreement and ancillary documents described in this Disclosure Document.

We are a Georgia corporation incorporated on July 11, 2021. Our principal place of business is 1353 Riverstone Pkwy, Ste. 120-172, Canton, Georgia, 30114, and our telephone number is (678) 851-5604. We do business under our corporate name and the trademarks described in Item 13, which include the name “Cultivate”, “Cultivate Coffee”, and “Cultivate Food + Coffee”. “Cultivate Food + Coffee” is the primary name of the concept, though we sometimes use the names “Cultivate Food + Coffee” and “Cultivate Coffee” interchangeably in this Disclosure Document and elsewhere.

We also have the following affiliates (“**Affiliates**”): Farmtable West Inc d/b/a Cultivate (“**Cultivate West**”), Farmtable West Alpharetta Inc (“**Farmtable Alpharetta**”), Farmtable West Woodstock Inc (“**Farmtable Woodstock**”), Mikan Bakery Corporation (“**Mikan Bakery**”), and SKG & LIU Investments LLC (“**SKG & Liu**”). Except as described below, none of the Affiliates has engaged in any other type of business activity and has not offered franchises in this or any other line of business.

Cultivate West is a Georgia corporation that was incorporated on November 11, 2017. Its principal business address is 1952 Howell Mill Rd, NW, Suite 200, Atlanta, Georgia 30318. Cultivate West owns and operates the original Cultivate Unit in West Midtown, Atlanta. Farmtable Alpharetta is a Georgia corporation that was incorporated on July 15, 2021. Its principal business address is 63 S. Main Street, Alpharetta, Georgia 30009. Farmtable Woodstock is a Georgia corporation that was incorporated on September 13, 2021. Its principal business address is Adair Park at Downtown Woodstock, 825 Main St, Woodstock, Georgia 30188. Farmtable Alpharetta and Farmtable Woodstock will own and operate Cultivate Units. Cultivate West, Farmtable Alpharetta and Farmtable Woodstock are each owned by Ryan Bowersox and Johnny Liu (50% each).

As of the date of this Disclosure Document, there is one Cultivate franchise location, which is owned and operated by Cultivate West and is treated as company-owned location under this Disclosure Document (the “**Company-Owned Units**”). Franchisor is the owner of the Marks (as defined in Item 1 below) currently used for the operation of Cultivate Units (as defined below).

We were formed for the purpose of offering franchises of Cultivate Food + Coffee locations (each, a “**Cultivate Unit**” or a “**Unit**”) and providing services to our franchisees.

We have never conducted business of the type offered to you in this Disclosure Document, nor have we operated any other type of business (franchise or otherwise). We have not offered franchises in any other line of business.

Except as described above, we have no parents, predecessors or affiliates required to be included in this Item.

Our agents for service of process are disclosed on Exhibit A to this Disclosure Document.

The Franchise

We offer franchises for the operation of a Cultivate Unit, which specializes in the retail sale of high-end, fast casual brunch, organic coffee, and other menu and carry-out items and merchandise related to the Cultivate Coffee concept as we may authorize from time to time. The Cultivate Coffee concept was built on a foundation of fresh from scratch, farm-to-table culinary principles, world-class customer service, and an authentically positive luxury café experience for all customers.

Cultivate Food + Coffee menu items are prepared according to specified recipes and procedures and use high quality ingredients, including our specially formulated and specially produced proprietary lines of food and beverage products, including breads, coffee, drink mixes, and syrups. We may sell such specialty food and beverage products under the Cultivate Coffee brand and also under other brands we may create and develop in the future.

You must offer for sale all products we designate, including the Cultivate Coffee menu items prepared according to specified recipes and procedures and using high quality ingredients, including our specially formulated and specially produced proprietary lines of food and beverage products, including breads, coffee, drink mixes, and syrups, unless you obtain our approval not to carry certain items. A Cultivate Unit may contain a bar that sells liquor, beer and wine, unless local regulations prohibit the sale of alcohol beverages or if the landlord of such Cultivate Unit specifically prohibits the sale of liquor, beer or wine.

You will operate a Cultivate Unit, at your expense, as an independent business utilizing our business format, procedures, designs, layouts, trade dress, standards, specifications and methods of operation. At the time of your acquisition of a franchise from us, you will execute a franchise agreement in the form attached to this Disclosure Document as Exhibit C (the “**Franchise Agreement**”), which will govern your operation of the Cultivate Unit. You must use the Cultivate Coffee franchise system at your Cultivate Unit, which includes the common use and promotion of the name “CULTIVATE COFFEE” and other service marks, trademarks, trade names, logos, emblems, signs, slogans, insignia and other commercial symbols we may designate from time to time for the operation of Cultivate Units using the Cultivate Coffee franchise system (collectively, the “**Marks**”); distinctive food and drink products, recipes and quality standards; training; advertising and promotional programs; and ongoing assistance. We may from time to time add or delete products and/or services and change specifications, standards, procedures and methods of operation, and you will be expected to follow suit. You will offer and provide products and services to the general public, at all times complying with the Franchise Agreement and our confidential operations manual (the “**Operations Manual**”) that will be loaned to you at the time of training. You may only offer the services and products we designate.

The Franchise Agreement will require that you operate from a designated location and will grant you a protected area (the “**Franchise Territory**”), the size and scope of which will be determined on a case-by-case basis by considering the population, traffic flow, presence of businesses, location of competitors (including other Cultivate Coffee franchisees), demographics and other conditions surrounding the location of the Cultivate Unit. The Franchise Territory may not be unilaterally altered, and the continuation of the Franchise Territory during the term of the Franchise Agreement does not depend on certain sales or revenue volume or market penetration. Other than the operation of Cultivate Units located at Non-Traditional Sites (as defined below), we may not operate, or permit any other person

to operate, a Cultivate Unit in the Franchise Territory during the term of the Franchise Agreement; although, we may distribute products, or permit others to distribute products, which are the same or similar to those offered by Cultivate Units, whether under the Marks or under other trademarks, trade names, services marks, logos or other commercial symbols and through any channel of distribution or method other than a Cultivate Unit within the Franchise Territory, including sales through catalogs, e-commerce, smart phone applications, mail order, mass merchandise, supermarkets and club stores, even if you sell these products at your Cultivate Unit. Under the Franchise Agreement and the Development Agreement (as defined below), we reserve the exclusive right to establish and operate, and license to licensees and franchisees the right to establish and operate, Cultivate Units that are located at what we determine to be non-traditional sites, which include, for example, food courts, convention centers, airports, train stations, subways and other transportation facilities, car and truck rest stops and travel centers, lifestyle centers, hotels, casinos, colleges and other schools, sports stadiums, theme parks, hospitals, business campuses, military bases and other government offices (“**Non-Traditional Sites**”), regardless of whether they are located in the Development Area or your Franchise Territory and the right to own and operate retail food and beverage establishments (including restaurants, coffee shops, cafés and bakeries) that we or our affiliates purchase (or as to which we purchase the rights as franchisor) that are part of another franchise system or chain and either continue to operate them independently or convert them to Cultivate Units, even if they are located in the Development Area or your Franchise Territory.

If you seek to develop multiple franchises within a designated territory (“**Development Area**”) and we agree, you will be granted the right to develop a mutually agreed upon number of franchises in the Development Area in accordance with the development schedule (the “**Development Schedule**”), specified in an area development agreement with us, the current form of which is attached to this Disclosure Document as Exhibit B (the “**Development Agreement**”). The number of franchises to be opened in your Development Area will depend on a number of factors, such as population density, demographic data, the number of potential locations for stores and the presence of competition. As each franchise is opened, you will sign a Franchise Agreement for that location. The Franchise Agreement you enter into for each location to be developed under the Development Agreement will utilize our then-current form which may differ from the current Franchise Agreement attached to this Disclosure Document, except for certain provisions of the Franchise Agreement that are identified in the Development Agreement, which will remain consistent across all Franchise Agreements you enter into under the Development Agreement. The Development Agreement will not grant any protected territory, exclusivity or other rights in which to establish your Cultivate Units in the Development Area. You may establish your Cultivate Units at any location within the Development Area provided we consent to the location, which may be withheld or granted in our sole discretion, the location is in a state where we are permitted to sell franchises, the Cultivate Unit is not located in a Non-Traditional Site and the Cultivate Unit is not located in the Franchise Territory granted to another Cultivate Coffee franchisee under a Franchise Agreement. The Development Agreement will expire on the day after operations of the final Cultivate Unit to be established under the Development Agreement are required to begin as provided in the Development Schedule, unless it is earlier terminated.

Cultivate Units are typically located in a freestanding building, an in-line retail plaza space or an end-cap space, with good visibility, ample space for parking and a patio. The cost of purchasing or leasing and developing a site for a Cultivate Unit will vary considerably depending on such factors as location, size and the local real estate market. You will need to purchase or lease a building or space of approximately 1,500 to 3,000 square feet and pay the cost of site work and/or leasehold improvements. All Cultivate Units are constructed to our specifications as to format, size, layout, decor and the like. Under the Franchise Agreement, your Cultivate Unit will be permitted to offer catering services to homes and businesses located within your Franchise Territory (as defined above in Item 1).

Regulatory Matters

You should consider that certain aspects of any restaurant or café are regulated by federal, state and local laws, rules and ordinances in addition to the laws, regulations and ordinances applicable to businesses generally, such as the Americans with Disabilities Act, Federal Wage and Hour Laws, the Occupation, Health and Safety Act, equal employment opportunity, taxes, hazardous material, communications to employees, and business licensing requirements. The U.S. Food and Drug Administration, the U.S. Department of Agriculture, as well as state and local departments of health and other agencies have laws and regulations concerning the preparation of food and beverages and sanitary conditions of restaurant and café facilities. State and local agencies routinely conduct inspections for compliance with these requirements. Certain provisions of such laws impose limits on emissions resulting from commercial food and beverage preparation. If you will sell liquor, beer and wine at your Cultivate Unit, you must obtain a liquor license under state and local law. You may also have liability under dram shop laws for injuries relating to the sale and consumption of these substances. Because you will accept credit cards, you will also have to comply with any general laws and regulations relating to the acceptance of credit cards, including Payment Card Industry (PCI) Data Security Standard (DSS).

Market and Competition

The products and services offered by a Cultivate Unit are intended primarily for personal consumption by the high-end clientele among the general public. We have geared our products to appeal to an upscale, health conscious consumer who appreciates high-quality, convenient food and beverages. You will have to compete with other businesses, which may include other businesses owned by our affiliates, offering similar products including full service, quick service, fast casual and fast food restaurants, coffee shops, cafés, bakeries, grocery stores, coffee roasters and distributors.

The restaurant and café industry is a highly competitive and developed market, which can be affected significantly by many factors, including changes in local, regional or national economic conditions, changes in consumer tastes, consumer concerns about the nutritional quality of food and beverage and increases in the number of, and particular locations of, competing restaurants and cafés. Various factors can adversely affect the restaurant and café industry, including inflation, interest and insurance rates, state and local regulations and licensing requirements and the availability of an adequate number of hourly-paid employees. Competitors may include individuals and small to medium-sized companies, similar franchise systems, and large corporations. You will also face normal business risks that could have an adverse effect on your Cultivate Unit. These include industry developments, including your competitors' pricing policies, and supply and demand. Your financial success may also be sensitive to changes in general economic conditions, both globally and nationally. To the extent your Cultivate Unit may be located near another Cultivate Coffee location, you may appear to or actually compete with other Cultivate Coffee restaurants. Prior business ownership and management experience is vital for new franchisees, and prior restaurant or café experience is highly desirable.

ITEM 2

BUSINESS EXPERIENCE

Partner and Chief Executive Officer – Ryan Bowersox

Ryan is and has been our Partner and Chief Executive Officer since our inception on July 11, 2021. Prior to 2021, Ryan has over 20 years of experience in retail coffee shops, cafés and food service. Ryan has served as the CEO of our affiliate Cultivate West since its inception in November 2017. Ryan has owned and operated Marketplace Foods Group (“**Marketplace**”), a food service business specializing

in boxed meals and Institutional wholesale sandwich production for governmental, retail and co-pack businesses since 2010. Ryan serves in his current capacities in Woodstock, Georgia.

Partner and Vice President of Franchise Sales – Johnny Liu

Johnny is and has been our Partner and Vice President of Franchise Sales since our inception on July 11, 2021. Johnny has over 25 years of experience in retail food service. Johnny has served as the COO of our affiliate Cultivate West since its inception in November 2017. Johnny currently owns and operates five Café at Pharr restaurants in the metro Atlanta area. Johnny serves in his current capacities in Atlanta, Georgia.

Partner and Vice President of Franchising – Phillip Coleman

Phillip is and has been our Partner and Vice President of Franchising since our inception on July 11, 2021. Phillip has over 30 years of experience in franchising and start-up businesses. He began his franchise career developing franchise concepts for Innovative Brands LLC and Raving Brands LLC, serving as President of Innovative Brands LLC, from 1998 to 2008, a company that franchised the Planet Smoothie and PJ’s Coffee concepts. Phillip serves in his current capacities in Atlanta, Georgia.

Partner and President – Laura Gunnels

Laura is and has been our Partner and President since June 1, 2022. Laura previously served as our Director of Marketing from 2018 to May 31, 2022. Since 2018, Laura has also been the Director of Marketing of our affiliate Cultivate West. From 2016 to 2018 Laura served as the Director of Business Development and Marketing for Youforia Yoga. Laura serves in her current capacities in Woodstock, Georgia.

ITEM 3

LITIGATION

No litigation is required to be disclosed in this Item 3.

ITEM 4

BANKRUPTCY

No bankruptcy is required to be disclosed in this Item 4.

ITEM 5

INITIAL FEES

Franchise Fee

Simultaneously with your execution of a Franchise Agreement, you must pay us an initial franchise fee (a “**Franchise Fee**”) of \$35,000. The Franchise Fees are uniform. We have no intention, now or in the future, of reducing the Franchise Fees for any prospective franchisees, although we reserve the right to do so in our sole discretion on a case-by-case basis. We expressly reserve the right to waive or reduce the Franchise Fee for our affiliates, employees, existing franchisees or if we run a franchise

marketing promotion or sell a Company-Owned Unit. Franchise Fees are not refundable under any circumstances.

Area Development Fee

At our sole option, we may offer qualified candidates the opportunity to enter into a Development Agreement, which is attached to this Franchise Disclosure Document as **Exhibit B**, under which the developer obtains the right to develop and operate a prescribed number of Cultivate Units subject to the opening deadlines in a specific Development Schedule. Under a Development Agreement, you must commit to developing a minimum of three Units in which you own a majority of the equity interests. We do not grant subfranchises or the right to enter into sub-franchise relationships. The Development Agreement requires the developer to sign our then-current form of Franchise Agreement pursuant to opening additional Units, which may materially differ from the Franchise Agreement included with this Franchise Disclosure Document and may charge an Initial Franchise Fee that differs from our current Initial Franchise Fee.

If you enter into a Development Agreement, you must pay to us fees for each Unit you commit to develop, which include an Initial Franchise Fee that is currently \$35,000 for the first Unit and \$25,000 for each additional Unit, and a development fee (the “**Development Fee**”) that is currently \$10,000 per Unit, for a total minimum combined Initial Franchise Fee and Development Fee commitment of \$115,000 for three Units. The minimum amount due at signing of your Development Agreement is \$65,000, which is an amount equal to the full Initial Franchise Fee and Development Fee for the first Cultivate Unit you commit to develop plus the Development Fees for all subsequent Units you commit to develop. All such amounts collected by us are uniform, will be deemed fully earned immediately upon receipt and shall be non-refundable, regardless of whether you open any of the Units you are obligated to open in the Development Area.

If a Cultivate Unit is developed in accordance with the Development Schedule, a portion of the Development Fee will be credited towards the payment of the Franchise Fee due under the Franchise Agreement for that Cultivate Unit and the remainder of the Franchise Fee will be due at the time you execute the Franchise Agreement. If a Cultivate Unit is not established in accordance with the Development Schedule, that portion of the Development Fee that would have otherwise been credited towards payment of the Franchise Fee for that Cultivate Unit will be forfeited and retained by us. We expressly reserve the right to waive or reduce the Development Fee for our affiliates, employees, existing franchisees or if we run a franchise marketing promotion or sell Company-Owned Units. The Development Fee is not refundable under any circumstance.

Lease Review Fee.

Under the Franchise Agreement, you may be required to pay us or our designated supplier (which may be an affiliate of ours) a lease review fee of approximately \$1,500 for each lease agreement that you submit to us for our approval. The lease review fee covers the expenses we incur to review your lease and any applicable lease addendum. We only review the terms of your lease and lease addendum for our sole benefit, to determine whether they meet our then-current criteria. You are responsible for evaluating and negotiating the terms of any lease you wish to sign, and the lease review fee does not entitle you to any assistance from us with evaluating or negotiating the terms of any lease. The lease review fee is uniform, is paid in a lump sum, and is not refundable.

ITEM 6

OTHER FEES

Type of Fee	Amount	Due Date	Remarks (Note 1)
Royalty Fee	7% of Gross Sales (Note 2; Note 7)	Deducted from your bank account via electronic funds transfer on the 10 th day of each month for Gross Sales from the previous month. If such date falls on a Sunday or Holiday, payments will be due the following working day	
Advertising Development and Research Fund Fee	Up to 2% of Gross Sales.	Deducted from your bank account via electronic funds transfer on the 10 th day of each month for Gross Sales from the previous month. If such date falls on a Sunday or Holiday, payments will be due the following working day	The Company has not established an Advertising Development and Research Fund, but may do so during the term of your Franchise Agreement.
Local Advertising	2% of Gross Sales.	As incurred, in connection with advertising programs that you choose.	These will be paid to third party service providers. We have the right to require that you provide us with proof that these funds were spent.
Advertising Cooperative Fees	May not exceed 1% of Gross Sales. Not applicable until there is an advertising cooperative in place in your region (Note 5)	Same as Royalty Fee or as designated by your cooperative	Amounts paid to the advertising cooperative shall be counted toward your local advertising requirements. These will be paid to third party service providers and/or your cooperative. (Note 7)
Proprietary Products (Note 3)	The price is established by the applicable Designated Supplier from time to time	If sold by us, Mikan Bakery or SKG & Liu, due on Wednesday of each week for gross sales from the prior	These will be paid to us, Mikan Bakery or SKG & Liu or to other Designated Suppliers on the terms established

Type of Fee	Amount	Due Date	Remarks (Note 1)
		week during the term of the Franchise Agreement; if sold by other Designated Suppliers, due as established by the applicable Designated Supplier	from time to time by the applicable Designated Supplier.
Additional Training and Assistance (Note 4)	\$500 per day \$3,000 per week	Up front as scheduled.	Payable on a per day or per week basis when a new manager needs training and/or upon our determination that your managers or staff require additional training.
Lease Review Fee	\$1,500	Within 30 days following receipt of invoice	Payable to Franchisor to reimburse Franchisor for third party legal fees incurred to review Franchisee's lease for compliance with the Lease Rider terms.
Mystery Shopper Program	If applicable; will vary under the circumstances	Within 30 days following receipt of invoice	These will be paid to third party service providers. In lieu of a separate payment, we may decide in our discretion to administer and pay for this program; alternatively, we reserve the right to administer this program through the ADRF.
Transfer Fee	The greater of 25% of initial Franchise Fee or \$10,000.	Upon sale or transfer	Except in the case of a transfer to an entity formed solely for the convenience of ownership, you must pay us a transfer fee. Payable when, and if, you transfer or you're your franchise. There are other conditions to transfer.
Renewal Fee	The greater of 50% of initial Franchise Fee or	On or prior to renewal	Payable when, and if, you renew your

Type of Fee	Amount	Due Date	Remarks (Note 1)
	\$25,000.		Franchise Agreement. There are other conditions to renew.
Relocation Fee	The greater of 75% of initial Franchise Fee or \$30,000.	On or prior to relocation	Payable when, and if, you relocate. Relocation is subject to our approval in our sole discretion.
Technology Fee	\$500 per month.	Deducted from your bank account via electronic funds transfer on the 10th day of each month.	Payable to Franchisor to reimburse Franchisor for costs of various web based programs that facilitate and support the operations and communications of the Cultivate franchise system.
Insurance	Will vary under the circumstances	As incurred	If you fail to obtain the required insurance coverage for the Cultivate Unit, we may obtain the coverage at your expense.
Audit Expenses	Cost of audit plus late charge on past due balances	As incurred	Payable only if we find an understatement of 3% or more of your total amount owed to us for any reporting period or if the audit is needed because you failed to follow our reporting requirements.
Returned Checks or Insufficient Funds Service Fee	\$50 per occurrence	Immediately on demand	Payable if any of your payments to us are not honored by your financial institution.
Interest and Late Payment Fees (Note 6)	The lesser of 1.5% per month or the highest rate permitted by law plus a \$100 late payment fee	Immediately on demand	The interest rate applies to any money you owe us or any of our affiliates after the due date.
Costs of Enforcement or Defense	All costs, including reasonable accounting and legal fees.	Upon settlement or conclusion of claim or action.	You must reimburse us for all costs we incur in enforcing our rights under the Franchise Agreement if we prevail.
Indemnification	Will vary under the	As incurred	You must pay the costs

Type of Fee	Amount	Due Date	Remarks (Note 1)
	circumstances		to defend and resolve claims and suits against us at your cost involving or resulting from your Franchised Location.
Liquidated Damages (Note 8)	Will vary under the circumstances	Within 15 days of termination of your Franchise Agreement	You must pay this fee only if termination of your Franchise Agreement occurs.

Note 1: All fees are uniformly imposed by and are payable to us unless otherwise stated. All fees are non-refundable. There are no cooperatives currently in the franchise network that could impact these fees.

Note 2: **“Gross Sales”** means the amount of sales of food, beverages, including liquor, wine and beer, and other products and merchandise sold or services rendered in, on, about or from the Cultivate Unit, together with any other revenues derived from the operation of the Unit, whether by you or by any other person, whether or not in accordance with the terms of the Franchise Agreement, and whether for cash or on a charge, credit, barter or time basis, and whether collected or uncollected, including all sales and services (i) where orders originate and/or are accepted by you in the Unit but delivery or performance thereof is made from or at any place other than the Unit, including sales made through third party delivery services or (ii) by telephone or other similar orders received or filled at or in the Unit. For purposes of determining the Royalty Fee, ADRF Fee, and local advertising and advertising cooperative fees (if any), there will be deducted from Gross Sales: (a) the amount of refunds, allowances or discounts to customers and employees (including coupon sales) up to 3% of the Gross Sales, provided the related sales have previously been included in Gross Sales; and (b) the amount of any excise or sales tax levied upon retail sales and paid over to the appropriate governmental authority.

Alternative Minimum Royalty: If applicable laws in the jurisdiction where the Unit is located prohibit the payment of royalties or other percentage payments based on sales of alcohol and beverage products, you agree that we may designate an alternative minimum royalty amount that you must pay to us instead of the Royalty Fee.

Note 3: The price of any Proprietary Products or services purchased from either Mikan Bakery or SKG & Liu, as a Designated Supplier, will be Mikan Bakery’s or SKG & Liu’s cost (including food or beverage cost, materials, labor, freight and allocated overhead and other variable expense), as is in effect on the invoice date for the Proprietary Products or services, which cost may change from time to time, plus a Markup that varies by item. The purchase of any Proprietary Products and services from Mikan Bakery or SKG & Liu will be subject to Mikan Bakery’s or SKG & Liu’s standard terms and conditions then in effect. All Proprietary Products and services that may be sold by Designated Suppliers other than Mikan Bakery or SKG & Liu will be sold at prices and on shipping and credit terms as established from time to time by the supplier thereof.

Note 4: There is no additional charge for the initial training sessions we provide. You are responsible for all compensation, benefits, insurance, travel, accommodation and meal costs associated with attending all initial training and retraining programs which may take place at our head office or at another location designated by us. The precise amount of your expenses will depend upon the cost of your airfare and how long the training and retraining lasts. We charge this fee for additional Training and Assistance.

Note 5: Amounts paid to an advertising cooperative will be credited against your required expenditures for local advertising. As of the date of this Disclosure Document, there are no advertising cooperatives in place.

Note 6: Interest begins from the date of non-payment or underpayment.

Note 7: Under the Franchise Agreement, we require that all Royalty Fees and ADRF Fees and, unless otherwise agreed by your advertising cooperative, advertising cooperative contributions be paid by automated bank draft. Accordingly, you must sign an electronic transfer of funds authorization for your bank account. Company-Owned Units are not required to pay Royalty Fees, but they are required to contribute to any advertising funds or participate in any advertising cooperatives.

Note 8: If we terminate your Franchise Agreement, you must pay us within 15 days after the effective date of termination liquidated damages equal to the average monthly royalty fees you paid or owed to us during the twelve (12) monthly periods of operation preceding the effective date of termination (or, if the Restaurant has not been open for at least twelve (12) monthly periods, the average monthly amount of royalty fees paid or owed to us for the monthly periods in which the Unit has been open), multiplied by (a) 24 (being the number of monthly periods in two full years), or (b) the number of monthly periods remaining in the term of the Franchise Agreement had it not been terminated, whichever is lower.

ITEM 7

ESTIMATED INITIAL INVESTMENT

	Type of Expenditure	Amount per Unit	Method of Payment	When Due	To Whom Payment Is To Be Made
1.	Initial Franchise Fee (Note 1)	\$35,000	Lump Sum ACH Payment	Initial Franchise Fee is due upon signing the Franchise Agreement	Us
2.	Initial Inventory of Products and Ingredients (Note 2)	\$15,000 to \$25,000	Lump Sum ACH Payment	As Arranged	Designated Supplier and/or Approved Supplier, as applicable
3.	Construction, Leasehold Improvements, and Remodeling (Note 3)	\$450,000 to \$900,000	As Arranged	When work is performed	Approved Contractor
4.	Architect/Design Fees	\$15,000 to \$40,000	As Arranged	When work is performed	Approved Contractor
5.	Equipment, Furnishings, Fixtures and other Fixed Assets (Note 4)	\$300,000 to \$550,000	As Arranged	Upon delivery or as otherwise arranged	Approved Suppliers
6.	Office Equipment and Supplies	\$250 to \$500	As Incurred	As Incurred	Approved Suppliers
7.	Signage (Note 5)	\$3,000 to \$12,000	As Incurred	As Incurred	Approved Suppliers
8.	Permits and Licenses	\$5,000-\$10,000	As Incurred	Upon application	Governmental Authorities

	Type of Expenditure	Amount per Unit	Method of Payment	When Due	To Whom Payment Is To Be Made
9.	Furniture	\$35,000 to \$100,000	As Incurred	Upon delivery or as otherwise arranged	Approved Suppliers
10.	POS System and Computer System	\$1,000 to \$5,000	As Incurred	As Incurred	Approved Supplier
11.	Initial Technology Expenses	\$1,000 to \$4,000	As Incurred	As Incurred	Approved Suppliers
12.	Grand Opening Advertising/Marketing (Note 6)	\$15,000	As Incurred	As Incurred	Media, Printing, Advisors, Employees
13.	Opening Training	\$3,500 to \$7,500	As Incurred	As Incurred	Us
14.	Lease Review Fee	\$1,500	As Incurred	As Incurred	Us or our Approved Suppliers
15.	Rent (3 months) and Security Deposits (Note 7; Note 8)	\$15,000 to \$35,000	As Arranged	As Arranged	Lessor and Utility Company
16.	Insurance (12 months) (Note 9)	\$12,500 to \$20,000	As Arranged	As Arranged	Insurance Company
17.	Training, Travel and Living Expenses (Note 10)	\$2,000 to \$4,000	As Incurred	As Incurred	Transportation, Hotel, Restaurants
18.	Miscellaneous Expenses	\$500 to \$1,500	As Arranged	As Arranged	Employees, Approved Suppliers, Approved Contractors, etc.
19.	Additional Funds and Working Capital (3 months) (Note 11)	\$60,000 to \$100,000	As Incurred	As Incurred	Employee and Approved Suppliers
	Total Estimated Initial Investment (Note 12)	\$970,250 to \$1,866,000, excluding real estate costs			

Note 1: You must pay the Initial Franchise Fee when the Franchise Agreement is signed. The Initial Franchise Fee is deemed fully earned by us upon receipt and is not refundable under any circumstances. Also, as discussed in Item 5, if you sign an Area Development Agreement, you will be required to pay us a Development Fee equal to \$10,000 for each Unit that you must develop under the Area Development

Agreement. You will sign the Area Development Agreement contemporaneously with the Franchise Agreement. The portion of the Development Fee attributable to the development of a particular Unit will be applied against the initial franchise fee when the franchise agreement for that Unit is signed, and the remainder of the initial franchise fee will be due upon execution of the Franchise Agreement. The chart above does not reflect the payment of Development Fees.

Note 2: Proprietary Products must be purchased from us, our affiliates or our Designated Suppliers (Item 8). Non-Proprietary Products may be purchased from our Approved Suppliers or other suppliers that we approve (Item 8).

Note 3: The cost of leasehold improvements will vary widely depending upon the size and condition of the premises, whether or not there are any existing and comparable leasehold improvements in the premises, whether you hire a general contractor, the extent and quality of improvements desired by you over and above our minimum requirements, landlord's cash contribution to the cost of the improvements, and the like. Improvements include electrical, carpentry, floor covering, painting, plumbing, heating, ventilation, and air conditioning. Our cost estimates in this Item 7 assume that you will act as general contractor in connection with the improvements and that you will not separately hire a general contractor. Your costs in the area of leasehold improvements may be positively affected if you are able to receive a tenant improvement allowance or cash contribution from your landlord for the cost of improvements. We have not taken into consideration your receipt of any tenant improvement allowances or cash contributions from your landlord for the cost of improvements in this Item 7.

Note 4: You must purchase or lease certain equipment (like restaurant and kitchen equipment), machinery, furniture, Audio/Visual Equipment and Music, and décor and trade dress items, all of which must comply with our specifications and standards. Costs will vary depending on a number of factors including, without limitation, building codes and health requirements of the state where your Cultivate Unit is located. Certain used equipment may be purchased and used at your franchise location, if approved in advance by us, in our sole discretion.

Note 5: The cost of your exterior sign will vary depending upon the size, color and back-lite channel letters of the sign and other specifications we may require or are otherwise specified in the Operations Manual.

Note 6: You must conduct a grand opening promotion with the opening of your Cultivate Unit. As part of your grand opening promotion, we will provide members of our staff to assist at our cost and expense for three to five days prior to the grand opening. Any assistance in excess of that is subject to a reimbursement of travel and living expenses and other related expenses; estimated at \$500 per day or \$3,000 per week. You must pay all costs of the grand opening, including publicity costs, pre- and/or post-opening training costs, promotional costs, plus the full cost of any price reductions or other customer inducements.

Note 7: We are unable to estimate the total cost of leasing or purchasing suitable premises for your Unit or the amount of any down payment that would be required. Price, rent, common area maintenance fees and property taxes will vary widely depending upon the size of the premises, the site's condition, its location, building size, access to major streets, demand for the site, the build-out requirements and construction or other allowances from the landlord, and the requirements of individual landlords. Regardless of whether you lease or purchase the premises of your Cultivate Unit, Units are typically located in a freestanding building, an in-line retail plaza space or an end-cap space, with good visibility, ample space for parking and a patio. You will need to purchase or lease a building of approximately 1,500 to 3,500 square feet and pay the cost of site work and/or leasehold improvements, as described

above. Because of the wide variation in lease rates for retail space, you should thoroughly investigate the costs of obtaining a location.

Note 8: Your lessor and/or utility provider may require a security deposit before you take possession of the premises or utilize utility service. These deposits may or may not be refundable and will vary widely depending upon the size of the premises, the site's condition, its location, building size, and the requirements of individual landlords and providers.

Note 9: This figure is an estimate of the cost of maintaining the insurance required by the Franchise Agreement for the first twelve months of operation. The cost of maintaining insurance will vary widely depending upon the size of the premises, the site's condition, its location, and other factors.

Note 10: We provide initial training at no charge for up to four individuals, but you must arrange and pay for all food, transportation, lodging and incidental expenses for the people who attend the initial training program. The estimates included in this Item 7 assume 2 to 3 people attend the initial training program. Costs vary depending on the distance traveled and the type of lodging. See Item 11 of this Disclosure Document for a description of the initial training program.

Note 11: This estimates the funds needed to cover your expenses during the first three months of operation. These expenses include payroll costs (excluding any wage or salary paid to you), other miscellaneous expenses, and working capital. Your costs will vary depending on how rapidly your business grows. These figures are estimates based on our past business experience. We cannot guarantee that you will not have additional expenses starting your franchised business. Your costs will depend on factors like how closely you follow our methods and procedures; your management skill, experience and business knowledge; local economic conditions; the local market for our product; the prevailing wage rate; competition; and the sales level achieved during the initial period. All of these expenses are paid to your employees or to third parties.

Note 12: We relied on our management's business acumen to compile these estimates. You should review these figures carefully with a business advisor before making any decision to purchase the franchise. The amount shown is based upon our experience in the greater Atlanta, Georgia area. These figures may vary considerably in other parts of the United States and assume you open a single Unit. Your actual investment and expenditure may vary from the above estimates depending on many factors including where your Unit is situated, the size of your Unit, your ability to negotiate to your benefit with your landlord, and the amount contributed by your landlord. In addition, your costs will depend on factors like: your compliance with our methods and procedures; your management skill; your business experience and business acumen; local economic conditions; the local market for our product; the prevailing wage rate; competition; and the sales level and growth of your franchise achieved during the initial period. We do not offer direct or indirect financing to franchisees for any of these items. The availability and terms of financing will depend on factors like the availability of financing generally, your credit worthiness, collateral you pledge, policies of your lending institution, and economic conditions in your area.

ITEM 8

RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Required Purchases and Designated Suppliers

To ensure a uniform image and quality of products and services throughout the Cultivate Coffee franchise system, all food and beverage products, supplies, ingredients, equipment, furnishings, employee

uniforms, fixtures, inventory, paper products, packaging, and other items used, sold, displayed or distributed in your Cultivate Unit (i) must comply with our standards and specifications and (ii) must be procured from suppliers designated or approved in writing by us. We may designate at any time and for any reason, a single or multiple suppliers for these items and require you to purchase exclusively from the Designated Supplier(s), which may be us or an affiliate of ours.

You must also adhere to our standards and specifications for the construction and design of the Cultivate Unit, which will include requirements for the interior and exterior layout, signage, fixtures and trade dress including the color scheme. You may purchase these items from any supplier that meets our standards and specifications, unless we designate one or more exclusive suppliers for an item, in which case, you must purchase the item from such exclusive supplier(s). We may, at any time, change, delete, add to or modify any of our standards and specifications. These changes, deletions, additions or modifications, which will be uniform for all franchisees, may require additional expenditures by you. You must prepare all required construction plans and specifications and ensure they comply with building codes and ordinances. If your construction plans and specifications deviate from our plans and specifications, you must obtain our approval of the changes. It is your responsibility to obtain all required licenses, permits and approvals associated with constructing and operating your Unit.

Proprietary and Non-Proprietary Products

Certain products, and ingredients used to make products, sold at Cultivate Units are distinctive as a result of being made with specially produced food and beverage products, including breads, coffee, drink mixes, and syrups (the “**Proprietary Products**”). A list of our Proprietary Products as of the date of this Disclosure Document is attached as Exhibit D, which list is subject to change from time to time in our sole discretion. The Proprietary Products are all integral components of the Cultivate Coffee franchise and are inextricably interrelated with the Marks and the quality standards that they represent. All Proprietary Products must be purchased exclusively from those suppliers, which may include us, an affiliate of ours or an independent third party whom we authorize to manufacture and/or distribute Proprietary Products (“**Designated Suppliers**”). Further, you agree to purchase from Approved Suppliers (as defined below) all other products, and ingredients used to make products, sold at or used in the operation of the Unit that we designate (“**Non-Proprietary Products**”). “**Approved Supplier**” means any supplier whom we authorize to manufacture and/or distribute Non-Proprietary Products, which may include us, an affiliate of ours or an independent third party. We reserve the right to designate any product as a Proprietary Propriety or as a Non-Proprietary Product from time to time, at our discretion. Our Operations Manual and other communications will identify our standards and specifications and the names of Designated Suppliers and Approved Suppliers. If we or our affiliates are or become a Designated Supplier or an Approved Supplier, we and they may charge you a reasonable mark-up, surcharge and handling fee on any items you purchase from us or them. Monies you pay will include a profit for us and/or our affiliates.

We will cause those Designated Suppliers that are our affiliates to sell to you such quantities of Proprietary Products and services as you order from such affiliate under its then current ordering guidelines, to the extent such Proprietary Products and services are then available. As of the date of this Disclosure Document, Mikan Bakery and SKG & Liu are Designated Suppliers to our franchisees in Atlanta, Georgia. Mikan Bakery is a Designated Supplier for certain baked goods and SKG & Liu provides certain storage services. The price of Proprietary Products and services sold and provided by Mikan Bakery or SKG & Liu to franchisees is equal to Mikan Bakery’s or SKG & Liu’s actual cost (including food and beverage cost, materials, labor, freight and allocated overhead and other variable expense) of such Proprietary Products and services, as is in effect on the invoice date for the Proprietary Products and services, which cost may change from time to time plus a markup that varies by item (the “**Markup**”). Because many Proprietary Products (and their ingredients) and related services are

commodities, their costs may fluctuate and Mikan Bakery and/or SKG & Liu will from time to time pass those cost increases or decreases on to our franchisees. Prices of Proprietary Products and service may be changed by Designated Suppliers upon reasonable prior notice to franchisees. All Proprietary Products and services sold by Mikan Bakery or SKG & Liu are subject to Mikan Bakery's or SKG & Liu's then current standard terms and conditions, which are subject to change from time to time in Mikan Bakery's or SKG & Liu's sole discretion. Payment for all Proprietary Products and services sold by Designated Suppliers are due as established by the applicable Designated Supplier. All other Proprietary Products and Non-Proprietary Products are sold at prices and on shipping and credit terms established from time to time by the supplier thereof. As of the date of this Disclosure Document, we and our affiliates are not the approved or sole supplier of any goods or services as otherwise described in this Item 8.

In addition to the above, we and our affiliates have the right to receive payments or other benefits like rebates, discounts, and allowances from Designated Suppliers, Approved Suppliers and other authorized suppliers based upon their dealings with you and other franchisees and we may use the monies we receive without restriction for any purpose we deem appropriate or necessary. Suppliers may pay us based upon the quantities of products the Cultivate Coffee system purchases from them. These payments will usually be based upon an amount per case or an amount per pound. Similarly, we and our affiliates may import Proprietary Products that may then be sold to Designated Suppliers at a Markup, which we or our affiliates may retain. We may receive payments from a supplier as a condition of our approval of that supplier. We do not provide material benefits to franchisees (for example, renewal of existing or granting additional franchises) based on their use of Designated Suppliers or Approved Suppliers. As of the date of this Disclosure Document, we have had no revenue from franchisees' purchases of products or supplies. Other than the Markup, as of the date of this Disclosure Document, we do not receive payments from Designated Suppliers, Approved Suppliers and other authorized suppliers that we retain as profit related to their dealings with our franchisees and the Cultivate Coffee franchise system. As of the date of this Disclosure Document, we intend to pass through to you any payments or other benefits that we receive based upon our Designated Suppliers' and Approved Suppliers' dealings with you, but we are not required to do so.

As of the date of this Disclosure Document, other than Mikan Bakery and SKG & Liu, there are no Designated Suppliers or Approved Suppliers in which any of our officers own an interest.

Approval of Alternative Products/Suppliers

You have the right to purchase Non-Proprietary Products from any alternative supplier approved by us in accordance with the Franchise Agreement. If you propose to purchase any such Non-Proprietary Products from any alternative supplier who is not then approved by us, you and the proposed supplier must submit to us all information that we may request in order to determine whether to approve the supplier. We will have the right to approve or disapprove any supplier, and we may approve a supplier conditionally. In evaluating any supplier you propose, we will, subject to restrictions and conditions to protect our trade secrets and confidential information, disclose to such proposed supplier applicable standards, specifications, ingredients, recipes, processes, equipment and procedures for the item in sufficient detail to enable the proposed supplier to demonstrate its capacity and capabilities to supply the items in accordance with our requirements with respect thereto. Within 120 days after we receive all requested information, we will communicate to you in writing our decision to approve or disapprove your proposed supplier. We will evaluate proposed alternative suppliers on their ability to comply with applicable standards, specifications, ingredients, recipes, processes and procedures, as well as their use of approved equipment, and we will only approve those proposed alternative suppliers that meet our high standards. We do not currently, but reserve the right to, charge you a fee or the actual reasonable cost of any evaluation, testing, and inspections we undertake, the actual amount of which will depend on the evaluation, testing and inspections necessary to test such supplier's products. You agree to notify us at

least thirty (30) days in advance before you first start purchasing any Non-Proprietary Products from any alternative supplier who is already approved by us. We may disapprove any supplier who we previously approved, and you may not, after receipt of notice of disapproval, reorder from any supplier we have disapproved.

POS System

Before opening your Cultivate Unit, you must install, at your expense, a point of sale system. As of the date of this Disclosure Document, our system requirements mandate that each Unit must utilize Toast's POS System with the operating software we specify. You can purchase or lease these items directly from Toast, Inc. or from any other vendor so long as they meet our specifications. You might pay Toast a monthly subscription fee for the use of its proprietary software.

Maintenance, Service and Support Contracts

We may require you to maintain maintenance contracts or service contracts on all equipment and machinery designated by us (the costs may vary based on the items and the contract you select) and we will have the right to designate the vendor(s) for those contracts. We may also require you to maintain a contract(s), or participate in any of our contracts, with third-party(ies) offering customer service, shopper experience, food safety or other service programs designed to audit, survey, evaluate or inspect business operations. We have the right to specify the third party(ies) and the required level of participation in these programs. You will be responsible for the cost of maintaining these contracts and/or participating in these programs.

Insurance

You must obtain and maintain in force, at your own expense, the insurance coverage we require, and you must meet the other insurance-related obligations in the Franchise Agreement. Our minimum requirements as of the date of this Disclosure Document are as follows:

- 1) Such insurance as may be required by the terms of any lease for the Premises or, if there is no such lease, Franchisee agrees to carry fire and extended coverage insurance (including, if applicable, flood and earthquake coverage) covering the building and all equipment, supplies, products, inventory, furniture, fixtures and other tangible property located in the Unit or on the Premises in the amount of the full replacement value of such property.
- 2) Commercial General Liability Insurance, including coverages for products/completed operations, contractual liability, explosion, collapse and underground, personal and advertising injury, fire damage/damage to rented premises, medical expenses, and dram shop/liquor liability, having a combined single limit for bodily injury and property damage of \$2,000,000 per occurrence and \$4,000,000 in the aggregate and, if Franchisee owns, rents or identifies any vehicles with any Marks or vehicles are used in connection with the operation of the Unit, automobile liability coverage for owned, non-owned, scheduled and hired vehicles having a combined single limit of \$1,000,000 per occurrence. The deductibles under such policy shall not be in excess of \$25,000. All such coverages shall be on an occurrence basis and shall provide for waivers of subrogation in favor of Franchisor.
- 3) Workers' compensation insurance, or a similar policy if the Unit is located in a non-subscriber state, covering all of its employees as is required by law, provided that such insurance shall have the following minimum coverage limits: general coverage of \$500,000 per

accident and employee disease coverage of \$500,000 per employee and in the aggregate. Such coverages shall provide for waivers of subrogation in favor of Franchisor;

4) Business interruption and extra expense insurance for a minimum of six (6) months to cover net profits and continuing expenses (including Royalty Fees);

5) Crime coverage with an employee dishonesty limit of \$50,000; and

6) Such other insurance policies, such as business interruption insurance, automobile and unemployment insurance and worker's compensation insurance, as we may determine from time to time.

All insurance policies must: (1) be issued by carriers approved by us; (2) contain the types and minimum amounts of coverage, exclusions and maximum deductibles as we prescribe in the Franchise Agreement or the Operations Manual from time to time; (3) name us and our affiliates as additional insureds; (4) provide for thirty (30) days' prior written notice to us of any material modification, cancellation or expiration of such policy; and (5) include such other provisions as we may require from time to time. You must provide us with the certificates of insurance or other evidence of insurance coverage that we designate, upon our request or at such other times as we may designate.

Site Approval

We must approve the site for your Cultivate Unit and the site must meet our then-current site criteria. If you lease the site for your Unit, you are required to have the landlord sign the Lease Rider attached as an exhibit to the Franchise Agreement, which includes a collateral assignment of lease and states, among other things, that we will have the right, but not the obligation, to take possession of the premises of your Cultivate Unit if your Franchise Agreement is terminated.

Required Purchases Generally

We estimate that purchases and leases made by you from Designated Suppliers or Approved Suppliers, or according to our standards and specifications, represents 90% or more of your total cost of establishing and operating your Cultivate Unit. As of the date of this Disclosure Document, there are no franchisee purchasing or distribution cooperatives within the Cultivate Coffee franchise system. In the future, we may require you to (i) become a member of any purchasing and/or distribution cooperative(s)/association(s)/program(s) designated by us and/or established by us for the Cultivate Coffee franchise system, (ii) remain a member in good standing of the purchasing and/or distribution cooperative(s)/association(s)/program(s), and (iii) pay all membership dues or fees on purchases that are assessed by the purchasing and/or cooperative(s)/association(s)/program(s).

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 or Exhibit in Development Agreement	Section or Exhibit in Franchise Agreement	Disclosure Document Item
a. Site selection and acquisition/lease	Section 9.01 of the Development Agreement	Sections 2.01, 3, and Exhibits B and F of Franchise Agreement	<u>Items 1, 7, 8, 11 and 12</u>
b. Pre opening purchases/leases	Section 9.01 of the Development Agreement	Section 9 of the Franchise Agreement	<u>Items 5, 6, 7, 8 and 11</u>
c. Site development and other pre opening requirements	Sections 9.01 and 9.03 of the Development Agreement	Sections 3, 9 and 10.01 of the Franchise Agreement	<u>Items 6, 7, 8 and 11</u>
d. Initial and ongoing training	Not Applicable	Section 4 of the Franchise Agreement	<u>Item 11</u>
e. Opening	Sections 7 and 9.03 and Exhibit A of the Development Agreement	Sections 2.01, 4.04 and 10.01 of the Franchise Agreement	<u>Item 11</u>
f. Fees	Sections 5, 6, 7, 9.01, 12.02(d) and Exhibit A of the Development Agreement	Sections 4.01, 4.03, 4.04, 4.05, 6, 11.02, 13.02 and 15.01 and Exhibit B of the Franchise Agreement	<u>Items 5, 6, 7 and 11</u>
g. Compliance with standards and policies/Operations Manual	Sections 1.02, 7.01, 8, 9.01, 9.03 and 12.02 of the Development Agreement	Sections 4.06, 5.06 and 9 of the Franchise Agreement	<u>Items 1, 8, 11, 13 and 16</u>
h. Trademarks and proprietary information	Section 11 of the Development Agreement	Sections 5 and 16.02 of the Franchise Agreement	<u>Items 13 and 14</u>
i. Restrictions on products/services offered	Section 10 of the Development	Sections 7 and	<u>Item 16</u>

Obligation	Section or Exhibit in Development Agreement	Section or Exhibit in Franchise Agreement	Disclosure Document Item
	Agreement	9.02 of the Franchise Agreement	
j. Warranty and customer service requirements	Not applicable	Not Applicable	Not Applicable
k. Territorial development and sales quotas	Sections 2, 3.01 and 3.02 and Exhibit A of the Development Agreement	Section 2 and Exhibit B of the Franchise Agreement	<u>Items 1 and 12</u>
l. Ongoing product/service purchases	Not Applicable	Section 9 of the Franchise Agreement	<u>Items 8 and 11</u>
m. Maintenance, appearance and remodeling requirements	Not Applicable	Section 9.01 of the Franchise Agreement	<u>Items 8 and 11</u>
n. Insurance	Not Applicable	Section 9.04 of the Franchise Agreement	<u>Item 8</u>
o. Advertising	Section 11 of the Development Agreement	Section 10 of the Franchise Agreement	<u>Items 6, 7, and 11</u>
p. Indemnification	Not Applicable	Section 17.02 of the Franchise Agreement	<u>Item 6</u>
q. Owner's participation/management/staffing	Sections 12 and 14 of the Development Agreement	Sections 8 and 13 of the Franchise Agreement	<u>Item 15</u>
r. Records/reports	Section 17.06 of the Development Agreement	Section 11 of the Franchise Agreement	<u>Item 6</u>
s. Inspections/audits	Not Applicable	Section 12 of the Franchise Agreement	<u>Item 6</u>
t. Transfer	Section 12 of the Development Agreement	Section 13 of the Franchise Agreement	<u>Items 6 and 17</u>
u. Renewal	Not Applicable	Section 15 of the Franchise Agreement	<u>Items 6 and 17</u>

Obligation	Section or Exhibit in Development Agreement	Section or Exhibit in Franchise Agreement	Disclosure Document Item
v. Post termination obligations	Sections 10 and 13.04 of the Development Agreement	Sections 7 and 16 of the Franchise Agreement	<u>Item 17</u>
w. Non-competition covenants	Sections 10.01, 10.04 and 10.06 of the Development Agreement	Sections 7.01, 7.04 and 7.06 of the Franchise Agreement	<u>Items 15 and 17</u>
x. Dispute resolution	Section 16 of the Development Agreement	Section 18 of the Franchise Agreement	<u>Item 17</u>
y. Personal Guaranty	Section 14 and Exhibit D of the Development Agreement	Section 8.02 and Exhibit D of the Franchise Agreement	<u>Items 1 and 15</u>
z. Confidential Information	Sections 10.02 to 10.06 of the Development Agreement	Sections 7.02 to 7.06 of the Franchise Agreement	<u>Items 14 and 15</u>

ITEM 10

FINANCING

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

ITEM 11

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

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

Pre-Opening Services

We will provide the following pre-opening assistance:

(a) We will provide you with an operational concept plan for your Unit. We will also provide guidance to you in developing your Unit. (Section 4.05 of the Franchise Agreement);

(b) We will provide training to you and/or your Operating Partner and certain of your personnel. However, you will be responsible for all compensation and expenses (including travel, meals and lodging) incurred in connection with any training programs. This training is described in detail later in this Item. (Section 4.01 of the Franchise Agreement);

(c) We will loan you one copy of our Operations Manual, which may consist of a number of individual manuals and may be in hard copy or electronic. (Section 4.06 of the Franchise Agreement)

The table of contents of the Operations Manual is attached to this Disclosure Document as Exhibit E;

(d) If you have not previously owned or managed a Cultivate Unit, we will provide you with opening operational assistance for your first Unit (Section 4.04 of the Franchise Agreement); and

(e) We will assist you in selecting, and then approve (once it meets our standards and requirements) a lease, sublease or purchase agreement for your Cultivate Unit site. We do not choose the site but you will be given site criteria based on existing Units. (Section 9.01 of the Development Agreement).

Continuing Obligations

Following the opening of your Cultivate Unit and during its operation:

(a) We will provide periodic guidance to you with regard to the operation of your Unit, including improvements and changes to our system. (Section 4.05 of the Franchise Agreement);

(b) We will periodically modify the Operations Manual to reflect changes in standards, specifications and operating procedures. (Section 4.06 of the Franchise Agreement);

(c) We will periodically issue specifications, standards, methods and operating procedures for Cultivate Units. (Section 9 of the Franchise Agreement);

(d) We will sell (or cause our affiliates that are Designated Suppliers or Approved Suppliers, as applicable, to sell) to you Proprietary Products and Non-Proprietary Products as described in Item 8. (Sections 9.02(a) and 9.02(b) of the Franchise Agreement);

(e) We or our affiliates, at our discretion, may administer and utilize ADRF Fees for the development of advertising and related programs and materials. (Section 10 of the Franchise Agreement);

(f) We will provide periodic and ongoing training programs for you and/or your Operating Partner (described in Item 15) and your other personnel. This training is described in detail later in this Item 11. (Section 4.01 of the Franchise Agreement); and

(g) We will provide such additional advice, assistance and guidance as we may agree, at your sole cost and expense. (Section 4.05 of the Franchise Agreement).

Advertising

National Advertising

We may, at our sole discretion, establish and administer a formal Advertising Development and Research Fund (the “**ADRF**”) that will provide advertising materials and services to you. The ADRF may provide advertising, marketing, promotion, publicity, sports marketing, consumer research, new product development and social media ideas and programs to build guest awareness of the Cultivate Coffee brand. Once established, you must participate in the ADRF by contributing up to 2% of your Gross Sales (the “**ADRF Fee**”). You will be informed by November 1st of each year what the contribution requirement will be for the following calendar year. As of the date of this Disclosure Document, the ADRF has not been developed and as such franchisees are not currently required to contribute the ADRF Fee, but may be required to do so in the future.

Our Company-Owned Units will contribute to the ADRF in the same manner and amounts as franchisees.

We will account for the ADRF separately from our other funds and not use the ADRF for our general operating expenses. We may charge all costs of the formulation, development and placement of advertising and promotional materials to the ADRF. We may use the ADRF to pay the reasonable salaries and benefits of personnel who manage and administer the ADRF and to pay other administrative costs, travel expenses, meeting costs, overhead and other expenses that we incur in activities reasonably related to administering or directing the ADRF and its programs.

We will direct all programs that the ADRF finances, with sole control over the creative concepts, materials used and their geographic, market, and media placement and allocation. The ADRF may pay for preparing and producing video, audio, and written materials and electronic media; developing, implementing and maintaining a Website and/or related strategies; administering regional and multi-regional marketing and advertising programs, including purchasing magazine, direct mail and other media advertising; using advertising, promotion and marketing agencies and other advisors to provide assistance; product development; culinary research; consumer research; customer feedback surveys; supporting public relations, market research, and other advertising, promotion and marketing activities. The ADRF may advertise locally, regionally and/or nationally in printed materials, on radio or television, and/or on the Internet, whatever we decide. The ADRF periodically will give you samples of advertising, marketing and promotional formats and materials at no cost. We will sell you multiple copies of these materials at our direct cost of producing them, plus any related shipping, handling and storage charges.

We will prepare quarterly, unaudited financial statements for the ADRF and will make them available to you upon request. We may have the ADRF audited annually, at the ADRF's expense, by an independent certified public accountant. Neither we nor any of our affiliates will use funds from the ADRF for advertising that is principally a solicitation for the sale of franchises.

The ADRF will be established as a separate banking account and monies received from you will be accounted for separately from our other funds. The ADRF is not our asset. The ADRF also is not a trust. We have a contractual obligation to hold all ADRF contributions for the benefit of the contributors to the ADRF and to use contributions only for their permitted purposes. We have no fiduciary obligation to you for administering the ADRF. The ADRF may spend in any calendar year more or less than the total ADRF contributions in that year, borrow from us or others to cover deficits (which borrowing will include the payment of interest) or invest any surplus for future use. We will use interest earned on ADRF contributions to pay costs before spending the ADRF's other assets. We may incorporate the ADRF or operate it through a separate entity when we think best. The successor entity will have all of the rights and duties described in this paragraph.

The ADRF has not received contributions since our inception and, as a result, no breakdown of the use of ADRF contributions for 2021 or any prior years is available.

The purpose of the ADRF will be to maximize recognition of the Marks and foot traffic at Cultivate Units. Although we will try to use the ADRF to develop advertising and marketing materials and programs, and to place advertising and marketing that will benefit all Cultivate Units, we need not ensure that ADRF expenditures in or affecting any geographic area are proportionate or equivalent to ADRF Fees contributed by Units operating in that geographic area or that any Unit benefits directly or in proportion to its ADRF contribution from the development of advertising and marketing materials or the placement of advertising. We may use collection agents and institute legal proceedings to collect the ADRF contributions at the ADRF's expense. We also may forgive, waive, settle and compromise all

claims by or against the ADRF. We assume no other direct or indirect liability or obligation to you for collecting amounts due to, maintaining, directing, or administering the ADRF.

We anticipate all of our franchisees will contribute to the ADRF, although there is no prohibition against us charging higher or lower rates for future franchisees. We may at any time defer or reduce a franchise owner's ADRF contributions and, upon sixty (60) days' prior written notice to you, reduce or suspend ADRF contributions and operations for one (1) or more periods of any length and terminate (and, if terminated, reinstate) the ADRF. If we terminate the ADRF, we will distribute all unspent monies to franchise owners, and to us and our affiliates, in proportion to their, and our, respective contributions during the preceding twelve (12) month period. (Section 10.02 of the Franchise Agreement)

Local Advertising

You must spend at least 2% of your Gross Sales each calendar quarter on local advertising (e.g., marketing, promotions, publicity, sports promotion, social network). We have the right to require that you provide us with proof that these funds were spent. In the event that at least 2% of your Gross Sales are not spent on local advertising during any calendar quarter, you must spend the amount of such deficiency during the next succeeding calendar quarter, in addition to spending at least 2% of your Gross Sales during such calendar quarter on local advertising. In the event that you fail to spend at least 2% of your Gross Sales on local advertising in any two consecutive calendar quarters, we may terminate your Franchise Agreement. If we require you to participate in an advertising cooperative, you will be able to designate a portion of the monies otherwise spent on local advertising towards the funds required by the cooperative. Company-Owned Units are not required to spend any minimum percentage of their Gross Sales on local advertising.

All advertising, promotion, and marketing must be completely clear, factual and not misleading. Our expectations are that you will conform to the highest standards of ethical advertising and marketing. Before you use the Marks in advertising you must send us or our designated agency for review samples of all advertising, promotional, sports marketing, marketing, social media and publicity materials that we have not prepared or previously approved. You may not use any advertising, promotional, sports marketing, marketing, social media or publicity materials that we have not expressly approved in writing, and you must comply with any advertising, promotion, marketing and social media policies that we may issue under the Franchise Agreement.

Any advertising or marketing materials not prepared or previously approved by us must be submitted to us at least four weeks before any publication or run date for approval. We may grant or withhold our approval of any advertising or marketing materials, in our sole discretion. We will provide you written notice of our approval or disapproval within twenty-one days after our receipt of the materials. If you receive no notice of approval or disapproval during such twenty-one day period, the materials will be deemed disapproved. You must discontinue your use of any disapproved advertising within five days of your receipt of our notice if we subsequently request you to do so.

You must participate in any promotional and advertising programs that we establish.

We do not restrict where you can conduct your advertising and other franchisees will not be precluded from advertising in your Franchise Territory just like you will not be restricted from advertising in someone else's Franchise Territory. We or our affiliates may likewise advertise within your Franchise Territory.

No advertising or promotion may be conducted by you over the Internet or through other forms of electronic media, whether within or outside your Franchise Territory, without our express prior written consent, which we can withhold for any or no reason. (Section 10.06 of the Franchise Agreement)

Advertising Cooperatives

We can establish an advertising cooperative in a marketing area and require you to participate, provided that as of the date of this Disclosure Document we have not done so. If we establish an advertising cooperative in a designated marketing area where you are located, you must participate and abide by any rules and procedures adopted by the cooperative and approved by us. All Company-Owned Units will become a member of the advertising cooperative for their marketing area and contribute to the applicable advertising cooperative in accordance with the rules and procedures for the advertising cooperative. Each of our marketing areas will encompass a group of franchisees located in a geographically-defined local, regional or national marketing area.

You will contribute to your respective cooperative up to 1% of your Gross Sales, the exact amount to be set by us or the advertising cooperative's governing body. Amounts contributed by you to a cooperative will be credited against monies you are otherwise required to spend on local advertising. We have the right to draft your bank account for your advertising cooperative contributions and pass those funds on to your cooperative.

Members of the advertising cooperative will be responsible for administration of their respective advertising cooperatives, as stated in the bylaws and any agreements that may govern the cooperative. The bylaws and governing agreements will be made available for review by the cooperative's members. We have the right to require a cooperative to prepare quarterly, annual or periodic financial statements for review. Each cooperative will maintain its own funds; however, we have the right to review the cooperative's finances, if we so choose. Funds used by the cooperative will consist only of contributions made by the members as described above. The funds will be spent on regional advertising and marketing as approved by a majority of the members who vote as more specifically set out in the bylaws governing the cooperative. We maintain the right to approve all of a cooperative's marketing programs and advertising materials. Upon thirty days written notice to affected Units, we may terminate or suspend a cooperative's programs or operations. We may form, change, dissolve or merge any advertising cooperative. (Section 10.04 of the Franchise Agreement).

Grand Opening

You must develop and implement a grand opening promotion approved by us for your Cultivate Unit. As part of your grand opening promotion, we will provide members of our staff to assist at our cost and expense for three days prior to the grand opening. Any assistance in excess of that is subject to a reimbursement of travel and living expenses and other related expenses; estimated at \$500 per day or \$3,000 per week. You must spend a minimum of \$15,000 on your grand opening promotion. Part of your grand opening promotion may include obtaining the assistance of an outside vendor designated or approved by us. This expense associated with such an outside vendor can count towards your grand opening promotion requirement. (Section 10.01 of the Franchise Agreement).

Site Selection

You select the site for your Cultivate Unit, subject to our acceptance. If we do not accept a site you propose, you may select another site, subject to our acceptance. You may not develop or open a Unit at a site that we have not approved.

Before you acquire, by lease or purchase, any site for a Cultivate Unit, you must submit a completed site profile to us on the form designated by us and with all required information listed on such form (the “**Site Profile**”). We will review the site information provided in the Site Profile and determine whether to accept or reject the site after considering factors we deem appropriate, including the general location and neighborhood, demographic information, traffic patterns, access, visibility, location of other restaurants, coffee shops, cafés, bakeries and food establishments, size, configuration, appearance and other physical characteristics of the site. If we accept the site, we will notify you in writing of such determination. If we do not accept the site, we will notify you in writing of such determination. If we and you are unable to agree upon a site for your Cultivate Unit and, as a result, you fail to meet your Development Schedule, we may terminate your Development Agreement. While there is no contractual limit on the time it takes us to approve or disapprove your proposed site and lease, once we have all the necessary documentation for review, we typically take 30-60 days to approve or disapprove the proposed site and lease.

If you lease the site for your Cultivate Unit, you are required to have the landlord sign the Lease Rider attached as an exhibit to the Franchise Agreement, which includes a collateral assignment of lease and states, among other things, that we will have the right, but not the obligation, to take possession of the premises of your Cultivate Unit if your Franchise Agreement is terminated.

Neither our acceptance of the premises nor any information communicated to you regarding our standard site selection criteria for a Cultivate Unit will constitute a warranty or representation of any kind, express or implied, as to the suitability of the site for a Cultivate Unit. Our acceptance of the proposed site merely signifies that we are willing to grant a franchise for a Cultivate Unit at the site. Your Cultivate Unit may not be relocated without first obtaining our written consent. (Section 2.01 of the Franchise Agreement)

We estimate the time from the date you sign the Franchise Agreement to the date you open your Cultivate Unit to be between six and twelve months. However, this time estimate may vary depending on numerous factors including location, construction schedules and financing. Your Cultivate Unit must be open and operating within fifteen months after you sign the Franchise Agreement.

Training

Before opening your Cultivate Unit, you and/or your Operating Partner (described in [Item 15](#)) and all salaried managers for your Unit (at least three total people) who have not previously graduated from our certified training programs must successfully complete the appropriate training program.

You and/or your Operating Partner must complete a comprehensive training program, which consists of both guidance documents and in-house hands-on training covering all phases of Cultivate Unit operations, including food and beverage preparation, equipment operation and maintenance, cost control, inventory control and basic techniques of management. The training program is a two to three week program. Any in-store training will be conducted at a designated Unit. Both in-store and classroom training are conducted quarterly, or as needed. Generally, training begins ninety days before opening your Cultivate Unit.

If you are an existing franchisee with at least one (1) open Unit, you may request to become certified as a training Unit, capable of training the managers for each additional Unit that you open strictly in accordance with the written training program that we provide to you, and provided that such managers must also attend training at our corporate headquarters or other location we designate for one week or for such longer time as we determine at our sole option. Certification of your Unit as a training Unit may be granted or withheld at our sole option.

TRAINING PROGRAM (SINGLE UNIT)

SUBJECT	HOURS OF CLASSROOM TRAINING	HOURS OF ON-THE-JOB TRAINING	LOCATION
Pre Opening Support	40		Remotely
Front of House	20	60	Atlanta, GA
Back of House	20	80	Atlanta, GA
Scheduling	4	4	Atlanta, GA
Ordering	4	4	Atlanta, GA
POS, Reporting	4	4	Atlanta, GA
Opening Procedures	2	2	Atlanta, GA
Closing Procedures	2	2	Atlanta, GA
Hiring and HR	4	1	Atlanta, GA
Loyalty Program	1	1	Atlanta, GA
Marketing	10	8	Atlanta, GA
Financial	4		Atlanta, GA
Total	115	166	

The initial training costs for you and/or your Operating Partner (described in Item 15) and up to two salaried managers, but no more than four people in the aggregate, are included in the Franchise Fee for your Unit, provided that you are solely responsible for all employee compensation and expenses (including travel, meals and lodging) incurred in connection with the initial training programs.

As of the date of this Disclosure Document, the initial training program will be administered by Taylor Howell who has over 10 years of experience in franchising and unit management, and has been with the company since September 2021.

You must replace any individual who fails to successfully complete the appropriate certified training program(s) or who otherwise is not qualified to manage or perform the required functions at a Cultivate Unit. We will not charge you training program fees, provided that any such training is scheduled well in advance, as determined by us. We will charge you approximately \$500 per day or \$3,000 per week for any additional, unscheduled training that you request for any replacement managers. You are also responsible for reimbursement of our trainers' travel and living expenses and other related expenses and all employee compensation and expenses (including travel, meals and lodging) incurred in connection with any training programs. Neither you nor your employees will receive any compensation from us for services performed during training.

You or your Operating Partner and all other previously trained and experienced managers must attend and complete to our satisfaction various training courses that we will present and conduct, periodically. You will not be expected to spend more than four days away from your Unit for any such training. You are responsible for all related travel and living expenses and wages incurred in connection with attending these training sessions. You must also maintain a computer (PC, tablet or similar device) on which you and your employees can perform those training programs that are available digitally.

You must set up the necessary training programs for your staff (other than those individuals required to receive training by us above). Prior to initiating your training program, you must submit it for

our review. We will notify you in writing with any changes to or our acceptance or denial of your proposed training program.

Operations Manual.

Exhibit E to this Disclosure Document is the table of contents of our Operations Manual. The total number of pages in our Operations Manual as of the date of this Disclosure Document is 182 pages. In addition to printed materials, the Operations Manual may consist of computerized documents or software, information provided on the Internet or an extranet or any other medium we adopt periodically for use and designate as part of the Operations Manual. (Sections 1.04(m) and 4.06 of the Franchise Agreement)

Website and Social Media

As of the date of this Disclosure Document, we operate a website related to Cultivate Units at cultivating.co (the “**Website**”). We also currently operate the following social media accounts related to Cultivate Units: (i) a Facebook account at www.facebook.com/CultivateFood/; (iii) a Twitter account at [@FoodCultivate](https://twitter.com/FoodCultivate); (iv) an Instagram account at [@Cultivatefood](https://www.instagram.com/Cultivatefood); and (v) a TikTok account (collectively, the “**Social Media Accounts**”). We have the right to designate a successor Website and successor Social Media Accounts. Subject to the terms of the Franchise Agreement and Operations Manual, we may make available to you a sub-page on the Website that will be located at a sub-domain of the Website to be specified by us (the “**Subpage**”), and/or an email address or email addresses under the Website’s domain for your use (the “**Email Address**”). You will be permitted to upload content onto the Subpage and use the Email Address solely to promote, and provide customers information related to, your Cultivate Unit. You may only upload content onto the Subpage and use the Email Address in accordance with terms of the Franchise Agreement, the Operations Manual and any guidelines, directives or specifications issued by us. Neither the Subpage nor any message sent from the Email Address may contain content that references any Units other than your Unit. You may not upload, publish, display or otherwise include or use any content on the Subpage without receiving our approval. Once we approve the initial content of the Subpage, you must submit any changes to us before you make any changes. We may, at any time, cease to make the Subpage or the Email Address available to you or the Subpage available to the public. Upon the termination or expiration of the Franchise Agreement for any reason or a default under the Franchise Agreement for any reason, you may not upload content onto, or otherwise use, the Subpage or the Email Address and we will cease to make the Subpage and the Email Address available to you. (Section 10.06 of the Franchise Agreement)

Other than in connection with the Subpage and the Email Address, you may not use our Marks in any fashion on any website, including social and/or networking websites, including, but not limited to, Facebook, LinkedIn, Snapchat, Instagram and Twitter, without our prior written consent. Any such use must be in compliance with any policies we issue relating to advertising, promotion, marketing and social media from time to time.

We may from time to time establish modified or additional policies regarding the Internet or social media as we determine appropriate for the franchise system, which will be described in our Operations Manual or otherwise in writing. Any use of social media using the Marks is considered advertising, and you must comply with our social media and advertising policies, including approval requirements. We may modify these policies as we determine appropriate, including as technologies and advertising methods change.

Computer Hardware and Software

Before opening your Cultivate Unit, you must install, at your expense, a point of sale system that complies with our mandated system requirements and the operating hardware and software we specify. As of the date of this Disclosure Document, our system requirements mandate that each Unit must utilize Toast's POS System with the operating software we specify (collectively, the "**POS System**"). You can purchase or lease the POS System directly from Toast or from any other vendor so long as the POS System meets our specifications. You must use the POS System, among other things, to post all product and service sales, keep inventory control, post sales tax, refunds and credits, and maintain customer information.

In addition to the POS System, you must have a computer system that meets our standards and specifications and secure valid licenses to all software we specify. The computer system must connect to the POS System. The computer system will assist you in the operation of your Unit. The types of data to be generated or stored in the computer system include sales, labor, guest counts, product mix and employee information and statistics. You will be solely responsible for the acquisition, operation, maintenance, and upgrading of the computer system, and all associated costs. Finally, you must maintain credit card, debit card or other non-cash payment systems we require.

We may require that you purchase a maintenance contract to service the POS System and the computer system. The third parties from whom you purchase or lease the POS System and the computer system have no contractual rights or obligations to provide ongoing maintenance, repairs, upgrades or updates unless you obtain a service contract or a warranty covers the product. If we designate a vendor for maintenance, repair, upgrade and update services, you must use our designated vendor for these services. You must also have a functioning email address and high speed internet connection so that we can send you notices and otherwise communicate with you by this method.

There are no limitations on the frequency and cost of your obligation to comply with our requirements related to POS System and computer system. At your expense, you must maintain the POS System and computer system in good working order at all times and upgrade or update the POS System and computer system at least every five years during the term of the Franchise Agreement as we may require in order to meet our then-current standards and specifications. We reserve the right to change the POS System and computer system at any time.

We will have independent, unlimited access to the information and data generated by the POS System and the computer system via the Internet or otherwise. There are no contractual limitations on our right to access this information and data.

We or our affiliates may condition any license of proprietary software to you, or your use of technology that we or our affiliates develop or maintain, on your signing a software license agreement or similar document that we or our affiliates prescribe to regulate your use of, and our and your rights and responsibilities concerning, the software or the technology. We or our affiliates may charge you a monthly or other fee for any proprietary software or technology that we or our affiliates license to you and for other maintenance and support services that we or our affiliates provide during the term of your Franchise Agreement.

As described in Item 7, the current initial cost of the POS System and computer system is approximately \$1,000 to \$5,000 for each Cultivate Unit. We estimate that the cost of support service is around \$4,800 per year, but you will need to contact a vendor to determine the scope of the services they offer and the actual cost of those services. (Section 9.03 of the Franchise Agreement)

ITEM 12

TERRITORY

Development Agreement

The Development Agreement will specify a Development Area within which you will focus your development efforts. You will have no exclusive territorial rights, protected territory or other rights to exclude, control or impose conditions on the location or development of other or future franchises under the Marks or on our activities, except as may be provided in an applicable Franchise Agreement. Indeed, under the 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. You may establish a Cultivate Unit at any location within your Development Area provided that we consent to the location, which may be granted or withheld in our sole discretion, the location is in a state where we are permitted to sell Cultivate Coffee franchises, the location is not located at a Non-Traditional Site and the location is not located in another franchisee's Franchise Territory. If you fail to meet your Development Schedule, we may terminate your Development Agreement. Under the Development Agreement, we reserve the right to establish and operate, and license to franchisees and our affiliates the right to establish and operate, Units in the Development Area that are located at what we determine to be Non-Traditional Sites. We will notify you of those areas which have been assigned to franchisees, either as Franchise Territories or Development Areas, that are located in your Development Area.

Franchise Agreement

The Franchise Agreement grants to you the right to own and operate a Cultivate Unit at a specific location. You may not conduct the business of your Cultivate Unit at any site other than the premises, or relocate your Unit without our prior written consent. Except as noted below, as long as you are in compliance with the Franchise Agreement, we will not operate a Cultivate Unit or grant to a third party the right to operate a Cultivate Unit within your Franchise Territory, which generally consists of a one mile radius (depending upon factors including population density, the potential customer base and other factors as determined by us) from the center of your premises.

You may solicit customers and advertise your Unit anywhere you choose. There are no restrictions on you, any of our other franchisees, or us to prevent any soliciting or advertising in someone else's Franchise Territory. No party is obligated to pay compensation to any other party for soliciting customers from the other franchisee's Franchise Territory. In addition, you may deliver products from your Unit in connection with providing catering services within your Franchise Territory, provided the deliveries are made by ground transportation. Subject to this maximum mileage requirement, you may provide catering services in another franchisee's Franchise Territory without compensating the other franchisee, and other Cultivate Units may provide the same services in your Franchise Territory without compensating you.

Under the Franchise Agreement, we and our affiliates have reserved the right to establish anywhere franchises and/or Company-Owned Units or outlets selling similar products and providing similar services (including within your Franchise Territory) under names and symbols other than the Marks, even if these outlets are near your Unit. We also reserve the right to operate, for ourselves and our affiliates, businesses using the Marks to distribute products or offer services (including through the Internet, worldwide web, smart phone applications, mail order, catalogs or other forms of distribution channels or methods) that may be similar to or different from those found in Cultivate Units, both within and outside your Franchise Territory, so long as we do not do so through the operation of a Cultivate

Unit. We also reserve the exclusive right to sell products identified with the Marks both within and outside your Franchise Territory through any distribution channel or method (whether at retail or wholesale), including sales through catalogs, e-commerce, smart phone applications, mail order, mass merchandise, supermarkets and club stores, except through the operation of a Cultivate Unit, even if you sell these products at your Unit. As one example, we have the right to sell Cultivate Coffee food and beverage products through a nationwide retail chain even if the chain has facilities located within your Franchise Territory. We and our affiliates also have reserved the right to establish and operate, and license to franchisees and our affiliates the right to establish and operate, Units in the Franchise Territory that are located at what we determine to be Non-Traditional Sites. Finally, we and our affiliates also have reserved the right to own and operate retail food establishments (including restaurants, coffee shops, cafés and bakeries) that we purchase (or as to which we purchase the rights as franchisor) that are part of another franchise system or chain and either continue to be operate them independently or convert them to Cultivate Units, even if they are located in your Franchise Territory.

You have no right to sell any products from any location other than your Cultivate Unit and you have no right to sell products through the Internet or worldwide web, through smart phone applications, mail order or catalogs, through telemarketing or other direct marketing or through any other form of distribution channel or method. You have no right to use the Marks in connection with any business other than a Cultivate Unit. We have the right to engage in any other activities not expressly prohibited in the Franchise Agreement. You will not receive an exclusive territory under the Franchise Agreement. You may face competition from other franchisees, from Units that we or our affiliates own, or from other channels of distribution or competitive brands that we control.

You have no options, right of first refusal or similar rights to acquire additional franchises or establish additional Cultivate Units, except for your right, if any, to develop additional Units under the Development Agreement.

We have not established any minimum sales quota and do not require any certain level of sales, revenue volume or market penetration in order for you to maintain your Franchise Territory. We will not reduce the size of your Franchise Territory even if the population in it increases. Likewise, we will not expand the size of your Franchise Territory if the population in it decreases. We cannot alter your Franchise Territory unless you give us your written consent. Any rights that are not specifically granted to you under the Franchise Agreement are retained by us.




We or our affiliates may own, operate and/or franchise competitive restaurant or café concepts in the future and these concepts may be operated in close proximity to your Unit.

ITEM 13

TRADEMARKS

Under the Franchise Agreement, we grant to you the right to operate a Cultivate Unit under the names “Cultivate Coffee” or “Cultivate Food + Coffee” and to use the Marks we authorize you to use. The following charts list the principal Marks that you may use with your franchise.

The Marks in the following chart are either registered on the Principal Register of the United States Patent and Trademark Office (the “USPTO”) or pending registration on the Principal Register of the USPTO.

	Mark	Registration Number (Serial Number)	Registration Date (Filing Date)	Owner (Applicant)
1.	CULTIVATE KINDNESS	(97036555)	(September 20, 2021)	(Cultivate Franchise Corp)
2.		(97003874)	(August 31, 2021)	(Cultivate Franchise Corp)
3.	CULTIVATE COFFEE	(97003868)	(August 31, 2021)	(Cultivate Franchise Corp)
4.		6662275	March 8, 2022	Cultivate Franchise Corp
5.	CULTIVATE FOOD + COFFEE	6662274	March 8, 2022	Cultivate Franchise Corp
6.		(88949959)	(June 5, 2020)	(Cultivate Franchise Corp)
7.	CULTIVATE FOOD + COFFEE	(88949650)	(June 5, 2020)	(Cultivate Franchise Corp)

We do not have a federal registration for all of our principal trademarks. Therefore, those trademarks do not have many legal benefits and rights as a federally registered trademark. If our right to use any such trademark is challenged, you may have to change to an alternative trademark, which may increase your expenses.

All required filings for the above Marks have been filed. Except as described in the paragraph below, as of the date of this Disclosure Document, there are no refusals or adverse rulings of the USPTO, Trademark Trial and Appeal Board, the Trademark Administrator of any state, or any court; nor is there any pending infringement, opposition or cancellation proceedings, or material litigation, involving the Marks listed above.

In June 2022, the USPTO notified us of its determination that two of our pending trademarks, 97003874 and 97003868, are likely to be confused with an existing registration for CULTIVATE for various prepared and packaged food products. The existing registration that the USPTO cited, 5662192, is owned by Cultivate Juicing Company, LP (“CJC”). We do not agree with this determination. We also observed evidence that CJC is no longer operating as a business. We are in the process of petitioning the

USPTO to cancel CJC's registration for 5662192 based on the argument that CJC is no longer using that trademark. Depending on the outcome of this petition, we may also submit arguments to the USPTO in support of our view that there is no likelihood of confusion because CJC's pre-packaged food business is very different from a Cultivate Unit.

You must follow the Franchise Agreement, the Operations Manual and our specifications and directives when you use the Marks. The Marks are the only marks you may use to identify the Cultivate Unit. You may not use any Mark as part of any corporate or trade name or as part of any domain name or electronic address you maintain on the Internet, the worldwide web, or any other similar proprietary or common carrier electronic delivery system unless we expressly authorize you to do so in writing. You may not use the Marks in connection with the sale of an unauthorized product or service or in a manner not authorized in writing by us. Your use of the Marks and any goodwill is to our exclusive benefit and you retain no rights in the Marks other than a license to use the Marks during the term of the Franchise Agreement. You are not permitted to make any changes of any kind in or to the use of the Marks unless we permit.

As of the date of this Disclosure Document, subject to the ongoing registration of the Marks, we own the Marks. You must notify us immediately when you learn about an infringement of or challenge to your use of a Mark. We will take the action we think appropriate. We have the right to exclusively control any litigation, USPTO proceeding, or other proceeding arising out of any infringement, challenge or claim or otherwise relating to any Mark.

You must not directly or indirectly contest our right to the Marks, trade secrets or business techniques that are part of our business. We have no contractual obligation to protect or indemnify you against claims of infringement regarding your use of the Marks, but we might do so when your rights require protection. In that case, if you cooperate with us, we would pay all costs, including attorneys' fees and court costs, associated with any litigation required to defend or protect your authorized use of the Marks. We will not pay any of your attorneys' fees if you hire your own attorney.

You must modify or discontinue the use of a Mark and you must adopt or use additional or substituted marks, if we instruct you to do so. If this happens, you are responsible for your tangible costs of compliance (i.e. changing signs) and we do not have to reimburse you for any loss of revenue due to any modified or discontinued Mark, or for your expenses of promoting a modified or substitute Mark. You waive any claim against us for changing, modifying or discontinuing a Mark. We may also develop or acquire additional Marks and make them available for your use.

In March 2022, we learned that a small coffee company, Cultivate Coffee Roasters ("CCR") is operating a café in Fuquay Varina, North Carolina under the name CULTIVATE COFFEE ROASTERS. Based on our preliminary research, it appears that CCR may have started using CULTIVATE COFFEE ROASTERS for coffee sales and restaurant services prior to our first use of its CULTIVATE marks (potentially in July 2018). CCR could bring an administrative proceeding with the United States Patent and Trademark Office in an attempt to cancel our registrations (or to oppose our pending federal applications) that include the term CULTIVATE, but CCR would have the burden of establishing that it is the prior user and that its mark and the Marks are in conflict. CCR also has a limited time in which to bring such a proceeding. To date, CCR has not applied to register any trademarks (consisting of the word CULTIVATE or otherwise) and we have not had any communications with CCR. To the extent that CCR has exclusive common law rights in the CULTIVATE COFFEE ROASTERS name, such rights appear at present to be limited to the geographic area in and near Fuquay Varina, North Carolina

We do not know of any other superior rights or infringing uses that could materially affect your use of the Marks.

ITEM 14

PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION

We have no patents that are material to the Cultivate Coffee franchise system.

We claim common law rights and copyright protection in a number of items you will use in the operation of your Unit, including our Operations Manual, and in certain other materials and information related to the Cultivate Coffee franchise system, like our marketing materials, specifications, architectural drawings, Unit designs, marketing techniques, advertising programs, advertising strategies, supplier lists, expansion plans, and other information we create or use. We have not registered the materials to which we claim copyright protection, although we may do so.

We also consider certain information relating to the development and operations of Cultivate Units trade secrets and proprietary information. This information includes:

- (i) ingredients, recipes and methods of preparation and presentation of certain food and beverage products;
- (ii) site selection criteria and plans and specifications for the development of Cultivate Units;
- (iii) sales, marketing and advertising programs and techniques for Cultivate Units;
- (iv) identity of suppliers and knowledge of specifications, processes, procedures and equipment, and pricing for authorized food and beverage products, materials, supplies and equipment;
- (v) knowledge of operating results and financial performance of Cultivate Units, other than your own Cultivate Unit; and
- (vi) methods of inventory control, storage, product handling and management of Cultivate Units; and computer systems and software programs.

All copyrighted materials and confidential information are owned exclusively by us. Your right to use copyrighted materials and confidential information is derived solely from the Franchise Agreement and Development Agreement and is limited to the conduct of the business under and in compliance with the Franchise Agreement and Development Agreement and all applicable specifications, standards, and operating procedures we prescribe during the term of the Franchise Agreement and Development Agreement. Any unauthorized use of our copyrighted materials or any unauthorized use or disclosure of confidential information will constitute an infringement of our rights in and to the copyrighted materials and confidential information.

We may claim copyright protection in certain techniques we create, and may patent certain processes and equipment we develop. If we do, we will notify you and, if the copyrights and patents are material to your obligations under the Franchise Agreement, we will authorize you to use them at no additional charge. Any modifications or improvements that you make to the Cultivate Coffee franchise system will be deemed works made for hire which shall be owned exclusively by us. We do not have to compensate you for your modifications or improvements. You must sign whatever documents we request to evidence our ownership or to assist us in securing intellectual property rights in such ideas, concepts, methods or techniques.

All materials or information of any kind that are designated “confidential” orally or in writing or which, under the circumstances surrounding disclosure, ought to be treated as confidential, are deemed confidential and are loaned to you only under and during the term of the Franchise Agreement and Development Agreement. All confidential materials and the information contained in them must be treated by you as confidential and you must use your best efforts to keep them confidential during and after the terms of the Franchise Agreement and Development Agreement as provided in each agreement. This means that you cannot make copies in any medium of any confidential information or use any confidential information outside of the scope of the Franchise Agreement or Development Agreement or disclose any confidential information to any third party or other persons identified by us as not having authorization to receive disclosure of confidential information. You may disclose confidential information contained in the Operations Manual only to your employees who have a business need to have access to the confidential information, but only if you first secure from them an agreement to maintain the confidentiality of the confidential information disclosed. You and certain other designated individuals must agree in writing to comply with the confidentiality provisions of the Franchise Agreement and the Development Agreement and refrain from engaging in competitive businesses. We have the right to require your other employees who have access to our confidential information to sign a nondisclosure agreement in the form(s) prescribed by us from time to time. We have the right to take legal action against you if there has been an unauthorized use of our confidential information or trade secrets through you or your employees. The Franchise Agreement and Development Agreement also contain certain requirements pertaining to our disclosure of our trade secrets to you.

You must promptly notify us of any unauthorized use of our copyrighted materials or any unauthorized use or disclosure of confidential information, including by your employees. You must notify us of any challenge to your right to use or the ownership of any copyrighted materials or confidential information. We are not required to protect or defend our copyrights, although we intend to do so when it is in the best interests of the Cultivate Coffee franchise system. We have the exclusive right to control any copyright litigation. We have the right to keep all sums obtained in settlement or as a damages award in any proceeding or litigation without any obligation to share any portion of the settlement sums or damages award with you. While we are not required to participate in your defense or to indemnify you for damages or expenses you incur if you are a party to any administrative or judicial proceeding involving our confidential information or other information in which we claim common law rights and copyright protection, we may reimburse you for your liability and reasonable costs in connection with defending our confidential information and other information in which we claim common law rights and copyright protection.

We will have the right at any time, on notice to you, to make additions to, deletions from, and changes in any item in which we claim common law copyright or registered copyright protection including the Operations Manual. You must adopt and use all additions, deletions, and changes as we direct, at your expense.

As of the date of this Disclosure Document, there is no litigation pending involving the copyrighted materials or confidential information. We do not know of any effective determinations of the U.S. Copyright Office (Library of Congress) or any court regarding any of the copyrighted materials or confidential information. Nor are there any agreements currently in effect, which significantly limit our right to use or authorize you to use the copyrighted materials or confidential information. Further, there are no infringing uses or superior rights actually known to us that could materially affect your use of the copyrighted materials or confidential information in any state.

ITEM 15

OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

If you are, or at any time become, a business corporation, partnership, limited liability company or other legal entity, you must designate an “**Operating Partner**” in Exhibit A of the Franchise Agreement. This Operating Partner shall be an individual approved by us who must: (a) own and control, or have the right to own and control, subject to conditions reasonably acceptable to us, not less than ten percent of your equity and voting rights; (b) have the authority to bind you regarding all operational decisions with respect to your Cultivate Unit; and (c) have completed our training program to our satisfaction.

You or your Operating Partner: (a) shall exert your full-time and best efforts to the development and operation of your Cultivate Unit and all other Cultivate Units that you own; and (b) may not engage in any other business or activity, directly or indirectly, that requires substantial management responsibility or time commitments or otherwise may conflict with your obligations under the Franchise Agreement. Your Cultivate Unit must, at all times, be managed by you, your Operating Partner, or a manager or shift supervisor who has completed our training program to our satisfaction. Your managers (other than your Operating Partner) need not have an equity interest in the franchise.

As more fully set forth in the Franchise Agreement, you must implement all reasonable procedures we prescribe from time to time to prevent unauthorized use or disclosure of confidential information. Such procedures include the use of nondisclosure agreements in form(s) approved by us (a “**Nondisclosure Agreement**”) with your owners, officers, directors, managers and assistant managers, which will prohibit them from disclosing our confidential and proprietary information and trade secrets. We also may require those employees who have received our confidential and proprietary information to enter into the same Nondisclosure Agreement. You and your owners must deliver copies of such agreements to us. At the end of the term of the Franchise Agreement, you must also deliver to us all of our confidential information, trade secrets, and Operations Manuals in your possession.

If a store manager ceases to be employed by you for any reason, you must replace such person within thirty days, commence training such manager on the Cultivate Coffee franchise system and have such replacement manager come to our corporate headquarters or such other location as we designate for one week of additional training and for certification by us, to be granted or withheld in our reasonable discretion. You are responsible for all related travel and living expenses and wages incurred in connection with your replacement manager attending these training sessions, as well as our per diem training fee if such training is not scheduled well in advance, as determined by us.

We may require each of your owners holding at least a ten percent equity interest in you to personally guarantee, on a joint and several basis, your obligations to us under the Development Agreement and the Franchise Agreement. The guarantees will be in the form of the Guaranty Agreement attached as Exhibit D to the Development Agreement and Exhibit D to the Franchise Agreement, respectively.

You will have sole responsibility for all employment decisions and functions related to your Unit, including hiring, firing, compensation, benefits, work hours, work rules, record-keeping, supervision, and discipline of employees, notwithstanding any suggestions, advice, guidelines, programs or training that we may offer. You and your managers must comply with all federal, state and local laws and regulations regarding employment-related matters. All personnel decisions must be made by you, and all decisions will be made without any influence or advice from us. All personnel decisions and actions will not be, nor

be deemed to be, a decision or action of ours. You must take such steps as are necessary to ensure that your employees preserve good customer relations; render competent, prompt, courteous, and knowledgeable service; and meet any minimum standards that we may periodically establish in the Operations Manual.

ITEM 16

RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must conduct the business operated at your Cultivate Unit as required by the Operations Manual and the Franchise Agreement. You must sell all food, beverage and other products, merchandise and services that we determine from time to time to be appropriate for your Cultivate Unit, including Proprietary Products and Non-Proprietary Products. This means that we have the right to require you to carry the required menu items that we dictate and that we determine are appropriate for Units. There are no limits to our right to make modifications to our approved menu, whether by a change in the Options Manual or through an amendment to the Franchise Agreement or by another form of written directive. We may, in our discretion, establish certain marketing programs, including limited time offers, in which you must participate. We will not refund or exchange any unused products shipped to you in connection with these marketing programs. You are not restricted as to the customers whom you may serve at your Cultivate Unit. However, you may only sell products to consumers for consumer purposes (and not for resale). You may not sell products at wholesale. In addition, you may offer catering services to homes and businesses located within your Franchise Territory. Subject to these maximum mileage requirements, you may provide catering services in the Franchise Territories of other Cultivate Coffee franchisees, and other Cultivate Coffee franchisees may provide the same services in your Franchise Territory. You may not ship products within or outside your Franchise Territory.

Your Cultivate Unit will not be permitted to offer any products or services, including promotional items, we have not authorized for Cultivate Units without our prior written approval. We have the right to change the types of authorized goods and services, and there are no limits on our right to make changes. You may not use your Unit for any purpose other than the operation of a Cultivate Unit in compliance with the Franchise Agreement.

You must at all times maintain an inventory of approved food and beverage products, ingredients and other products sufficient in quantity, quality and variety to realize your Cultivate Unit's full potential.

We may conduct market research to determine consumer trends and salability of new food and beverage products and services. You must participate in our market research programs by test marketing new food and beverage products and services in your Cultivate Unit and providing us with timely reports and other relevant information regarding such market research. You must purchase a reasonable quantity of such test products and make a reasonable effort to sell them.

ITEM 17

RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION OF 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.

Development Agreement

Provision	Section in Development Agreement	Summary
a. Length of the franchise term	Section 4	Expires on the day operations of the final Unit to be established is required to begin as provided on the Development Schedule.
b. Renewal or extension of the term	Not Applicable	Not Applicable
c. Requirements for franchisee to renew or extend	Not Applicable	Not Applicable
d. Termination by franchisee	Section 13.01	You can terminate only if we fail to cure a default under the Development Agreement within 90 days (or 150 days in some instances) after you give us written notice of termination.
e. Termination by franchisor without cause	Not Applicable	Not Applicable
f. Termination by franchisor with “cause”	Sections 13.02 and 13.03	We can terminate only if you default or if certain events (described in (g) and (h) below) occur. In some instances, you will have an opportunity to cure the default.
g. “Cause” defined – curable defaults	Section 13.03	Failure to comply with any provision of the Development Agreement not covered in (h) below. You have 30 days (or 60 days in some instances) after we give you notice to cure the default.
h. “Cause” defined – non-curable defaults	Section 13.02	Insolvency; bankruptcy; liquidation; reorganization; general assignment for benefit of creditors; failure to pay us or our affiliates or any creditor, supplier or lessor of any of your Units any sums due within 10 days after written notification; failure to comply with Development Schedule; conviction of a felony or crime involving moral turpitude or fraud; making of material misrepresentations; unauthorized transfer; unauthorized use or disclosure of confidential information; failure to comply with non-competition and non-solicitation provisions; failure to comply with any anti-terrorism laws; or default by you or your affiliates under the Franchise Agreement or any other agreement between you or your affiliates and us or our affiliates.
i. Franchisee’s obligations on termination/ nonrenewal	Sections 10 and 13.04	Pay all sums due to us or our affiliates. No investment in competitive business; no disclosure of confidential information or trade secrets; and strictly comply with non-compete prohibition.
j. Assignment of contract by	Section 12.06	No restriction on our right to assign.

Provision	Section in Development Agreement	Summary
franchisor		
k. “Transfer” by franchisee – defined	Sections 1.04(l) and 12	Includes transfer of Development Agreement, any interest in Development Agreement, or any equity interest in you if you are an entity or any equity interest in any owners of you if they are an entity.
l. Franchisor approval of transfer by franchisee	Section 12.01	We have the right to approve all transfers.
m. Conditions for franchisor approval of transfer	Section 12.02	You and your owners and affiliates are not in default under the Development Agreement, any Franchise Agreement or any other agreement between you, your owners or affiliates and us or our affiliates; transferee qualifies; transferee assumes obligations under Development Agreement and/or enters into new Development Agreement and any other agreements we require; transferee and its manager complete training or are certified to operate a Unit; transfer fee paid; signing of a general release; terms and conditions of transfer are satisfactory to us and we decline to exercise our right of first refusal.
n. Franchisor’s right of first refusal to acquire franchisee’s business	Section 12.05	We can match any offer for the transfer of your business or any ownership interest.
o. Franchisor’s option to purchase franchisee’s business	Section 12.06	None, other than our right of first refusal.
p. Death or disability of franchisee	Section 12.04	Development Agreement or ownership interest must be assigned by estate to an approved buyer within a reasonable time period not to exceed 9 months after death or disability.
q. Non-competition covenants during the term of the franchise	Sections 10.01, 10.04 and 10.06	No involvement by you or your key personnel, if you are an entity, in a “Competing Activity.” A “Competing Activity” is any business engaged in the retail sale of fast-casual brunch, organic coffee, and other menu and carry-out items and merchandise.
r. Non-competition covenants after the franchise is terminated or expires	Sections 1.04(b), 10.01, 10.04 and 10.06	For 24 months, no involvement by you or your key personnel, if you are an entity, in a “Competing Activity” within the Franchise Territory or within 5 miles of any Cultivate Location.
s. Modification of the agreement	Section 17.13	Generally, no modifications unless agreed in writing.

Provision	Section in Development Agreement	Summary
t. Integration/merger clause	Section 17.13	Only the terms of the Development Agreement are binding. Any representations or promises outside of the disclosure document and Development Agreement may not be enforceable.
u. Dispute resolution by arbitration or mediation	Section 16.01	Except for certain claims, disputes must be settled by arbitration. Arbitration must occur in the office of the American Arbitration Association closest to our principal executive office.
v. Choice of forum	Sections 16.01 and 16.02	Litigation must be held in the federal or state court for the district where our principal executive office is located (subject to state law). Arbitration must occur in the office of the American Arbitration Association closest to our principal executive office. Subject to applicable state law.
w. Choice of law	Section 17.04	Georgia law applies generally, except for federal law and applicable franchise laws of other states. Subject to applicable state law.

Franchise Agreement

Provision	Section in Franchise Agreement	Summary
a. Length of the franchise term	Section 2.01	10 years
b. Renewal or extension of the term	Section 15	If you meet the requirements, you can renew for one additional consecutive 10 year term.
c. Requirements for franchisee to renew or extend	Section 15	You must provide written notice of election to renew; you and your owners and affiliates must be in compliance with all terms of the Franchise Agreement and all agreements with us or our affiliates; sign the then-current form of Franchise Agreement; pay a renewal fee; refurbish the Unit, if required; sign a general release; and maintain ownership or leasehold interest in the Unit location. Terms of the then-current form of Franchise Agreement may differ materially from any and all of those contained in the Franchise Agreement.
d. Termination by franchisee	Section 14.01	You can terminate only if we fail to cure a default under the Franchise Agreement within 90 days (or 150 days in some instances) after you give us written notice of termination.

Provision	Section in Franchise Agreement	Summary
e. Termination by franchisor without cause	Not Applicable	Not Applicable.
f. Termination by franchisor with “cause”	Sections 14.02 and 14.03	We can terminate only if you default or if certain events (described in (g) and (h) below) occur. In some instances, you will have an opportunity to cure the default.
g. “Cause” defined – curable defaults	Section 14.03	Failure to comply with our standards and procedures or any term of the Franchise Agreement not covered in (h) below, including: failure to submit required reports; failure to relocate; failure to comply with any of the terms and conditions of any other agreement entered into by you in connection with your Unit; failure to maintain required insurance; and failure to restore the Unit to full operation if it is rendered inoperable by casualty. You have 30 days (or 60 days in some instances) after we give you written notice to cure the default.
h. “Cause” defined – non-curable defaults	Section 14.02	Insolvency; bankruptcy; liquidation; reorganization; general assignment for benefit of creditors; failure to pay us or our affiliates or any creditor, supplier or lessor of the Unit any sums due within 10 days after written notification; failure to open the Unit within 9 months after execution of the Franchise Agreement; ceasing operation of the Unit; conviction of you or any of your owners of a felony or crime involving moral turpitude; operation of the Unit as a health or safety hazard; making of material misrepresentations or knowingly maintaining false books or records; unauthorized transfer by you or your owners; dissolution; failure to comply with non-competition and non-solicitation provisions; unauthorized use of any Mark or disclosure of confidential information or trade secrets; failure to comply with any anti-terrorism laws; unauthorized seizures; failure to maintain possession of the Unit premises; or receipt of three default notices within a 12 month period.
i. Franchisee’s obligations on termination/non-renewal	Sections 7 and 16	Obligations include complete de-identification of the Unit; payment of amounts due to us and our affiliates; return confidential materials; cancel assumed name registration; transfer telephone and fax

Provision	Section in Franchise Agreement	Summary
		numbers, Internet listings, store leases and governmental licenses and permits; no investment in competitive business; no solicitation of employees; follow any procedures in the Operations Manual related to discontinuing operations of the Unit; and offer us the right to purchase the Unit. We may assume the Unit's management.
j. Assignment of contract by franchisor	Section 13.06	No restriction on our right to transfer or assign.
k. "Transfer" by franchisee – defined	Sections 1.04(r) and 13	Includes transfer of Franchise Agreement, any interest in Franchise Agreement, any assets of the Unit, or any equity interest in you if you are an entity or any equity interest in any owners of you if they are an entity.
l. Franchisor approval of transfer by franchisee	Sections 13.01	We have the right to approve all transfers but will not unreasonably withhold approval if certain conditions are satisfied.
m. Conditions for franchisor approval of transfer	Section 13.02	Your Unit must have opened; you and your owners and affiliates must be in compliance with the Franchise Agreement and all other agreements with us or our affiliates; transferee must qualify, complete training and assume obligations under the Franchise Agreement and/or enter into a new franchise agreement and any other agreements we require; the transfer fee must be paid; you must subordinate debts and you and your owners and affiliates must sign a general release; the terms and conditions of transfer must be satisfactory to us; and we decline to exercise our right of first refusal.
n. Franchisor's right of first refusal to acquire franchisee's business	Section 13.05	We can match any offer for the transfer of your business or any ownership interest.
o. Franchisor's option to purchase franchisee's business	Section 16.03	Upon expiration or termination of the Franchise Agreement, you must offer us the right to purchase the Unit. We may acquire your Unit by giving you notice within 10 days of termination/expiration, at fair market value.
p. Death or disability of franchisee	Section 13.04	All rights in the Franchise Agreement or ownership interest must be assigned by estate to an approved buyer within a reasonable time period not to exceed 9 months of death or disability.
q. Non-competition covenants during the term	Sections 7.01, 7.04 and 7.06	No involvement by you or your key personnel, if you are an entity, in a

Provision	Section in Franchise Agreement	Summary
of the franchise		“Competing Activity.” A “Competing Activity” is any business engaged in the retail sale of fast-casual brunch, organic coffee, and other menu and carry-out items and merchandise.
r. Non-competition covenants after the franchise is terminated or expires	Sections 7.01, 7.04 and 7.06	For 24 months, no involvement by you or your key personnel, if you are an entity, in a “Competing Activity” within the Development Area or within five miles of any Cultivate Location.
s. Modification of the agreement	Section 19.13	Generally, no modification except by written agreement signed by both parties; however, the Operations Manual is subject to change by us.
t. Integration/merger clause	Section 19.13	Only the terms of the Franchise Agreement, including the Operations Manual, are binding (subject to state law). Any representations or promises outside of the disclosure document and Franchise Agreement may not be enforceable.
u. Dispute resolution by arbitration, negotiation or mediation	Section 18.01	Except for certain claims, disputes must be settled by arbitration. Arbitration must occur in the office of the American Arbitration Association closest to our principal executive office.
v. Choice of forum	Sections 18.01 and 18.02	Litigation must be held in the federal or state court for the district where our principal executive office is located (subject to state law). Arbitration must occur in the office of the American Arbitration Association closest to our principal executive office. Subject to applicable state law.
w. Choice of law	Section 19.04	Georgia law applies generally, except for federal law and applicable franchise laws of other states. Subject to applicable state law.

Applicable state law may require additional disclosures related to the information in this Disclosure Document. These additional disclosures appear in Exhibit G attached to this Disclosure Document.

ITEM 18

PUBLIC FIGURES

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

ITEM 19

FINANCIAL PERFORMANCE REPRESENTATIONS

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

We do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Ryan Bowersox at 1353 Riverstone Pkwy, Ste. 120-172, Canton, Georgia, 30114, 678-851-5604, ryan@cultivating.co, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20

OUTLETS AND FRANCHISEE INFORMATION

Table No. 1A

Systemwide Outlet Summary
For Years 2019 To 2021

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2019	0	0	0
	2020	0	0	0
	2021	0	0	0
Company-Owned	2019	1	1	0
	2020	1	1	0
	2021	1	1	0
Total Outlets	2019	1	1	0
	2020	1	1	0
	2021	1	1	0

Table No. 2A

Transfers of Outlets From Franchisees To New Owners (Other Than Franchisor)
For Years 2019 To 2021

	Year	Number of Transfers
Total	2019	0
	2020	0
	2021	0

Table No. 3A

Status Of Franchised Outlets
For Years 2019 To 2021

	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations Other Reasons	Outlets at End of the Year
Total	2019	0	0	0	0	0	0	0
	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0

Table No. 4A

Status of Company-Owned and Affiliate-Owned Outlets
For Years 2019 To 2021 (Note 1)

State	Year	Outlets at Start of the Year	Outlets Opened	Outlets Reacquired From Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of the Year
Georgia	2019	1	0	0	0	0	1
	2020	1	0	0	0	0	1
	2021	1	0	0	0	0	1
	2019	1	0	0	0	0	1

Total	2020	1	0	0	0	0	1
	2021	1	0	0	0	0	1

Explanatory Note:

Note 1: Company-Owned Units are not required to pay Royalty Fees, but they are required to contribute to any advertising funds or participate in any advertising cooperatives.

Table No. 5A

Projected Sales and Openings as of
December 31, 2021

State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlets In the Next Fiscal Year	Projected New Company-Owned Outlets In the Next Fiscal Year
Georgia	0	1	2
Totals	0	1	2

Table No. 1B

Systemwide Development Rights Summary
For Years 2019 To 2021

Outlet Type	Year	Development Rights at the Start of the Year	Development Rights at the End of the Year	Net Change
Franchised	2019	0	0	0
	2020	0	0	0
	2021	0	0	0
Company-Owned	2019	0	0	0
	2020	0	0	0
	2021	0	0	0

Outlet Type	Year	Development Rights at the Start of the Year	Development Rights at the End of the Year	Net Change
Total Outlets	2019	0	0	0
	2020	0	0	0
	2021	0	0	0

Table No. 2B

Transfers of Development Rights To New Owners (Other Than Franchisor)
For Years 2019 To 2021

	Year	Number of Transfers
Total	2019	0
	2020	0
	2021	0

Table No. 3B

Status of Development Rights
For years 2019 To 2021

State	Year	Development Rights at Start of Year	New Development Rights Signed During the Year	Terminations	Expiration through Completion of Development Schedule	Development Rights Reacquired by Franchisor	Ceased Development Rights Other Reasons	Development Rights at End of the Year
Total	2019	0	0	0	0	0	0	0
	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0

Table No. 4B

Status of Company-Owned and Affiliate-Owned Development Rights
For Years 2019 To 2021

State	Year	Development Rights at Start of the Year	Development Exercised	Development Rights Reacquired From Franchisee	Development Rights Terminated	Development Rights Sold to Franchisee	Development Rights at End of the Year
Total	2019	0	0	0	0	0	0
	2020	0	0	0	0	0	0
	2021	0	0	0	0	0	0

Table No. 5B

Projected Sales and Openings as of
December 31, 2021

State	Development Rights Granted But Outlets Not Opened	Projected New Development Rights Granted In the Next Fiscal Year	Projected New Company-Owned Development Rights In the Next Fiscal Year
Totals	0	0	0

* * *

The contact information for our franchisees is as follows:

Name Contact Phone # Email Store address

None.

No franchisees terminated, canceled, or did not renew as of the date of this Disclosure Document. No franchisees otherwise voluntarily or involuntarily ceased to do business under their Franchise Agreement or Development Agreement in the last fiscal year. 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, there are no franchise advisory councils and no other trademark-specific franchisee organizations associated with the Cultivate Coffee franchise system.

None of the Cultivate Coffee franchisees have signed confidentiality clauses restricting their ability to speak openly about their experience with the Cultivate Coffee franchise system.

ITEM 21

FINANCIAL STATEMENTS

Attached to the Disclosure Document as Exhibit F is our interim, unaudited balance sheet as of and profit and loss statement for the period ending June 30, 2022. THE OPENING BALANCE SHEET AND INTERIM FINANCIAL STATEMENTS ARE PREPARED WITHOUT AN AUDIT. PROSPECTIVE FRANCHISEES OR SELLERS OF FRANCHISES SHOULD BE ADVISED THAT NO CERTIFIED PUBLIC ACCOUNTANT HAS AUDITED THESE FIGURES OR EXPRESSED HIS OR HER OPINION WITH REGARD TO THE CONTENT OR FORM.

Our fiscal year ends December 31.

ITEM 22

CONTRACTS

The Development Agreement is attached as Exhibit B to this Disclosure Document. The following additional contracts or agreements are attached to the Development Agreement:

Exhibit	Agreement
A	Development Area, Development Schedule and Development Fee
B	Personal Covenants
C	Operating and Ownership Information
D	Personal Guaranty
E	State Specific Addenda

The Franchise Agreement is attached as Exhibit C to this Disclosure Document. The following additional contracts or agreements are attached to the Franchise Agreement:

Exhibit	Agreement
A	Operating and Ownership Information
B	Initial Franchise Fee, Premises and Franchise Territory
C	Confirmation of Term Commencement Date
D	Personal Guaranty
E	Personal Covenants
F	Form of Lease Rider
G	State Specific Addenda

ITEM 23

RECEIPTS

Exhibit I to this Disclosure Document is detachable Receipts acknowledging your receipt of this Disclosure Document. Please return one Receipt to us and retain the other for your records. If you are missing these Receipts, please contact us at the following address or telephone number:

Cultivate Franchise Corp
1353 Riverstone Parkway
St. 120-172
Canton, Georgia 30114
Telephone: 678-851-5604

EXHIBIT A

STATE AGENCIES AND ADMINISTRATORS AND FRANCHISOR'S AGENTS FOR SERVICE OF PROCESS

I. State Administrators: We believe this information is accurate as of the date of this Disclosure Document. However, the names, addresses and/or telephone numbers of these state administrators change over time. You should verify this information.

CALIFORNIA

Department of Business Oversight
320 West 4th Street
Suite 750
Los Angeles, California 90013-2344
(213) 576-7500 or (866) 275-2677

FLORIDA

Department of Agriculture and Consumer Services
Division of Consumer Services
City Centre Building, Suite 7200
227 N. Bronough Street
Tallahassee, Florida 32301
(850) 410-3754

HAWAII

Department of Commerce and Consumer Affairs
Business Registration Division
335 Merchant Street, Room 203
Honolulu, Hawaii 96813
(808) 586-2722

ILLINOIS

Office of Attorney General
Franchise Bureau
500 South Second Street
Springfield, Illinois 62706
(217) 782-4465

INDIANA

Indiana Secretary of State
Indiana Securities Division
Franchise Section
302 West Washington Street, 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

MICHIGAN

Michigan Department of Attorney General
Consumer Protection Division
Antitrust and Franchise Unit
670 Law Building
Lansing, Michigan 48913
(517) 373-7117

MINNESOTA

Minnesota Department of Commerce
Registration and Licensing Division
85 7th Place, Suite 500
St. Paul, Minnesota 55101
(651) 296-4026

NEBRASKA

Department of Banking and Finance
1200 N Street, Suite 311
P.O. Box 95006
Lincoln, Nebraska 68509
(402) 471-3445

NEW YORK

New York State Department of Law
Bureau of Investor Protection and Securities
120 Broadway, 23rd Floor
New York, New York 10271
(212) 416-8211

NORTH CAROLINA

Business Opportunities
Department of the Secretary of State
P.O. Box 29622
Raleigh, North Carolina 27626
(919) 807-2156

NORTH DAKOTA

North Dakota Securities Department
600 East Boulevard Avenue
State Capitol - 5th Floor Dept. 414
Bismarck, North Dakota 58505-0510
(701) 328-4712

OREGON

Department of Consumer and Business Services
Division of Finance
Labor and Industries Building
Salem, Oregon 97310
(503) 378-4387

RHODE ISLAND

Department of Business Regulation
Division of Securities
1511 Pontiac Avenue
John O. Pastore Complex – Building 69-1
Cranston, Rhode Island 02920
(401) 462-9527

SOUTH DAKOTA

South Dakota Department of Labor and
Regulation
Division of Securities
445 East Capitol Avenue
Pierre, South Dakota 57501
(605) 773-4823

TEXAS

Secretary of State
Statutory Document Section
P.O. Box 12887
Austin, Texas 78711
(512) 475-1769

VIRGINIA

State Corporation Commission
Division of Securities and Retail Franchising
1300 East Main Street, 9th Floor
Richmond, Virginia 23219
(804) 371-9051

WASHINGTON

Securities Administrator
Department of Financial Institutions
Securities Division
150 Israel Road
Tumwater, Washington 98501
(360) 902-8700

WISCONSIN

Department of Financial Institutions
Division of Securities
P.O. Box 1768
Madison, Wisconsin 53701
(608) 266-8557

II. Agents for Service of Process:

CALIFORNIA

California Commissioner of Business Oversight
California Department of Business Oversight
320 West 4th Street, Suite 750
Los Angeles, California 90013-2344

HAWAII

Hawaii Commissioner of Securities
Department of Commerce and Consumer Affairs
Business Registration Division
335 Merchant Street, Room 203
Honolulu, Hawaii 96813

ILLINOIS

Illinois Attorney General
500 South Second Street
Springfield, Illinois 62706

INDIANA

Secretary of State of Indiana
201 State House
200 West Washington Street
Indianapolis, Indiana 46204

MARYLAND

Maryland Securities Commissioner
200 St. Paul Place
Baltimore, Maryland 21202-2020

MICHIGAN

Michigan Department of Commerce
Corporations and Securities Bureau
6546 Mercantile Way
Lansing, Michigan 48910

MINNESOTA

Minnesota Commissioner of Commerce
Department of Commerce
85 7th Place, Suite 500
St. Paul, Minnesota 55101

NEW YORK

Secretary of State of New York
41 State Street
Albany, New York 12231

NORTH CAROLINA

The Secretary of State
State of North Carolina
2 South Salisbury Street
Raleigh, North Carolina 27601

NORTH DAKOTA

North Dakota Securities Commissioner
600 East Boulevard Avenue
State Capitol - 5th Floor, Dept. 414
Bismarck, North Dakota 58505-0510

OREGON

Director
Department of Insurance and Finance
700 Summer Street, N.E.
Suite 120
Salem, Oregon 97310

RHODE ISLAND

Director of Department of Business Regulation
1511 Pontiac Avenue
John O. Pastore Complex – Building 69-1
Cranston, Rhode Island 02920

SOUTH DAKOTA

South Dakota Department of Labor and
Regulation
Division of Securities
445 East Capitol Avenue
Pierre, South Dakota 57501

VIRGINIA

Clerk of the State Corporation Commission
1300 East Main Street, First Floor
Richmond, Virginia 23219

WASHINGTON

Securities Administrator
Washington State Department of Financial
Institutions
150 Israel Road
Tumwater, Washington 98501

WISCONSIN

Wisconsin Commissioner of Securities
345 West Washington Avenue, 4th Floor
Madison, Wisconsin 53703

EXHIBIT B
AREA DEVELOPMENT AGREEMENT
(see attached)

**CULTIVATE FRANCHISE CORP
AREA DEVELOPMENT AGREEMENT**

DEVELOPER

NUMBER OF UNITS

UNIT STYLE

DATE OF AGREEMENT

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AREA DEVELOPMENT AGREEMENT

THIS AREA DEVELOPMENT AGREEMENT (this “Agreement”) is made and entered into this ____ day of _____, 20__ (the “Effective Date”), by and between CULTIVATE FRANCHISE CORP, a Georgia corporation, with its principal place of business located at 1353 Riverstone Parkway, Ste. 120-172, Canton, Georgia 30114 (“Franchisor”), and _____, a _____ with its principal office at _____ (“Developer”).

1. INTRODUCTION.

1.01 Cultivate. Franchisor and its Affiliates own, operate and franchise Cultivate Locations specializing in high-end fast casual brunch and organic coffee, and other menu items and merchandise, related to the Cultivate concept, that are built on a foundation of fresh from scratch, farm-to-table culinary principles, truly world-class customer service, and an authentically positive luxury café experience for all customers. Franchisor has developed and owns a comprehensive system for developing and operating Cultivate Locations, which includes trademarks, building designs and layouts, equipment, ingredients, specifications and recipes for authorized food and beverage products, methods of inventory control, training programs and certain operational and business standards and policies, all of which Franchisor may improve, further develop or otherwise modify from time to time.

1.02 Acknowledgments. Developer acknowledges and agrees that it or its authorized officers have read this Agreement and Franchisor’s franchise disclosure document. By signing this Agreement, Developer understands that the Cultivate concept offers a high-quality fast casual café experience. Developer accepts the proposition that to deliver that experience requires a different approach to the quality of food and beverage products, level of design and environment and customer experience (impacted by the quality of people and training) not typically found in quick service food and beverage establishments. Developer understands the terms of this Agreement and accepts them as being reasonably necessary to maintain the uniformity of Franchisor’s high quality standards at all Cultivate Locations in order to protect and preserve the goodwill of the Marks and the integrity of the System. Developer has conducted an independent investigation of the business contemplated by this Agreement and recognizes that the restaurant and café industry is highly competitive, with constantly changing market conditions. Developer recognizes that the nature of Cultivate Locations may change over time, that an investment in a Cultivate Location involves business risks and that the success of the venture is largely dependent on Developer’s own business abilities, efforts and financial resources.

1.03 Representations. Developer and its Owners, jointly and severally, represent and warrant to Franchisor that: (a) neither Developer nor any of its Owners has made any untrue statement of any material fact or has omitted to state any material fact in the written information submitted in obtaining the rights granted hereunder; (b) neither Developer nor any of its Owners has any direct or indirect legal or beneficial interest in any business that may be deemed a Competitive Business, except as Developer has otherwise completely and accurately disclosed in writing to Franchisor in connection with obtaining the rights granted hereunder; and (c) the execution and performance of this Agreement will not violate any other agreement to which Developer or any of its Owners may be bound. Developer recognizes that Franchisor has executed this Agreement in reliance on all of the statements Developer and its Owners have made in writing in connection with this Agreement.

1.04 Certain Definitions. The terms listed below have the meanings which follow them and include the plural as well as the singular. Other terms are defined elsewhere in this Agreement in the context in which they arise.

(a) “Affiliate” - Any Person that directly or indirectly owns or controls the referenced party, that is directly or indirectly owned or controlled by the referenced party, or that is under common control with the referenced party. The term “control” means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of an Entity, whether through ownership of voting securities, by contract or otherwise.

(b) “Confidential Information” – Franchisor’s valuable and proprietary confidential business information or data other than “Trade Secrets” (as defined below). “Confidential Information” also includes any items specifically designated as a Trade Secret that are ultimately determined under applicable law not to constitute a “trade secret” but that otherwise meet the definition of Confidential Information. FRANCHISEE ACKNOWLEDGES THAT THE TERMS OF THIS AGREEMENT ARE CONFIDENTIAL INFORMATION.

(c) “Cultivate Locations” – High-end restaurants that offer a luxury café experience and operate under the System and the Marks.

(d) “Entity” - A corporation, partnership, sole proprietorship, company, firm, limited liability company, joint venture, trust, business association, organization, joint stock company, unincorporated organization, union, group acting in concert, governmental entity or other entity.

(e) “Immediate Family” - Spouse, parents, brothers, sisters and children, whether natural or adopted.

(f) “Marks” - The current and future trade names, trademarks, service marks and trade dress used to identify the services and/or products offered by Cultivate Locations, including the trademarks “Cultivate”, “Cultivate Coffee”, and “Cultivate Food + Coffee” and the distinctive building design and color scheme of Cultivate Locations.

(g) “Operations Manual” - Our confidential operations manual, as amended from time to time, which may consist of one or more manuals, including, without limitation, any Cultivate operating system manual, menu compliance manual and management training manual, containing Franchisor’s mandatory and suggested standards, specifications and operating procedures relating to the development and operation of Cultivate Locations and other information relating to Developer’s obligations under this Agreement. The term “Operations Manual” also includes alternative or supplemental means of communicating such information by other media which specifically reference that they are to be considered part of the Operations Manual, including items that may be posted on the cloud, Internet or an extranet, bulletins, computer drives, etc.

(h) “Owner” - Each Person that has a direct or indirect legal or beneficial ownership interest in Developer, if Developer is an Entity.

(i) “Person” – An individual or an Entity.

(j) “System” - The business methods, designs and arrangements for developing and operating Cultivate Locations, which include, without limitation, the Marks, building design and layouts, equipment, ingredients, recipes, methods of preparation and specifications for authorized food and beverage products, training, methods of inventory control and certain operating and business standards and policies, all of which Franchisor may improve, further develop or otherwise modify from time to time.

(k) “Trade Secrets” – The information (including, but not limited to, confidential business information, technical or non-technical data, formulas, patterns, compilations, programs, devices, methods, techniques, drawings, processes, financial data, financial plans, product plans, list of actual or potential customers or suppliers) that: (a) derives economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use; and (b) is the subject of efforts that are reasonable under the circumstances to maintain its secrecy. To the extent that applicable law mandates a definition of “trade secret” that is inconsistent with the foregoing definition, then the foregoing definition shall be construed in such a manner as to be consistent with the mandated definition under applicable law.

(l) “Transfer” or similar words - The voluntary, involuntary, direct or indirect sale, assignment, transfer, license, sublicense, sublease, collateral assignment, grant of a security, collateral or conditional interest, inter-vivos transfer, testamentary disposition or other disposition of this Agreement, any interest in or right under this Agreement or any form of ownership interest in Developer, if an Entity, or any Owner that is an Entity including: (i) any transfer, redemption or issuance of a legal or beneficial ownership interest in the capital stock of, or a membership or partnership interest in, or of any interest convertible to or exchangeable for capital stock of, or a membership or partnership interest in, Developer or any Owner of Developer that is an Entity; (ii) any merger or consolidation between Developer or any Owner of Developer that is an Entity, on the one hand, and another Entity, on the other hand, whether or not Developer, or such Owner of Developer that is an Entity, as applicable, is the surviving Entity; (iii) any transfer in, or as a result of, a divorce, insolvency, corporate or partnership dissolution proceeding or otherwise by operation of law; or (iv) any transfer upon death of Developer or of any of Developer’s Owners by will, declaration of or transfer in trust or under the laws of interstate succession.

(m) “Unit” - Any Cultivate Location developed pursuant to this Agreement.

2. GRANT OF DEVELOPMENT RIGHTS.

During the term of this Agreement, Franchisor hereby grants to Developer, subject to the terms and conditions contained herein, the right to establish and operate the number and type of Units set forth on the development schedule (the “Development Schedule”) attached hereto as Exhibit A. Each Unit to be established hereunder shall be located in the non-exclusive area described in Exhibit A (the “Development Area”). Within Franchisor’s discretion, Franchisor may consider sites proposed by Developer outside the Development Area, which will count toward the Development Schedule if approved by Franchisor. The operation of any Unit established pursuant to this Agreement shall be governed by an individual franchise agreement to be entered into between Franchisor and Developer in accordance with Section 8 below (each, a “Franchise Agreement”, and collectively, the “Franchise Agreements”).

3. TERRITORIAL PROTECTIONS AND RESERVATION OF RIGHTS.

3.01 No Territorial Protection. Developer may establish the Units required to be developed hereunder at any location within the Development Area provided that Franchisor, in its sole discretion, consents in writing to the location, the location is in a state where Franchisor is permitted to sell franchises for Cultivate Locations, the location is not at a Non-Traditional Site (unless Franchisor otherwise agrees in its sole discretion) and the location is not located in a territory in which any other franchisee of Cultivate Locations has a protected territory or a right of first refusal. Developer acknowledges and agrees that nothing herein shall, or shall be deemed to, grant to Developer exclusive territorial rights, a protected territory or other rights to exclude, control or impose conditions on the location or development of other or future Cultivate Location or on Franchisor’s activities. For purposes hereof, a “Non-Traditional Site” means a food court, convention center, airport, train station, subway or

other transportation facility, car or truck rest stop or travel center, lifestyle center, hotel, casino, college or other school, sports stadium, theme park, business campus, hospital, military base or other government office or any such other location that Franchisor determines, in its sole discretion, to be non-traditional as a location for a Cultivate Location.

3.02 Reservation of Rights. Notwithstanding anything to the contrary set forth herein, Franchisor retains the right, in its sole discretion, to:

(a) establish and operate, and grant to other franchisees or licensees the right to establish and operate, a Cultivate Location or any other business using the Marks, the System or any variation of the Marks or the System, in any location within or outside of the Development Area, including, without limitation, at Non-Traditional Sites, and on any terms and conditions that Franchisor deems appropriate;

(b) develop, use and franchise anywhere (including within the Development Area) the rights to any trade names, trademarks, service marks, commercial symbols, logos, emblems, signs, slogans, insignia, patents or copyrights not designated by Franchisor as Marks, for use with similar or different franchise systems for the sale of similar or different products or services than those constituting a part of the System, without granting Developer any rights therein;

(c) own, operate, franchise or license anywhere restaurants or cafés of any other type whatsoever operating under marks other than the Marks; and

(d) offer, distribute, sell and provide products or services identified by the Marks or other trademarks, service marks, commercial symbols or emblems to customers located anywhere within and outside the Development Area through any distribution channel or method, including grocery stores, convenience stores, the Internet (or any other existing or future form of electronic commerce), smart phone applications and delivery services without compensation to Developer.

4. TERM.

Unless earlier terminated in accordance with the terms and conditions set forth herein, this Agreement shall commence as of the Effective Date and shall automatically expire, without any action on the part of either party being necessary, on the date upon which the operations of the final Unit to be developed hereunder are required to commence in accordance with the Development Schedule.

5. DEVELOPMENT FEE.

Upon the execution of this Agreement, Developer shall pay to Franchisor the development fee set forth on Exhibit A (the “Development Fee”) in full. Developer acknowledges and agrees that the Development Fee is paid as consideration for Franchisor granting Developer the right to establish, open and operate the number of Units set forth on the Development Schedule, and that the Development Fee is fully earned by Franchisor at the time this Agreement is signed and shall not be refundable for any reason. Provided that a Unit is established in accordance with the Development Schedule, that portion of the Development Fee allocated to such Unit on Exhibit A shall be credited towards the payment of the franchise fee payable under the Franchise Agreement (the “Franchise Fee”) for such Unit. In the event a Unit is not established in accordance with the Development Schedule, that portion of the Development Fee that would have otherwise been credited towards the payment of the Franchise Fee for such Unit shall be forfeited and retained by Franchisor. If for any reason this Agreement terminates before all or a portion of the Development Fee has been applied to the Franchise Fees, Franchisor will retain the

unapplied portion of the Development Fee to compensate itself for its time, effort and foregone opportunities.

6. FRANCHISE FEES.

The amount of the Franchise Fee for each Unit to be established hereunder is set forth on Exhibit A. The Franchise Fee for each Unit is to be paid in addition to the Development Fee; provided, however, as long as Developer is in compliance with the Development Schedule, the Development Fee shall be credited against Franchise Fees as provided for in Section 5 above. Each Franchise Fee associated with a Unit, to the extent any is due and owing in excess of the portion of the Development Fee credited thereto, if any, will be paid upon the execution and delivery of the Franchise Agreement covering such Unit.

7. DEVELOPMENT SCHEDULE.

7.01 Compliance With Development Schedule. Developer must (a) establish and open the specified minimum number of units on or before each of the dates specified on the Development Schedule (each, a “Required Date”) and (b) maintain the specified minimum number of Units in continuous operation as specified on the Development Schedule, in each case, in accordance with the Franchise Agreement applicable thereto. Subject to the other terms of this Section 7, Developer’s failure to comply with the foregoing requirements shall constitute a default under this Agreement. Developer acknowledges and understands that this Agreement requires it to open Units in the future pursuant to the Development Schedule. Developer further acknowledges and understands that the estimated investment requirement and fees and expenses set forth in Franchisor’s franchise disclosure document are subject to increase and change over time, and that future Units developed hereunder will most likely require a greater initial investment and increased operating capital than those detailed in the franchise disclosure document provided to Developer in connection with the execution of this Agreement.

7.02 Compliance Month Bank. For purposes of compliance with the Development Schedule and Section 7.01 above, Developer will have a “Compliance Month Bank” which will provide credit for Units that are opened by Developer prior to the Required Date, and will allow for the opening of a Unit after the Required Date without placing Developer in default of this Agreement, on the terms set forth in this Section 7.02. Developer will begin with a balance in the Compliance Month Bank as of the Effective Date of the number of months set forth on Exhibit A. If Developer opens a Unit before the Required Date (and has otherwise maintained the specified number of Units as specified on the Development Schedule, and is not in default under this Development Agreement or any Franchise Agreement), the balance in the Compliance Month Bank will be increased by one (1) unit for each full month by which the actual opening date preceded the Required Date. If Developer opens a Unit after the Required Date, Developer will be entitled to a one-time extension of the opening date, without being in default under this Agreement and without paying the Late Opening Fee, as defined in and pursuant to Section 7.03 below, for the number of months equal to or less than the then-current balance in the Compliance Month Bank and, upon opening of the Unit, the balance in the Compliance Month Bank will be reduced by the number of months or partial months between the Required Date and the actual opening date of the Unit.

7.03 Extension of Development Schedule. If Developer will not open a Unit by the Required Date, and does not then have a positive balance in the Compliance Month Bank, Developer will have the right to a one-time extension of up to six (6) months from the Required Date (the “Extension Period”), upon written notice by Developer to Franchisor received by Franchisor prior to the Required Date, which notice shall state that Developer will not open the Unit by the Required Date and that Developer agrees to pay the Late Opening Fee. For purposes of this Agreement, the “Late Opening Fee” shall be an amount equal to \$1,000 per full or partial week, payable in advance on Monday of each such week, commencing

on the Required Date (as specified on the Development Schedule) and continuing until the actual opening date of the Unit. If Developer fails to open the Unit on or before the expiration of the Extension Period, Developer shall be in default under this Agreement. Notwithstanding anything contained in this Section 7.03 to the contrary, if Developer establishes by written notice to Franchisor, along with reasonable supporting evidence provided to Franchisor, that its failure to timely open the Unit is the result of a Force Majeure Event (as defined below), then the opening date for the Unit will be extended for the duration of the Force Majeure Event; provided however, that such extension shall in no event exceed sixty (60) days, at which time Developer shall be subject to the terms of Section 7.02 and this Section 7.03 commencing on the expiration of such sixty (60) day period. Following the end of the Force Majeure Event, Developer will provide written notice to Franchisor setting forth that such Force Majeure Event has ended and Developer's plan to resume the opening of the Unit by a date that is reasonable under the circumstances, but in no event later than ninety (90) days following the end of the Force Majeure Event. During such ninety (90) day period, Developer shall be subject to the terms of Section 7.02 and this Section 7.03.

8. FRANCHISE AGREEMENTS.

Within ten (10) days after Franchisor approves the proposed site of a Unit, Developer must (i) sign and deliver to Franchisor two (2) copies of Franchisor's then-current Franchise Agreement for the Unit, together with any ancillary agreements required thereby, and (ii) pay Franchisor the applicable Franchise Fee and other amounts as required therein but consistent with Section 6 above. Once Franchisor has received the signed Franchise Agreement, the Franchise Fee and all ancillary items it requires in satisfactory form, Franchisor will countersign the Franchise Agreement and return one (1) fully signed copy to Developer. Developer understands that any obligation or liability Developer incurs with respect to the proposed Unit or location before Franchisor has approved it in writing and sent Developer the countersigned Franchise Agreement is at Developer's sole risk, and will be Developer's sole responsibility. With respect to any Franchise Agreement executed in connection with this Agreement, Franchisor acknowledges and agrees that:

(a) the initial term of each Franchise Agreement shall be ten (10) years with an option to receive a successor franchise for that Unit for one (1) additional ten (10) year period (upon satisfaction of the conditions set forth therein);

(b) the maximum amount of required advertising expenditures (expressed as a percentage of gross sales) under any Franchise Agreement shall not exceed the maximum amount of any required advertising expenditures set forth in the initial Franchise Agreement executed by Developer and Franchisor (the "Initial Franchise Agreement");

(c) neither the geographic scope nor the length of time of the post-termination covenant not to compete in any Franchise Agreement shall be increased from that which is set forth in the Initial Franchise Agreement; and

(d) no material change in the termination provisions of a Franchise Agreement shall be made from those set forth in the Initial Franchise Agreement.

Developer shall comply with Franchisor's then-current franchising policies and procedures for execution of each Franchise Agreement. Franchisor shall be under no obligation to execute a Franchise Agreement unless Developer has complied in a timely manner with all of the terms and conditions of this Agreement and has satisfied all requirements set forth herein with respect to the execution of the Franchise Agreement. In addition, Franchisor shall be under no obligation to execute a Franchise Agreement if Developer is in breach or default of any Franchise Agreement or any other agreement between Franchisor and Developer. If any Franchise Agreement contemplated by this Agreement is

executed by Franchisor, it shall supersede this Agreement and govern the relationship between the parties hereto with respect to the Unit that is the subject matter of such Franchise Agreement, and this Agreement shall be of no further force or effect with respect thereto.

9. SITE SELECTION AND ACCEPTANCE; CONSTRUCTION; COUNSELING.

9.01 Site Selection and Acceptance. Developer is responsible for locating proposed sites for the Units to be established hereunder. Franchisor will offer advice to Developer with respect to potential Unit sites; provided, however, in no event shall Franchisor be liable to Developer in connection with providing any such advice or any assistance related thereto. Upon Developer's selection of a proposed site for a Unit, Developer shall promptly submit to Franchisor such data and information about such site as reasonably requested by Franchisor, utilizing such forms as may be required by Franchisor, and a copy of any lease, sublease or purchase agreement to be entered into in connection with the acquisition of such site. Franchisor shall either accept or reject the proposed site utilizing its then-current site selection policies and procedures. As a condition to accepting a proposed site to be leased or subleased, Developer must sign, and cause the lessor and/or sublessor of the proposed site to sign, the form of lease rider attached as an exhibit to the Franchise Agreement to be executed with respect to the Unit to be located at such site. Upon submission of each proposed lease for the Unit, Developer may be required to pay Franchisor or its designated supplier (which may be an affiliate of Franchisor) a lease review fee of approximately One Thousand Five Hundred Dollars (\$1,500) ("Lease Review Fee"). The Lease Review Fee pays the expenses Franchisor incurs to review certain provisions of the lease solely for its own purposes. Franchisor's review of a proposed lease is not for Developer's benefit, and Franchisor does not guarantee that the terms, including rent, will represent the most favorable terms available in that market. In addition, Developer acknowledges and agrees that Franchisor's acceptance of a proposed site may be conditioned upon Developer meeting certain other requirements (including, without limitation, the negotiation of additional terms and conditions satisfactory to Franchisor to any lease, sublease or purchase agreement for the proposed site), and if Developer does not meet such requirements, or is unable to meet such requirements within a reasonable time, the site will be deemed rejected. To be effective, any acceptance of a proposed site by Franchisor must be in writing. Developer acknowledges and agrees that Franchisor may reject any proposed site for any reason in its sole discretion, in which event Developer may not develop a Unit at such site, but must locate another proposed site for the Unit and submit it to Franchisor for acceptance in accordance with this Section 9.01. Developer hereby acknowledges that, for each visit after the first visit to any one selected Unit site, Franchisor shall have the right, at its option, to charge Developer a fee for such site visit(s) to Developer's selected Unit site(s) for purposes of approving a Unit site. If charged, this fee shall be a reasonable fee, estimated at \$500 per site visit plus any reasonable expenses Franchisor incurs in connection with such site selection and review of plans and specifications provided with respect thereto (after Franchisor's review of the first site selected for a particular Unit and first plans and specifications provided with respect thereto).

9.02 Disclaimer. The acquisition in any manner of any proposed site, whether by option, purchase, lease or otherwise, before written acceptance by Franchisor shall be at the sole risk and responsibility of Developer and shall not obligate Franchisor in any way to accept such site or enter into a Franchise Agreement with Developer for the operation of a Unit at such site. Developer understands and agrees that Franchisor's approval of a site (including any lease, sublease, or purchase agreement) for a Unit is not an assurance or a guarantee by Franchisor of the suitability of such site for a Unit or the success of any particular Unit established at such site. Developer acknowledges and agrees that the suitability of a site and the success of any Unit depend on many factors outside the control of either Franchisor or Developer (including, without limitation, such factors as interest rates, unemployment rates, demographic trends and the general economic climate) and further principally depends on Developer's efforts in the operation of the Unit. In no event shall Franchisor be liable to Developer in connection with providing any assistance or advice with respect to the selection of a site. In no event shall Franchisor be

obligated to loan money, guarantee leases, subleases or purchase agreements, provide financing or otherwise become directly involved and/or obligated to Developer or to any third party in respect of such site selection or development of any Unit.

9.03 Construction of Accepted Site. Upon Franchisor's written acceptance of a proposed site in accordance with Section 9.01 above, Developer shall proceed promptly to enter into the approved lease, sublease or purchase agreement for the accepted site and obtain all necessary zoning, building and other governmental or regulatory approvals and permits required for the establishment and build-out of the Unit. Franchisor shall provide Developer with a set of standard architectural plans and specifications for a prototype Unit, as applicable. Before commencing with the construction of the Unit to be established at the approved site, Developer shall, at its expense, furnish to Franchisor for Franchisor's written approval proposed preliminary site and construction plans and specifications (which plans and specifications shall have been developed from the prototype plans provided by Franchisor) for the Unit which, if accepted, shall not thereafter be modified, altered or changed without Franchisor's prior written consent. In addition, Developer shall furnish Franchisor with such information relating to the construction of the Unit and development of the accepted site as Franchisor may from time to time request, which may include, without limitation, copies of all commitments and plans for construction and financing, the contact name, address and telephone number for any lenders and contractors, and a copy of any construction or financing agreements. Developer shall commence construction of the Unit in accordance with the accepted site and construction plans and specifications as soon as possible and shall complete construction thereof, including the acquisition and installation of all equipment specified by Franchisor, and have the Unit ready to open for business within nine (9) months after Franchisor's execution of the Franchise Agreement for such Unit. Franchisor and its agents shall have the right to inspect the construction site at any reasonable time without prior notice. Developer shall correct, upon Franchisor's request and at Developer's expense, any deviation from any approved site or construction plans or specifications. Franchisor assumes no responsibility for the quality of any construction because of any inspections made by it or any reports or recommendations made as a result of such inspections.

9.04 Counseling and Advisory Services. During the term of this Agreement, Franchisor may, in its sole discretion, upon request of Developer, furnish counseling and advisory services to Developer with respect to the development and construction of the Units to be established hereunder, including consultation and advice regarding the following: (a) parking and building layouts; (b) traffic planning; (c) construction and financing of the unit and other improvements, including contractor selection and the construction cycle; (d) equipment selection and layout; and (e) working with government officials, landlords and architects. These counseling and advisory services shall occur at Developer's offices or via telephone or email. Franchisor shall provide such assistance at no expense to Developer; provided, however, Franchisor reserves the right, in its sole discretion, to charge Developer a reasonable fee for unusual, extensive or extraordinary assistance requested by Developer and/or require Developer to reimburse Franchisor for expenses incurred by it in connection with providing such counseling and advisory services. In no event shall Franchisor be liable to Developer in connection with providing or failing to provide such services.

10. RESTRICTIVE COVENANTS.

10.1 Covenants Not to Compete. For purposes of this Agreement, "Covenanting Personnel" means Developer's shareholders, members, directors, and officers as added to, deleted from or replaced from time to time. In consideration of the valuable training Franchisor provides to Developer, the disclosure to Developer of Franchisor's Confidential Information and Trade Secrets, and Developer's recognition of Franchisor's need to protect the integrity of the System, Developer agrees that it will comply with the following restrictions, which Developer acknowledges and agrees are reasonable and

necessary to protect Franchisor's legitimate interests, the interests of Franchisor's other franchisees and developers and the integrity of Franchisor's System:

(a) Neither Developer nor any of the Covenanting Personnel, nor any Person controlling, controlled by, or under common control with Developer or the Covenanting Personnel during the Term of this Agreement, or, in the case of such Covenanting Personnel, during the period when each such individual is a member of the Covenanting Personnel, will, individually or jointly with others, directly or indirectly, by, through or on behalf of, or in conjunction with, any Person, regardless of location:

(i) Own, maintain, operate, engage in, or have any interest in any business engaged in the retail sale of fast-casual brunch, organic coffee, and other menu and carry-out items and merchandise ("Competing Activity"), other than a Unit or another business Developer or they operate pursuant to an agreement with Franchisor, without Franchisor's prior written consent, except that any such Person may purchase or hold less than five percent (5%) of the shares of any publicly traded business engaged in a Competing Activity; or

(ii) Act as a director, officer, partner, member, employee, independent contractor, consultant, principal, agent, or proprietor, or participate or assist in the establishment or operation of, directly or indirectly, any business engaged in a Competing Activity; or

(iii) Divert or attempt to divert any business from any Unit or Franchisor.

(b) Neither Developer nor any of the Covenanting Personnel, nor any Person controlled, controlled by, or under common control with Developer or the Covenanting Personnel, beginning at the expiration or termination of this Agreement and for twenty-four (24) months thereafter within the Development Area, or any former development area territory, or within five (5) miles of any Cultivate Location, individually or jointly with others, directly or indirectly, by, through or on behalf of, or in conjunction with, any Person:

(i) Own, maintain, operate, engage in, or have any interest in, any business engaged in a Competing Activity without Franchisor's prior written consent, except pursuant to another agreement with Franchisor, and further except that any such person may purchase or hold less than five percent (5%) of the shares of any publicly traded business engaged in a Competing Activity; or

(ii) Act as a director, officer, partner, member, employee, independent contractor, consultant, principal, agent, or proprietor, or participate or assist in the establishment or operation of, directly or indirectly, any business engaged in a Competing Activity; or

(iii) Divert or attempt to divert any business from any Unit or Franchisor.

(c) In the event of any arbitration or litigation related to the Restrictive Covenants in this Agreement, Developer, on Developer's behalf and on behalf of the Covenanting Personnel, hereby directs any third party construing this Agreement, including without limitation any court, arbitrator, mediator, jury, or other party acting as a trier of fact or law:

(i) To conclusively presume that the restrictions set forth in this Agreement are reasonable and necessary in order to protect: (i) Franchisor's legitimate interests, including its other franchisees and developers and the integrity of the System; (ii) the confidentiality of the

Confidential Information and the secrecy of the Trade Secrets; (iii) Franchisor's investment in the System; and (iv) the goodwill associated with the System.

(ii) To conclusively presume that the Restrictive Covenants were made freely and voluntarily by and between Developer and Franchisor, as two independent businesses, together with Developer's Covenanting Personnel to whom Franchisor delivered good and adequate consideration, in an arms-length commercial transaction between skilled and experienced business operators.

(iii) To conclusively presume that the restrictions set forth in this Agreement will not prevent Developer and Developer's Covenanting Personnel from earning a livelihood, whether during the Term of this Agreement or in the event of the termination or expiration of this Agreement.

(iv) To conclusively presume that any violation of the terms of the restrictions in this Agreement by Developer and/or Developer's Covenanting Personnel was accompanied by the misappropriation and inevitable disclosure of Franchisor's Confidential Information, Trade Secrets, and other methods and procedures.

(v) To construe the Restrictive Covenants of this Agreement under the laws governing distribution contracts between commercial entities in an arms-length business transaction, and not under laws governing contracts of employment.

(d) This "Restrictive Covenants" Section 10 is and has been a primary inducement to Franchisor to enter into this Agreement, and, in the event of any breach of this Section 10, Developer acknowledges and agrees that Franchisor would be irreparably injured and without adequate remedy at law. Therefore, in the event of a breach or a threatened or attempted breach of any provision of this Section 10, Developer agrees that Franchisor is entitled, in addition to any other remedies Franchisor may have under this Agreement or at law or in equity, including the right to terminate this Agreement, to a preliminary and permanent injunction, and a decree for specific performance of the terms of this Section 10 without the necessity of showing actual or threatened damage and without being required to furnish a bond or other security.

10.02 Confidential Information. Developer acknowledges that it may be exposed to certain Confidential Information and/or Trade Secrets of Franchisor during the term of the Franchise Agreement, and that Developer's unauthorized use or disclosure of such information or data could cause immediate and irreparable harm to Franchisor. Accordingly, except to the extent that it is necessary to use such information or data to perform its express obligations under this Agreement, Developer shall not (and shall take diligent measures to ensure that none of its employees or other personnel shall), without the express prior written consent of Franchisor, publish, disclose, transfer, release, or divulge to any other Person, or use or modify for use, directly or indirectly, in any way for any Person:

(a) Any of the Confidential Information during the term of this Agreement and for a period of two (2) years after the termination of this Agreement; and

(b) Any of the Trade Secrets at any time (whether before or after termination of this Agreement) during which such information shall constitute and rise to the level of a trade secret under the Georgia Trade Secrets Act or other applicable trade secrets law (or for the maximum duration otherwise allowed under applicable trade secrets law).

The Parties acknowledge and agree that Franchisor's Trade Secrets include, but are not limited to, product marketing and promotions techniques and plans, financial data and plans, and any components of the System that fall within the definition of "Trade Secret."

THE PARTIES ACKNOWLEDGE AND AGREE THAT FRANCHISOR'S CONFIDENTIAL INFORMATION INCLUDES BUT IS NOT LIMITED TO: THE TERMS AND CONDITIONS OF THIS AGREEMENT; THE CONTENTS OF THE OPERATIONS MANUAL (EXCEPT FOR ANY INFORMATION IN THE OPERATIONS MANUAL THAT WOULD CONSTITUTE A "TRADE SECRET"); AND ANY COMPONENT OF THE SYSTEM THAT DOES NOT CONSTITUTE A "TRADE SECRET" BUT THAT OTHERWISE MEETS THE DEFINITION OF "CONFIDENTIAL INFORMATION."

In addition, notwithstanding anything in this Agreement to the contrary, Developer may, in accordance with any applicable law, including the federal Defend Trade Secrets Act, disclose Confidential Information, including Franchisor's Trade Secrets, (a) in confidence, to federal, state, or local government officials, or to Developer's attorney, for the sole purpose of reporting or investigating a suspected violation of law; or (b) in a document filed in a lawsuit or other legal proceeding, but only if the filing is made under seal and protected from public disclosure.

10.03 Developer Required to Obtain Non-Disclosure Agreements from Its Employees That are Exposed to Franchisor's Confidential Information. Developer's Personnel may be exposed to Franchisor's Confidential Information as needed to assist in operating a Unit and Developer's business. Developer may *only* disclose such information to its employees, agents, and representatives as needed to operate such Unit or Developer's business. Developer shall obtain a non-disclosure agreement restricting the disclosure of Franchisor's Confidential Information from each such employee, agent, or representative.

10.04 Injunctive Relief Available to Franchisor. Developer acknowledges that any failure to comply with the requirements of this Section 10 of this Agreement will cause Franchisor irreparable injury, and Franchisor shall be entitled to obtain specific performance of, or temporary, preliminary, and/or permanent injunctive relief against any violation of, such requirements. Developer agrees to pay all court costs and reasonable attorneys' fees incurred by Franchisor in obtaining specific performance of, or temporary, preliminary, and/or permanent injunctive relief against, violation of the requirements of this Agreement. The foregoing remedies shall be in addition to any other legal or equitable remedies that Franchisor may possess.

10.05 Construction, Modification, and Choice of Law.

(a) In the event that this Section 10 is construed by a court, arbitrator, mediator, jury, or other party acting as a trier of fact or law, Developer hereby directs such court, arbitrator, mediator, jury, or other party to broadly construe all provisions contained in this Section 10 in favor of enforcement.

(b) In the event that this Section 10 is construed by a court, arbitrator, mediator, jury, or other party acting as a trier of fact or law, and such court, arbitrator, mediator, jury, or other party finds any provision contained in this Section 10 to be invalid or unenforceable for any reason, Developer hereby directs such court, arbitrator, mediator, jury, or other party to modify such provision to the minimum extent necessary to make it valid and enforceable, and Developer agrees that such modification shall be deemed to have been a part of this Agreement as of the Effective Date.

Developer specifically acknowledges and agrees that the provisions set forth in this Section 10 must be enforced even if Developer fails to develop any Cultivate Locations because Developer will receive

valuable information and training about the System and Cultivate Locations before Developer commences operations. Accordingly, Developer agrees that Franchisor shall have the right to enforce this Section 10 even if Developer does not develop any Cultivate Locations.

10.06 Covenants are Independent. The parties agree that each of the foregoing covenants shall be construed to be independent of any other covenant or provision of this Agreement. If all or any portion of the covenants in this Section 10 is held to be unenforceable or unreasonable by a court or agency having competent jurisdiction in any final decision to which Franchisor is a party, Developer expressly agrees 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 resultant covenant were separately stated in and made a part of this Section 10 of this Agreement.

10.07 Claims are Not Defenses to Covenants. Developer expressly agrees that the existence of any claim it may have against Franchisor, whether or not arising from this Agreement, shall not constitute a defense to the enforcement by Franchisor of the covenants of this Section 10 of this Agreement. Developer further agrees that Franchisor shall be entitled to set off any amount owed by Franchisor to Developer against any loss or damage to Franchisor resulting from Developer's breach of this Section 10 of this Agreement.

11. NO RIGHT TO OPERATE OR USE TRADEMARKS.

Developer acknowledges and agrees that (a) until a Franchise Agreement has been entered into for a specific Unit, Developer shall not have, nor be entitled to exercise, any of the rights, powers and privileges granted by such Franchise Agreement, including, without limitation, the right to use the Marks or the System; (b) the execution of this Agreement shall not be deemed to grant any such rights, powers or privileges to Developer; and (c) Developer may not under any circumstances commence operations of any Unit before Franchisor's execution of a Franchise Agreement with respect thereto.

12. TRANSFER.

12.01 Franchisor's Approval. The rights and duties created by this Agreement are personal to Developer or, if Developer is an Entity, its Owners. Accordingly, neither Developer nor any of its Owners may Transfer this Agreement or any of its rights or obligations hereunder, or suffer or permit any such Transfer of this Agreement or its rights or obligations hereunder to occur by operation of law or otherwise without the prior written consent of Franchisor. In addition, if Developer is an Entity, its Owners may not Transfer their equity interests in such Entity, without the prior written consent of Franchisor. Furthermore, in the event that any Owner is an Entity, the interests of the shareholders, members, partners, beneficiaries, investors or other equity holders, as the case may be, in such Owner, may not be Transferred, without the prior written consent of Franchisor. Franchisor will not unreasonably withhold consent to a Transfer provided the requirements of Section 12.02 have been satisfied. Any Transfer in violation of this Section shall be void and of no force and effect.

12.02 Conditions for Approval. If Franchisor has not exercised its right of first refusal under Section 12.05, Franchisor will not unreasonably withhold its approval of a Transfer that meets all of the reasonable restrictions, requirements and conditions Franchisor may impose on the Transfer, the transferor(s) and/or the transferee(s), including the following:

(a) Developer and its Owners and Affiliates must be in compliance with the provisions of this Agreement and all other agreements with Franchisor or any of its Affiliates and have paid all outstanding amounts owed thereto;

(b) the proposed transferee and/or the controlling persons of the proposed transferee must have a satisfactory credit rating, be of good moral character, have business qualifications satisfactory to Franchisor, be willing to enter into an agreement in writing to assume and perform all of Developer's duties and obligations hereunder and/or enter into a new development agreement, if so requested by Franchisor, and agree to enter into any and all agreements with Franchisor that are then required of all new area developers, including a guaranty agreement, or any other agreement which may require payment of different or increased fees from those paid under this Agreement;

(c) the transferee (or its operating partner) and its managers have completed the initial training program or must be currently certified by Franchisor to operate and/or manage a Cultivate Location;

(d) Developer or the proposed transferee must pay us a (i) transfer fee equal to the greater of 10% of the then current initial franchise fee being charged by Franchisor with respect to Units of the type being developed hereunder or Five Thousand Dollars (\$5,000) plus (ii) reimbursement for all legal, training and other expenses incurred by Franchisor in connection with the Transfer;

(e) Developer and its Owners and Affiliates must, except to the extent limited or prohibited by applicable law, execute a general release, in form and substance satisfactory to Franchisor, of any and all claims against Franchisor and its Affiliates, stockholders, members, officers, directors, managers, employees, agents, successors and assigns;

(f) The material terms and conditions of the Transfer are not so burdensome as to be likely, in Franchisor's reasonable judgment, to adversely affect the transferee's ability to develop the Units or its compliance with its development agreements and any other agreements being transferred; and

(g) if Developer (or any of its Owners or Affiliates) finance any part of the sale price of the transferred interest, Developer and/or such Owners or Affiliates must agree that all obligations of the transferee, and security interests reserved by any of them in the assets transferred, will be subordinate to the transferee's obligations to pay all amounts due Franchisor and its Affiliates.

12.03 Special Transfers. Neither Section 12.05 nor Section 12.02(d)(i) shall apply to any Transfer to an Entity formed solely for the convenience of ownership, among any of Developer's then-current Owners or to any member of Developer's Immediate Family or the Immediate Family of a then-current Owner of Developer.

12.04 Death or Disability of Developer. Upon Developer's death or permanent disability, or the death or permanent disability of an Owner of a controlling interest in Developer, the executor, administrator or other personal representative of such person shall transfer his or her interest in this Agreement or his or her interest in this Agreement or his or her interest in Developer to a third party approved by Franchisor in accordance with all of the applicable provisions of Section 12 within a reasonable period of time, not to exceed nine (9) months from the date of death or permanent disability.

12.05 Franchisor's Right of First Refusal. If Developer or any of its Owners desire to consummate a Transfer, Developer or such Owner must obtain a *bona fide*, executed written offer from a responsible and fully disclosed purchaser and must deliver immediately to Franchisor a complete and accurate copy of such offer. If the offeror proposes to buy any other property or rights from Developer or any of its Owners or Affiliates (other than rights with respect to other Cultivate Locations or an ownership interest therein) as part of the *bona fide* offer, the proposal for such property or rights must be set forth in a separate, contemporaneous offer that is fully disclosed to Franchisor, but which will not be part of this right of first refusal.

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

If Franchisor exercises its option to purchase, Franchisor is entitled to purchase such interest subject to all representations and warranties, closing documents and indemnities as are customary for a transaction of this type. If Franchisor does not exercise its option to purchase, Developer or its Owners, as applicable, may complete the sale to such offeror pursuant to and on the exact terms of such offer, subject to Franchisor's approval of the Transfer as provided in Sections 12.01 and 12.02, provided that if the sale to such offeror is not completed within ninety (90) days after delivery of such offer to Franchisor, or if there is a material change in the terms of the offer, Developer or such Owners, as applicable, must promptly notify Franchisor, which will have an additional option to purchase (on the terms of the revised offer, if any, and otherwise as set forth herein) during the thirty (30)-day period following such notification of the expiration of the ninety (90)-day period or the material change to the terms of the offer.

12.06 Transfer by Franchisor. This Agreement may be unilaterally assigned by Franchisor and shall inure to the benefit of its successors and assigns. Developer agrees and affirms that Franchisor may sell itself, its assets, the Marks and/or the System to a third-party; may go public; may engage in private placement of some or all of its securities; may merge, acquire other Entities, or be acquired by another Entity; and/or may undertake a refinancing, recapitalization, leveraged buyout or other economic or financial restructuring. Developer further agrees and affirms that Franchisor has the right, now or in the future, to purchase, merge, acquire or affiliate with an existing competitive or noncompetitive franchise network, chain or any other business regardless of the location of that chain's or business' facilities, and to operate, franchise or license those businesses and/or facilities as Cultivate Locations operating under the Marks or any other marks following Franchisor's purchase, merger, acquisition or affiliation, regardless of the location of these facilities, which Developer acknowledges may be proximate to any of its Units. With regard to any of the above sales, assignments and dispositions, Developer expressly and specifically waives any claims, demands or damages arising from or related to the loss of Franchisor's name, the Marks (or any variation thereof) and the System and/or the loss of association with or identification of Franchisor under this Agreement.

13. TERMINATION.

13.01 Termination by Developer. Developer may terminate this Agreement if Developer is in substantial compliance with this Agreement and Franchisor materially breaches this Agreement and fails to cure such material breach within ninety (90) days after written notice thereof is delivered to Franchisor. Notwithstanding the foregoing, if the breach is curable but is of a nature that cannot reasonably be cured within such ninety (90) day period and Franchisor has commenced and is continuing to make good faith efforts to cure such breach, Franchisor shall be given an additional sixty (60) day period to cure the same, and this Agreement shall not terminate. In the event of termination by Developer, all post-termination obligations of Developer described herein shall not be waived but shall be strictly adhered to by Developer.

13.02 Termination by Franchisor without a Cure Period. Franchisor may immediately terminate this Agreement upon written notice to Developer, without opportunity to cure, if:

(a) Developer files a petition under any bankruptcy or reorganization law, becomes insolvent, or has a trustee or receiver appointed by a court of competent jurisdiction for all or any part of its property;

(b) Developer seeks to effect a plan of liquidation, reorganization, composition or arrangement of its affairs, whether or not the same shall be subsequently approved by a court of competent jurisdiction; it being understood that in no event shall this Agreement or any right or interest hereunder be deemed an asset in any insolvency, receivership, bankruptcy, composition, liquidation, arrangement or reorganization proceeding;

(c) Developer has an involuntary proceeding filed against it under any bankruptcy, reorganization, or similar law and such proceeding is not dismissed within sixty (60) days thereafter;

(d) Developer makes a general assignment for the benefit of its creditors;

(e) Developer fails to pay when due any amount owed to Franchisor or its Affiliates, whether under this Agreement or not, and Developer does not correct such failure within ten (10) days after written notice thereof is delivered to Developer;

(f) Developer fails to pay when due any amount owed to any creditor, supplier or lessor of any Unit developed hereunder or any taxing authority for federal, state or local taxes (other than amounts being bona fide disputed through appropriate proceedings) and Developer does not correct such failure within ten (10) days after written notice is delivered thereof to Developer;

(g) Developer fails to establish and open Units in accordance with the Development Schedule;

(h) Developer fails to maintain in continuous operation the minimum cumulative number of Units required by the Development Schedule to be in operation during the applicable time period;

(i) Developer or any of the Owners are convicted of or plead no contest to a felony, a crime involving moral turpitude, act of fraud, or any other crime or offense that is likely to adversely affect the reputation of the System and the goodwill associated with the Marks;

(j) Developer makes a material misrepresentation to Franchisor at any time before or after the Effective Date;

(k) Developer, any Owner or any other Person makes an unauthorized Transfer of this Agreement or an ownership interest in Developer or Developer's Owners;

(l) Developer or any Restricted Party or any other employee of Developer breaches or fails to comply fully with Section 10 above;

(m) Developer fails to comply with any Anti-Terrorism Laws as set forth in Section 17.16 below); or

(n) Developer commits a breach or default under any Franchise Agreement or any other agreement between Developer, or its Affiliates, on the one hand, and Franchisor, or its Affiliates, on the other hand, and the breach or default is not cured during the time period required under such Franchise Agreement or other agreement, regardless of whether Franchisor or such Affiliate, as applicable, in fact terminates such Franchise Agreement or other agreement.

13.03 Termination by Franchisor with a Cure Period. In addition to, and without limiting, the termination rights of Franchisor pursuant to Section 13.02 above, Franchisor shall have the right to terminate this Agreement upon thirty (30) days written notice if Developer fails to comply with any other provisions of this Agreement not described in Section 13.02 above and fails to remedy such default during such thirty (30) day period; provided, however, if the default is curable but is of a nature which cannot reasonably be cured within such thirty (30) day period and Developer has commenced and is continuing to make good faith efforts to cure such default, Developer shall be given an additional thirty (30) day period to cure the same, and this Agreement shall not terminate.

13.04 Effect of Expiration or Termination. Upon the expiration or termination of this Agreement for any reason, any and all rights granted to Developer hereunder shall be extinguished immediately, and Developer shall not be relieved of any of its obligations, debts or liabilities hereunder. All rights and licenses granted to Developer hereunder to develop Units shall revert to Franchisor, Franchisor shall have the right to develop, or license others the right to develop, such Units and Developer shall have no further rights to develop further Units. With respect to such Franchise Agreements then in effect, Developer shall retain its interest as a franchisee thereunder, provided that Developer is not in default under such Franchise Agreements. Developer shall promptly pay all sums due to Franchisor or its Affiliates. Upon the termination or expiration of this Agreement, Developer shall also undertake to comply with and/or satisfy those obligations of Developer that by their nature survive the expiration or termination of this Agreement, including: (a) the post-termination/post-expiration covenant not to compete set forth in Section 10.01(b); and (b) those restrictions pertaining to the use of Franchisor's Confidential Information and Trade Secrets as set forth in Section 10. The expiration and termination of this Agreement will be without prejudice to the rights of Franchisor against Developer. All obligations under this Agreement which expressly or by their nature survive the expiration or termination of this Agreement shall continue in full force and effect until they are satisfied in full or by their nature expire.

14. DISCLOSURE OF OWNERSHIP INTERESTS.

Attached hereto as Exhibit C is a description of the legal organization of Developer, the names and addresses of each Owner owning a ten percent (10%) or greater interest in Developer (the "Principal Owners") and the percentage of such interest owned by such Principal Owner. Developer agrees to notify Franchisor in writing whenever there is any change in the organizational structure or ownership interest of Developer as set forth on Exhibit C. Franchisor may require each Principal Owner to execute the Personal Guaranty attached hereto as Exhibit D.

15. INDEPENDENT CONTRACTORS.

Neither this Agreement nor the dealings of the parties pursuant to this Agreement shall create any fiduciary relationship or any other relationship of trust or confidence between the parties hereto. Franchisor and Developer, as between themselves, are and shall be independent contractors. Nothing contained in this Agreement, or arising from the conduct of the parties hereunder, is intended to make either party a general or special agent, joint venturer, joint employer, partner or employee of the other for any purpose whatsoever. Developer must conspicuously identify itself in all dealings with customers, lessors, contractors, suppliers, public officials, employees and others as the developer of the Units and

must place such other notices of independent ownership on such forms, business cards, stationery, advertising and other materials as Franchisor may require from time to time. Developer may not make any express or implied agreements, warranties, guarantees or representations or incur any debt in Franchisor's name or on Franchisor's behalf or represent that the relationship of the parties hereto is anything other than that of independent contractors. Franchisor will not be obligated by or have any liability under any agreements made by Developer with any third party or for any representations made by Developer to any third party. Franchisor will not be obligated for any damages to any person or property arising directly or indirectly out of the operation of Developer's business hereunder.

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

16. DISPUTE RESOLUTION.

16.01 **ARBITRATION.** EXCEPT TO THE EXTENT FRANCHISOR SEEKS INJUNCTIVE OR OTHER EQUITABLE RELIEF TO ENFORCE PROVISIONS OF THIS AGREEMENT, AND EXCEPT FOR CONTROVERSIES, CLAIMS OR DISPUTES BASED ON DEVELOPER'S USE OF THE MARKS, ALL CONTROVERSIES, CLAIMS OR DISPUTES BETWEEN FRANCHISOR AND DEVELOPER ARISING OUT OF OR RELATING TO (A) THIS AGREEMENT OR ANY OTHER AGREEMENT BETWEEN FRANCHISOR AND DEVELOPER, (B) THE RELATIONSHIP BETWEEN DEVELOPER AND FRANCHISOR OR (C) THE SCOPE AND VALIDITY OF THIS AGREEMENT OR ANY OTHER AGREEMENT BETWEEN FRANCHISOR AND DEVELOPER (INCLUDING THE SCOPE AND VALIDITY OF THE ARBITRATION OBLIGATIONS UNDER THIS SECTION, WHICH FRANCHISOR AND DEVELOPER ACKNOWLEDGE IS TO BE DETERMINED BY AN ARBITRATOR AND NOT A COURT) SHALL BE DETERMINED BY ARBITRATION WITH THE AMERICAN ARBITRATION ASSOCIATION ("AAA") AT THE OFFICE OF THE AAA CLOSEST TO FRANCHISOR'S PRINCIPAL EXECUTIVE OFFICE ON THE DATE OF SUBMISSION OF THE MATTER TO THE AAA. SUCH ARBITRATION SHALL BE CONDUCTED BEFORE THREE (3) ARBITRATORS (UNLESS THE PARTIES AGREE TO ONE (1) ARBITRATOR) CHOSEN AS FOLLOWS: FRANCHISOR AND DEVELOPER SHALL EACH SELECT ONE (1) ARBITRATOR. THESE TWO (2) ARBITRATORS SHALL MUTUALLY AGREE ON ONE (1) OTHER ARBITRATOR TO ACT AS THE THIRD ARBITRATOR. ALL SUCH ARBITRATORS MUST HAVE AT LEAST FIVE (5) YEARS OF FRANCHISE LAW EXPERIENCE THE DECISION OF THE ARBITRATORS SHALL BE FINAL AND BINDING UPON ALL PARTIES CONCERNED. SUCH DECISION SHALL BE RENDERED WITHIN THIRTY (30) DAYS OF THE CLOSE OF THE ARBITRATION HEARING RECORD. THE ARBITRATION WILL BE CONDUCTED ON AN INDIVIDUAL, NOT A CLASS-WIDE BASIS, AND THE ARBITRATION PROCEEDING MAY NOT BE CONSOLIDATED WITH ANY OTHER ARBITRATION PROCEEDING BETWEEN FRANCHISOR AND ANY OTHER PERSON. NOTWITHSTANDING

THE FOREGOING OR ANYTHING TO THE CONTRARY IN THIS SECTION OR SECTION 17.08, IF ANY COURT OR ARBITRATOR DETERMINES THAT ALL OR ANY PART OF THE PRECEDING SENTENCE IS UNENFORCEABLE WITH RESPECT TO A DISPUTE THAT OTHERWISE WOULD BE SUBJECT TO ARBITRATION UNDER THIS SECTION 16.01, THEN ALL PARTIES AGREE THAT THIS ARBITRATION CLAUSE SHALL NOT APPLY TO THAT DISPUTE AND THAT SUCH DISPUTE SHALL BE RESOLVED IN A JUDICIAL PROCEEDING IN ACCORDANCE WITH SECTION 16.02 (EXCLUDING THIS SECTION 16.01). THE FEDERAL RULES OF CIVIL PROCEDURE, AS THEY RELATE TO PRETRIAL DISCOVERY, AND THE FEDERAL RULES OF EVIDENCE SHALL APPLY TO THE ARBITRATION. IN ALL OTHER RESPECTS, THE RULES OF THE AAA AND THE UNITED STATES ARBITRATION ACT SHALL CONTROL. JUDGMENT UPON THE AWARD RENDERED BY THE ARBITRATION MAY BE ENTERED IN ANY COURT HAVING COMPETENT JURISDICTION THEREOF.

16.02 JURISDICTION AND VENUE. For actions that are not subject to mandatory arbitration under Section 16.01, DEVELOPER HEREBY SUBMITS AND IRREVOCABLY CONSENTS TO THE EXCLUSIVE JURISDICTION OF THE FEDERAL AND STATE COURTS FOR THE DISTRICT WHERE FRANCHISOR'S PRINCIPAL EXECUTIVE OFFICE IS LOCATED ON THE DATE OF THE FILING OF THE ACTION, AND AGREES NOT TO RAISE AND HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY OBJECTION BASED UPON *FORUM NON CONVENIENS* OR ANY OTHER OBJECTION IT MAY NOW HAVE OR HEREAFTER HAVE TO SUCH JURISDICTION OR VENUE. Further, nothing herein contained shall bar franchisor's right to obtain injunctive relief against threatened conduct that will cause irreparable harm.

16.03 WAIVER OF RIGHT TO JURY TRIAL. TO THE EXTENT NOT PROHIBITED BY APPLICABLE LAW THAT CANNOT BE WAIVED, THE PARTIES HERETO HEREBY WAIVE, AND COVENANT THAT THEY SHALL NOT ASSERT (WHETHER AS PLAINTIFF, DEFENDANT, OR OTHERWISE), ANY RIGHT TO TRIAL BY JURY IN ANY ACTION ARISING IN WHOLE OR IN PART UNDER OR IN CONNECTION WITH THIS AGREEMENT.

16.04 DAMAGES AND TIMING OF CLAIMS. The parties agree that neither party shall have the right to receive or collect punitive or exemplary damages from the other party. Any and all claims and actions arising out of or relating to this Agreement or the relationship between Developer and Franchisor brought by Developer, the Owners or the Restricted Parties against Franchisor shall be commenced within one (1) year from the discovery of the facts giving rise to any such claim or action, or such claim or action shall be barred. The parties understand that such time limit may be shorter than otherwise allowed by law. Developer, the Owners and the Restricted Parties agree that their sole recourse for claims arising between the parties shall be against franchisor and its successors and assigns. Developer, the Owners and the Restricted Parties agree that the owners, directors, managers, officers, employees and agents of Franchisor and its affiliates shall not be personally liable nor named as a party in any action between Franchisor and Developer and/or any owner or restricted party.

17. MISCELLANEOUS.

17.01 Successors and Third Party Beneficiaries. This Agreement and the covenants, restrictions and limitations contained herein shall be binding upon and shall inure to the benefit of Franchisor and its successors and assigns and shall be binding upon and shall inure to the benefit of Developer and its permitted heirs, successors and assigns. Nothing in this Agreement is intended, nor is deemed, to confer any rights or remedies upon any Person not a party hereto. This Agreement is, however, intended to bind the Restricted Parties to the extent set forth in this Agreement.

17.02 Construction. All terms and words used in this Agreement, regardless of the number and gender in which they are used, shall be deemed and construed to include any other number, and any other gender, as the context or sense of this Agreement or any provision hereof may require, as if such words had been fully and properly written in the appropriate number and gender. All covenants, agreements and obligations assumed herein by Developer shall be deemed to be joint and several covenants, agreements and obligations of each of the Persons named as Developer, if more than one Person is so named. Except where this Agreement expressly obligates Franchisor not to unreasonably withhold its approval of any of Developer's actions or requests, Franchisor has the absolute right, in its sole and arbitrary discretion, to refuse any request Developer makes or to withhold its approval of any of Developer's proposed or effected actions that require Franchisor's approval.

17.03 Interpretation and Headings. The parties agree that this Agreement should be interpreted according to its fair meaning. Developer waives to the fullest extent possible the application of any rule that would construe ambiguous language against Franchisor as the drafter of this Agreement. The words "include," "includes" and "including" when used in this Agreement will be interpreted as if they were followed by the words "without limitation". References to section numbers and headings will refer to sections of this Agreement unless the context indicates otherwise. Captions and section headings are used herein for convenience only. They are not part of this Agreement and shall not be used in construing it.

17.04 Governing Law. All matters relating to arbitration will be governed by the Federal Arbitration Act (9 U.S.C. §1 et seq.) except to the extent provided by the Federal Arbitration Act, the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. §1051 et seq.) or other applicable federal law, and the terms of this Agreement shall be interpreted and construed in accordance with the laws of the State of Georgia without regard to its conflicts of laws provisions.

17.05 Notices. Whenever notice is required or permitted to be given under the terms of this Agreement, it shall be given in writing, and be delivered personally, by certified, express or registered mail, or by an overnight delivery service, postage prepaid, addressed to the party to be notified at the respective address first above written, or at such other address or addresses as the parties may from time to time designate in writing. Notices shall be deemed delivered on the date shown on the return receipt or in the delivery service's records as the date of delivery or on the date of first attempted delivery, if actual delivery cannot for any reason be made.

17.06 Costs and Attorneys' Fees. If Franchisor incurs any expenses in connection with Developer's failure to pay any amounts it owes when due, submit any required reports when due or otherwise comply with this Agreement, Developer agrees to reimburse Franchisor for any of the costs and expenses that Franchisor incurs, including, without limitation, reasonable accounting, attorneys', arbitrators' and related fees (including any interest).

17.07 Waiver. No waiver, delay, omission or forbearance on the part of Franchisor to exercise any right, option, duty or power arising from any default or breach by Developer shall affect or impair the rights of Franchisor with respect to any subsequent default of the same or a different kind; nor shall any delay or omission of Franchisor to exercise any right arising from any such default affect or impair Franchisor's rights as to such default or any future default.

17.08 Severability. If any term, restriction or covenant of this Agreement is deemed invalid or unenforceable, all other terms, restrictions and covenants and the application thereof to all Persons and circumstances subject hereto shall remain unaffected to the extent permitted by law; and if any application of any term, restriction or covenant to any Person or circumstance is deemed invalid or

unenforceable, the application of such term, restriction or covenant to other Persons and circumstances shall remain unaffected to the extent permitted by law.

17.09 Force Majeure. Neither Franchisor nor Developer will be liable for loss or damage or deemed to be in breach of this Agreement if Franchisor's or Developer's failure to perform any obligation results from: (a) transportation shortages, inadequate supply of equipment, products, supplies, labor, material or energy or the voluntary foregoing of the right to acquire or use any of the foregoing in order to accommodate or comply with the orders, requests, regulations, recommendations or instructions of any federal, state or municipal government or any department or agency thereof; (b) acts of God; (c) fires, strikes, embargoes, wars or riots; or (d) any other similar event or cause beyond the control of the affected party (each, a "Force Majeure Event"). Subject to Section 7.03 above, any delay resulting from any of said causes will extend performance accordingly or excuse performance, in whole or in part, as may be reasonable, except that said causes will not excuse payments of amounts owed by Developer to Franchisor hereunder.

17.10 Delegation by Franchisor. Franchisor shall have the right to delegate performance of any or all of its obligations and duties hereunder. Developer hereby agrees to any such delegation.

17.11 No Right of Set Off. Developer agrees that it will not set off or withhold payment of any amounts it owes Franchisor on the grounds of Franchisor's alleged nonperformance of any of Franchisor's obligations under this Agreement or for any other reason. Developer agrees that all such claims will, if not otherwise resolved, be submitted to arbitration as provided in Section 16.01.

17.12 Cumulative Rights. The rights granted hereunder are cumulative, and no exercise or enforcement by either party of any right or remedy hereunder will preclude the exercise or enforcement of any other right or remedy to which either Franchisor or Developer are entitled.

17.13 Entire Agreement. This Agreement and any addendum, schedule or exhibit attached hereto contains the entire agreement between the parties hereto relating to development of the Units and no representations, inducements, promises, agreements, arrangements or undertakings, oral or written, have been made or relied upon by the parties other than those set forth herein; provided that once a Franchise Agreement is executed with respect to a particular Unit, such Franchise Agreement shall supersede the terms of this Agreement with respect to such Unit. No agreement altering, changing, waiving or modifying any of the terms and conditions of this Agreement shall be binding upon either party unless and until the same is made in writing and executed by all interested parties. Notwithstanding the foregoing, nothing in this Agreement shall disclaim or require Developer to waive reliance on any representation that Franchisor made in Franchisor's most recent franchise disclosure document (including its exhibits and amendments) that Franchisor delivered to Developer or Developer's representative.

17.14 Counterparts. This Agreement may be signed in multiple counterpart copies, each of which will be deemed an original, and all of which together constitute one and the same document.

17.15 Time is of the Essence. Developer understands that time is of the essence with respect to its obligations hereunder.

17.16 Anti-Terrorism Laws.

(a) Developer and the Owners agree to comply with and/or to assist Franchisor to the fullest extent possible in Franchisor's efforts to comply with Anti-Terrorism Laws. In connection with such compliance, Developer and the Owners certify, represent, and warrant that none of their property or

interests is subject to being “blocked” under any of the Anti-Terrorism Laws and that Developer and the Owners are not otherwise in violation of any of the Anti-Terrorism Laws.

(b) “Anti-Terrorism Laws” means Executive Order 13224 issued by the President of the United States (“Executive Order 13224”), the Terrorism Sanctions Regulation (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, 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.

(c) Developer and the Owners certify that none of them, their respective employees, agents, bankers, Affiliates or anyone associated with them is listed in the Annex to Executive Order 13224. Developer agrees not to hire (or, if already employed, retain the employment of) any individual who is listed in the Annex. (A copy of the Annex can be accessed on the Internet at the following address: <http://www.treasury.gov/offices/enforcement/ofac/sanctions/terrorism.html>.)

(d) Developer is solely responsible for ascertaining what actions it must take to comply with the Anti-Terrorism Laws.

(e) Any misrepresentation under this Section or any violation of the Anti-Terrorism Laws by Developer or Developer’s Owners, agents, bankers, employees and Affiliates shall constitute grounds for immediate termination of this Agreement and any other agreement Developer has entered into with Franchisor or an Affiliate thereof, in accordance with Section 13.02 above.

17.17 Timing. Developer acknowledges that it has had a copy of Franchisor’s franchise disclosure document for at least fourteen (14) calendar days before signing this Agreement or any franchise or related agreement; or at least fourteen (14) calendar days before the payment of any consideration to Franchisor. Developer has had the opportunity to have this Agreement and the business offered hereunder reviewed by professionals of Developer’s choosing before executing this Agreement.

IN WITNESS WHEREOF, the parties have executed and delivered this Agreement as of the Effective Date.

FRANCHISOR:

CULTIVATE FRANCHISE CORP
a Georgia corporation

By: _____
Print Name: _____
Title: _____

DEVELOPER:

If a corporation, partnership, limited liability company or other legal entity:

(Name of corporation, partnership, limited liability company or other legal entity)

By: _____
Print Name: _____
Title: _____

If Individual(s):

(Signature)

(Print Name)

EXHIBIT A

DEVELOPMENT AREA, DEVELOPMENT SCHEDULE AND DEVELOPMENT FEE

Development Area:

Development Schedule: Developer agrees to have open and operating at least the following minimum, cumulative number of Units by the date specified:

Cumulative Number of Units to be Developed	Last Date to Establish and Open the Unit (Required Date)	Franchise Fee	Portion of Development Fee Credited Against Franchise Fee
1			
2			
3			
4			
5			
6			
7			
8			

Development Fee: \$ _____

Compliance Month Bank Balance (as of the Effective Date): One (1) month unit per Unit to be developed

EXHIBIT B

PERSONAL COVENANTS

These Personal Covenants are being made and executed in connection with that certain AREA DEVELOPMENT AGREEMENT, dated as of the ___ day of _____, 20__ (the “Development Agreement”), by and between CULTIVATE FRANCHISE CORP (“Franchisor”) and _____ (“Developer”). All capitalized terms used but not defined in these Personal Covenants shall have the meanings set forth in the Development Agreement.

Each of the undersigned hereby agrees that:

1. He or she is a Restricted Party.

2. As an inducement to Franchisor to enter into the Development Agreement, and in consideration of the direct and personal benefits the undersigned will derive from the Development Agreement, the undersigned acknowledges and agrees that: (a) he or she has read and understood Sections 10 and 12.05 of the Development Agreement in their entirety; (b) he or she is and shall be personally bound by all of the obligations and covenants of Developer contained in such Sections as if such obligations and covenants were made and given personally thereby directly to Franchisor; and (c) such covenants and restrictions are reasonable, appropriate and necessary to protect the System, other Cultivate Locations and the legitimate interest of Franchisor and do not cause undue hardship on the undersigned.

3. If any sentence, clause, paragraph, or combination of any of them in Sections 10 and 12.05 of the Development Agreement is held by a court of competent jurisdiction to be unenforceable as applied to the undersigned, then such unenforceable sentence, clause, paragraph, or combination may be modified by such court to the extent necessary to render it enforceable, and if it cannot be so modified, it shall be severed and the remainder of Sections 10 and 12.05 of the Development Agreement shall remain in full force and effect.

4. These Personal Covenants shall be governed by the internal laws of the State of Georgia, unless the law of another jurisdiction applies as provided for in Section 17.04 of the Development Agreement. These Personal Covenants may be enforced by Franchisor and its Affiliates in accordance with the terms of the Development Agreement.

The undersigned hereby execute and deliver this instrument effective as of the Effective Date of the Development Agreement.

[Name]

Date: _____

[Name]

Date: _____

[Name]

Date: _____

2. Owners. Developer and each of its Owners represents and warrants that the following is a complete and accurate list of all Owners of Developer, including the full name, mailing address and social security number of each Owner, and fully describes the nature and extent of each Owner's interest in Developer. Developer and each Owner as to his or her ownership interest, represents and warrants that each Owner is the sole and exclusive legal and beneficial owner of his or her ownership interest in Developer, free and clear of all liens, restrictions, agreements and encumbrances of any kind or nature, other than those required or permitted by this Agreement.

<u>Owner's Name, Address and Social Security Number</u>	<u>Percentage and Nature of Ownership Interest</u>
<hr/>	<hr/>
<hr/>	<hr/>
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Submitted by Developer
on _____, _____.

Accepted by Franchisor and
made a part of the Area Development
Agreement as of _____, _____.

(Name of corporation,
limited liability company
or partnership)

CULTIVATE FRANCHISE CORP
a Georgia corporation

By: _____
Print Name: _____
Title: _____

By: _____
Print Name: _____
Title: _____

Owners:

(Signature)

(Print Name)

(Signature)

(Print Name)

(Signature)

(Print Name)

EXHIBIT D

PERSONAL GUARANTY

In consideration of, and as an inducement to, the execution of the Area Development Agreement dated as of _____, _____ (the "Agreement") by and between CULTIVATE FRANCHISE CORP, a Georgia corporation ("Franchisor"), and _____ ("Developer"), each of the undersigned owners of an interest in Developer hereby personally and unconditionally: (1) guarantees to Franchisor and its successors and assigns, for the term of the Agreement and thereafter as provided in the Agreement, that Developer shall punctually pay and perform each and every undertaking, agreement and covenant set forth in the Agreement (and any amendments) and that each and every representation of Developer made in connection with the Agreement (and any amendments) is true, correct and complete in all respects at and as of the time given; and (2) agrees personally to be bound by, and personally liable for the breach of, each and every provision in the Agreement (and any amendments).

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

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

EXCEPT TO THE EXTENT FRANCHISOR SEEKS INJUNCTIVE OR OTHER EQUITABLE RELIEF TO ENFORCE PROVISIONS OF THIS PERSONAL GUARANTY, AND EXCEPT FOR CONTROVERSIES, CLAIMS OR DISPUTES BASED ON DEVELOPER'S USE OF THE MARKS (AS DEFINED IN THE AGREEMENT), ALL CONTROVERSIES, CLAIMS OR DISPUTES BETWEEN FRANCHISOR AND THE UNDERSIGNED ARISING OUT OF OR RELATING TO (A) THE AGREEMENT, THIS PERSONAL GUARANTY OR ANY OTHER AGREEMENT BETWEEN FRANCHISOR AND DEVELOPER OR THE UNDERSIGNED, (B) THE RELATIONSHIP BETWEEN DEVELOPER OR THE UNDERSIGNED AND FRANCHISOR OR (C) THE SCOPE AND VALIDITY OF THE AGREEMENT, THIS PERSONAL GUARANTY OR ANY OTHER AGREEMENT BETWEEN FRANCHISOR AND DEVELOPER OR THE UNDERSIGNED (INCLUDING THE SCOPE AND VALIDITY OF THE ARBITRATION OBLIGATIONS UNDER THIS SECTION, WHICH FRANCHISOR AND THE UNDERSIGNED ACKNOWLEDGE IS TO BE DETERMINED BY AN ARBITRATOR AND NOT A COURT) SHALL BE DETERMINED BY ARBITRATION WITH THE AMERICAN ARBITRATION ASSOCIATION ("AAA") AT THE OFFICE OF THE AAA CLOSEST TO FRANCHISOR'S PRINCIPAL EXECUTIVE OFFICE ON THE DATE OF

SUBMISSION OF THE MATTER TO THE AAA. SUCH ARBITRATION SHALL BE CONDUCTED BEFORE THREE (3) ARBITRATORS (UNLESS THE PARTIES AGREE TO ONE (1) ARBITRATOR) CHOSEN AS FOLLOWS: FRANCHISOR AND DEVELOPER OR THE UNDERSIGNED, AS APPLICABLE, SHALL EACH SELECT ONE (1) ARBITRATOR. THESE TWO (2) ARBITRATORS SHALL MUTUALLY AGREE ON ONE (1) OTHER ARBITRATOR TO ACT AS THE THIRD ARBITRATOR. ALL SUCH ARBITRATORS MUST HAVE AT LEAST FIVE YEARS OF FRANCHISE LAW EXPERIENCE. THE DECISION OF THE ARBITRATORS SHALL BE FINAL AND BINDING UPON ALL PARTIES CONCERNED. SUCH DECISION SHALL BE RENDERED WITHIN THIRTY (30) DAYS OF THE CLOSE OF THE ARBITRATION HEARING RECORD. THE ARBITRATION WILL BE CONDUCTED ON AN INDIVIDUAL, NOT A CLASS-WIDE BASIS, AND THE ARBITRATION PROCEEDING MAY NOT BE CONSOLIDATED WITH ANY OTHER ARBITRATION PROCEEDING BETWEEN FRANCHISOR AND ANY OTHER PERSON. NOTWITHSTANDING THE FOREGOING OR ANYTHING TO THE CONTRARY IN THIS PERSONAL GUARANTY, IF ANY COURT OR ARBITRATOR DETERMINES THAT ALL OR ANY PART OF THE PRECEDING SENTENCE IS UNENFORCEABLE WITH RESPECT TO A DISPUTE THAT OTHERWISE WOULD BE SUBJECT TO ARBITRATION UNDER THIS PROVISION, THEN ALL PARTIES AGREE THAT THIS ARBITRATION CLAUSE SHALL NOT APPLY TO THAT DISPUTE AND THAT SUCH DISPUTE SHALL BE RESOLVED IN A JUDICIAL PROCEEDING IN ACCORDANCE WITH THE FOLLOWING PARAGRAPH. THE FEDERAL RULES OF CIVIL PROCEDURE, AS THEY RELATE TO PRETRIAL DISCOVERY, AND THE FEDERAL RULES OF EVIDENCE SHALL APPLY TO THE ARBITRATION. IN ALL OTHER RESPECTS, THE RULES OF THE AAA AND THE UNITED STATES ARBITRATION ACT SHALL CONTROL. JUDGMENT UPON THE AWARD RENDERED BY THE ARBITRATION MAY BE ENTERED IN ANY COURT HAVING COMPETENT JURISDICTION THEREOF.

For actions that are not subject to mandatory arbitration under the preceding paragraph, EACH OF THE UNDERSIGNED HEREBY SUBMITS AND IRREVOCABLY CONSENTS TO THE EXCLUSIVE JURISDICTION OF THE FEDERAL AND STATE COURTS FOR THE DISTRICT WHERE FRANCHISOR'S PRINCIPAL EXECUTIVE OFFICE IS LOCATED ON THE DATE OF THE FILING OF THE ACTION, AND AGREES NOT TO RAISE AND HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY OBJECTION BASED UPON FORUM NON CONVENIENS OR ANY OTHER OBJECTION IT MAY NOW HAVE OR HEREAFTER HAVE TO SUCH JURISDICTION OR VENUE. Further, nothing herein contained shall bar Franchisor's right to obtain injunctive relief against threatened conduct that will cause irreparable harm.

TO THE EXTENT NOT PROHIBITED BY APPLICABLE LAW THAT CANNOT BE WAIVED, THE PARTIES HERETO HEREBY WAIVE, AND COVENANT THAT THEY SHALL NOT ASSERT (WHETHER AS PLAINTIFF, DEFENDANT, OR OTHERWISE), ANY RIGHT TO TRIAL BY JURY IN ANY ACTION ARISING IN WHOLE OR IN PART UNDER OR IN CONNECTION WITH THIS PERSONAL GUARANTY.

All matters relating to arbitration will be governed by the Federal Arbitration Act (9 U.S.C. §1 et seq.) except to the extent provided by the Federal Arbitration Act, the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. §1051 et seq.) or other applicable federal law, and the terms of this Personal Guaranty shall be interpreted and construed in accordance with the laws of the State of Georgia without regard to its conflicts of laws provisions.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, each of the undersigned has hereunto affixed his or her signature, under seal, effective as of the Effective Date of the Agreement.

**PERCENTAGE OF OWNERSHIP
INTERESTS IN DEVELOPER**

GUARANTOR(S)

(Signature)

(Print Name)

(Signature)

(Print Name)

(Signature)

(Print Name)

DATE: _____, _____

Subscribed and sworn to before me this _____ day of _____, _____

Notary Public

My Commission expires:

EXHIBIT E

STATE SPECIFIC ADDENDA

(See Attached)

CULTIVATE FRANCHISE CORP
ADDENDUM TO AREA DEVELOPMENT AGREEMENT
(California)

The following Addendum modifies and supersedes the Cultivate Franchise Corp Area Development Agreement (the “Agreement”) with respect to Cultivate franchises offered or sold to either a resident of the State of California or a non-resident who will be operating a Cultivate franchise in the State of California pursuant to the California Franchise Investment Law §§ 31000 through 31516, and the California Franchise Relations Act, California Business and Professions Code §§ 20000 through 20043, as follows:

1. If any of the provisions of the Agreement concerning termination or transfer are inconsistent with either the California Franchise Relations Act or with the federal bankruptcy law (11 U.S.C. §101, et seq.) (concerning termination of the Agreement on certain bankruptcy-related events), then such laws will apply.

2. The Agreement requires that it be governed by Georgia law. This requirement may be unenforceable under California law.

3. The Agreement contains a waiver of punitive damages. This provision may not be enforceable under California law.

4. The Agreement requires binding arbitration at the office of the American Arbitration Association closest to Franchisor’s principal executive office. This provision may not be enforceable under California law.

5. Developer must sign a general release if Developer transfers the Agreement or its interest therein. California Corporations Code 31512 voids a waiver of Developer’s rights under the Franchise Investment Law (California Corporations Code 31000 through 31516). Business and Professions Code 20010 voids a waiver of Developer’s rights under the Franchise Relations Act (Business and Professions Code 20000 through 20043).

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

7. Franchisor and Developer agree to be bound by the provisions of any limitation on the period of time in which claims must be brought under applicable law or the Agreement, whichever expires earlier.

8. Each provision of this Addendum shall be effective only to the extent, with respect to such provision, the jurisdictional requirements of the California Franchise Investment Law §§ 31000 through 31516, and the California Franchise Relations Act, California Business and Professions Code §§ 20000 through 20043, as applicable, are met independently, without reference to this Addendum, and only to the extent such provision is a then valid requirement of the statute.

9. All capitalized terms used but not defined in this Addendum shall have the meanings set forth in the Agreement. To the extent this Addendum is inconsistent with any terms or conditions of the Agreement or the Exhibits or Schedules thereto, the terms of this Addendum shall govern.

[Signatures Appear on Following Page]

Each of the undersigned hereby acknowledges having read, understood, and executed this Addendum on _____, 20____.

FRANCHISOR:

DEVELOPER:

CULTIVATE FRANCHISE CORP

[_____]

By:_____

By:_____

Print Name:_____

Print Name:_____

Title:_____

Title:_____

CULTIVATE FRANCHISE CORP
ADDENDUM TO AREA DEVELOPMENT AGREEMENT
(Hawaii)

The following Addendum modifies and supersedes the Cultivate Franchise Corp Area Development Agreement (the “Agreement”) with respect to Cultivate franchises offered or sold to either a resident of the State of Hawaii or a non-resident who will be operating a Cultivate franchise in the State of Hawaii pursuant to the Hawaii Franchise Investment Law, Hawaii Rev, Stat. §§ 482E, et seq., as follows:

1. Section 12.02(e) of the Agreement contains a provision requiring a general release as a condition of transfer of the Agreement or Developer’s interest therein. Such release will exclude claims arising under the Hawaii Franchise Investment Law.

2. Sections 12 and 13 of the Agreement as they relate to termination and transfer are only applicable if they are not inconsistent with the Hawaii Franchise Investment Law. Otherwise, the Hawaii Franchise Investment Law will control.

3. Section 13.02 of the Agreement permits Franchisor to terminate the Agreement on the bankruptcy of Developer. This Section may not be enforceable under federal bankruptcy law (11 U.S.C. §101, et seq.).

4. Each provision of this Addendum will be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Hawaii Franchise Investment Law are met independently without reference to this Addendum.

5. All capitalized terms used but not defined in this Addendum shall have the meanings set forth in the Agreement. To the extent this Addendum is inconsistent with any terms or conditions of the Agreement or the Exhibits or Schedules thereto, the terms of this Addendum shall govern.

Each of the undersigned hereby acknowledges having read, understood, and executed this Addendum on _____, 20____.

FRANCHISOR:

DEVELOPER:

CULTIVATE FRANCHISE CORP

[_____]

By: _____

By: _____

Print Name: _____

Print Name: _____

Title: _____

Title: _____

CULTIVATE FRANCHISE CORP
ADDENDUM TO AREA DEVELOPMENT AGREEMENT
(Illinois)

The following Addendum modifies and supersedes the Cultivate Franchise Corp Area Development Agreement (the “Agreement”) with respect to Cultivate franchises offered or sold to either a resident of the State of Illinois or a non-resident who will be operating a Cultivate franchise in the State of Illinois pursuant to the Illinois Franchise Disclosure Act of 1987, Ill. Comp. Stat. §§ 705/1 through 705/44, as follows:

1. Section 13 of the Agreement, under the heading “TERMINATION”, shall be supplemented by the addition of the following Section, which shall be considered an integral part of the Agreement:

13.05 Other. If any of the provisions of this Section 13 concerning termination are inconsistent with Section 19 of the Illinois Franchise Disclosure Act of 1987, then said Illinois law shall apply.

2. Although Section 17.04 of the Agreement requires that it be governed by Georgia law, Franchisor agrees that Illinois law will govern the Agreement.

3. Illinois law prohibits a prospective general release of claims subject to the Illinois Franchise Disclosure Act of 1987.

4. The provisions of the Agreement concerning governing law, jurisdiction, and venue shall not constitute a waiver of any right conferred on Developer by Illinois law. Consistent with the foregoing, any provision in the Agreement which designates jurisdiction and venue in a forum outside of Illinois is void with respect to any cause of action which is otherwise enforceable in Illinois.

5. Although Section 16.02 of the Agreement requires that litigation permitted under the Agreement must be instituted in a court closest to Franchisor’s principal executive office, Franchisor agrees that jurisdiction and venue for all litigation claims brought under the Agreement will be in the State of Illinois.

6. Franchisor and Developer agree to be bound by the provisions of any limitation on the period of time in which claims must be brought under applicable law or the Agreement, whichever expires earlier.

7. Each provision of this Addendum shall be effective only to the extent, with respect to each such provision, that the jurisdictional requirements of the Illinois Franchise Disclosure Act are met independently without reference to this Addendum.

8. All capitalized terms used but not defined in this Addendum shall have the meanings set forth in the Agreement. To the extent this Addendum is inconsistent with any terms or conditions of the Agreement or the Exhibits or Schedules thereto, the terms of this Addendum shall govern.

[Signatures Appear on Following Page]

Each of the undersigned hereby acknowledges having read, understood, and executed this Addendum on _____, 20____.

FRANCHISOR:

DEVELOPER:

CULTIVATE FRANCHISE CORP

[_____]

By:_____

By:_____

Print Name:_____

Print Name:_____

Title:_____

Title:_____

CULTIVATE FRANCHISE CORP
ADDENDUM TO AREA DEVELOPMENT AGREEMENT
(Indiana)

The following Addendum modifies and supersedes the Cultivate Franchise Corp Area Development Agreement (the “Agreement”) with respect to Cultivate franchises offered or sold to either a resident of the State of Indiana or a non-resident who will be operating a Cultivate franchise in the State of Indiana pursuant to the Indiana Deceptive Franchise Practices Law, Indiana Code §§ 23-2-2.7-1 through 23-2-2.7-10, and the Indiana Franchise Disclosure Law, Indiana Code §§ 23-2-2-2.5-1 through 23-2-2-2.5-51, as follows:

1. The Agreement contains a covenant not to compete that extends beyond the termination of the Agreement. This provision may not be enforceable under Indiana law.
2. Section 12.02(e) of the Agreement contains a provision requiring a general release as a condition of transfer of the Agreement or Developer’s interest therein. This provision is inapplicable under the Indiana Deceptive Franchise Practices Law, IC § 23-2-2.7-1(5).
3. Section 17.04 of the Agreement is amended to provide that in the event of a conflict of law, the Indiana Franchise Disclosure Law and the Indiana Deceptive Franchise Practices Law will prevail.
4. Section 16.01 of the Agreement is amended to provide that arbitration between Developer and Franchisor will be conducted at a mutually agreed-on location.
5. Nothing in the Agreement will abrogate or reduce any rights Developer has under Indiana law.
6. Franchisor and Developer agree to be bound by the provisions of any limitation on the period of time in which claims must be brought under applicable law or the Agreement, whichever expires earlier.
7. Each provision of this Addendum will be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Indiana Franchise Disclosure Law and the Indiana Deceptive Franchise Practices Act are met independently without reference to this Addendum.
8. All capitalized terms used but not defined in this Addendum shall have the meanings set forth in the Agreement. To the extent this Addendum is inconsistent with any terms or conditions of the Agreement or the Exhibits or Schedules thereto, the terms of this Addendum shall govern.

Each of the undersigned hereby acknowledges having read, understood, and executed this Addendum on _____, 20____.

FRANCHISOR:

DEVELOPER:

CULTIVATE FRANCHISE CORP

[_____]

By: _____

By: _____

Print Name: _____

Print Name: _____

Title: _____

Title: _____

CULTIVATE FRANCHISE CORP
ADDENDUM TO AREA DEVELOPMENT AGREEMENT
(Maryland)

The following Addendum modifies and supersedes the Cultivate Franchise Corp Area Development Agreement (the “Agreement”) with respect to Cultivate franchises offered or sold to either a resident of the State of Maryland or a non-resident who will be operating a Cultivate franchise in the State of Maryland, as follows:

1. The general release language required as a condition of sale and/or assignment or transfer shall apply except for claims arising under the Maryland Franchise Registration and Disclosure Law.
2. Developer may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.
3. Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within three (3) years after the grant of the franchise.
4. No representation or acknowledgment by Developer in the Agreement is intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.
5. Each provision of this Addendum will be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Maryland Franchise Registration and Disclosure Law are met independently without reference to this Addendum.
6. All capitalized terms used but not defined in this Addendum shall have the meanings set forth in the Agreement. To the extent this Addendum is inconsistent with any terms or conditions of the Agreement or the Exhibits or Schedules thereto, the terms of this Addendum shall govern.

Each of the undersigned hereby acknowledges having read, understood, and executed this Addendum on _____, 20_____.

FRANCHISOR:

DEVELOPER:

CULTIVATE FRANCHISE CORP

[_____]

By:_____

By:_____

Print Name:_____

Print Name:_____

Title:_____

Title:_____

CULTIVATE FRANCHISE CORP
ADDENDUM TO AREA DEVELOPMENT AGREEMENT
(Minnesota)

The following Addendum modifies and supersedes the Cultivate Franchise Corp Area Development Agreement (the “Agreement”) with respect to Cultivate franchises offered or sold to either a resident of the State of Minnesota or a non-resident who will be operating a Cultivate franchise in the State of Minnesota pursuant to the Minnesota Franchise Law, Minn. Stat. §§ 80C.01 through 80C.22, as follows:

1. Section 12.02(e) of the Agreement contains a provision requiring a general release as a condition of transfer of the Agreement or Developer’s interest therein. This release will exclude claims arising under the Minnesota Franchise Law.

2. Sections 13.02 and 13.03 of the Agreement are each amended to add the following:

With respect to franchises governed by Minnesota law, Franchisor will comply with Minn. Stat. Sec. 80C.14, Subds, 3, 4 and 5, which require, except in certain specified cases, that a franchisee be given ninety (90) days notice of termination (with sixty (60) days to cure).

3. Sections 16.01 and 16.02 of the Agreement are each amended to add the following:

Minn. Stat. Sec. 80C.21 and Minn. Rule 2860.4400J prohibit Franchisor from requiring litigation or arbitration to be conducted outside Minnesota. In addition, nothing in the Agreement can abrogate or reduce any of Developer’s rights as provided for in Minnesota Statutes, Chapter 80C, or Developer’s rights to any procedure, forum or remedies provided for by the laws of the jurisdiction.

4. A new Section 16.05 is hereby added to the Agreement which states the following:

Minn. Rule Part 2860.4400J prohibits Franchisor from requiring Developer to waive Developer’s rights to a jury trial or waive Developer’s rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction, or consenting to liquidated damages, termination penalties or judgment notes.

5. Franchisor and Developer agree to be bound by the provisions of any limitation on the period of time in which claims must be brought under applicable law or the Agreement, whichever expires earlier.

6. Each provision of this Addendum will be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Minnesota Franchise Law or the Rules and Regulations promulgated thereunder by the Minnesota Commissioner of Commerce are met independently without reference to this Addendum to the Agreement.

7. All capitalized terms used but not defined in this Addendum shall have the meanings set forth in the Agreement. To the extent this Addendum is inconsistent with any terms or conditions of the Agreement or the Exhibits or Schedules thereto, the terms of this Addendum shall govern.

[Signatures Appear on Following Page]

Each of the undersigned hereby acknowledges having read, understood, and executed this Addendum on _____, 20____.

FRANCHISOR:

DEVELOPER:

CULTIVATE FRANCHISE CORP

[_____]

By: _____

By: _____

Print Name: _____

Print Name: _____

Title: _____

Title: _____

CULTIVATE FRANCHISE CORP
ADDENDUM TO AREA DEVELOPMENT AGREEMENT
(New York)

The following Addendum modifies and supersedes the Cultivate Franchise Corp Area Development Agreement (the “Agreement”) with respect to Cultivate franchises offered or sold to either a resident of the State of New York or a non-resident who will be operating a Cultivate franchise in the State of New York pursuant to the General Business Law of the State of New York, Article 33, Sections 680 through 695, as follows:

1. Notwithstanding any provision of the Agreement to the contrary, Franchisor will not make any assignment of the Agreement except to an assignee who, in Franchisor’s good faith judgment, is willing and able to assume Franchisor’s obligations under the Agreement.

2. Notwithstanding any provision of the Agreement to the contrary, all rights enjoyed by Developer and any causes of action arising in Developer’s favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder will 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.

3. Each provision of this Addendum will be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the General Business Law of the State of New York are met independently without reference to this Addendum.

4. All capitalized terms used but not defined in this Addendum shall have the meanings set forth in the Agreement. To the extent this Addendum is inconsistent with any terms or conditions of the Agreement or the Exhibits or Schedules thereto, the terms of this Addendum shall govern.

Each of the undersigned hereby acknowledges having read, understood, and executed this Addendum on _____, 20_____.

FRANCHISOR:

DEVELOPER:

CULTIVATE FRANCHISE CORP

[_____]

By:_____

By:_____

Print Name:_____

Print Name:_____

Title:_____

Title:_____

CULTIVATE FRANCHISE CORP
ADDENDUM TO AREA DEVELOPMENT AGREEMENT
(North Dakota)

The following Addendum modifies and supersedes the Cultivate Franchise Corp Area Development Agreement (the “Agreement”) with respect to Cultivate franchises offered or sold to either a resident of the State of North Dakota or a non-resident who will be operating a Cultivate franchise in the State of North Dakota pursuant to the North Dakota Franchise Investment Law, N.D. Cent. Code §§ 51-19-01 through 51-19-17, as follows:

1. The Agreement contains a covenant not to compete which extends beyond the termination of the Agreement. This provision may not be enforceable under North Dakota law.

2. Section 12.02(e) of the Agreement contains a provision requiring a general release as a condition of transfer of the Agreement or Developer’s interest therein. This release is subject to and will exclude claims arising under the North Dakota Franchise Investment Law.

3. Section 16.02 of the Agreement requires that Developer consent to the jurisdiction of a court located in close proximity to Franchisor’s principal executive office. This provision may not be enforceable under North Dakota law because North Dakota law precludes Developer from consenting to jurisdiction of any court outside of North Dakota.

4. Although Section 17.04 of the Agreement provides that the Agreement will be governed by and construed in accordance with the laws of the State of Georgia, Franchisor agrees that the laws of the State of North Dakota will govern the Agreement.

5. Although Section 16.01 of the Agreement provides that the place of arbitration will be held at the office of the American Arbitration Association closest to Franchisor’s principal executive office, Franchisor agrees that the place of arbitration will be a location that is in close proximity to the site of Developer’s business.

6. Section 16.04 of the Agreement requires Developer to consent to a waiver of exemplary or punitive damages, which is in violation of Section 51-19-09 of the North Dakota Franchise Investment Law. This provision shall be deleted from the Agreement.

7. Although Section 16.04 of the Agreement states that all claims must be brought within one (1) year, Franchisor agrees that the statute of limitations under North Dakota Law will apply.

8. To the extent that Section 16 of the Agreement requires Developer to consent to a waiver of trial by jury, which is in violation of Section 51-19-09 of the North Dakota Franchise Investment Law, this provision shall be deleted from the Agreement.

9. Notwithstanding anything contained in the Agreement to the contrary, each party shall bear its own costs and expenses in connection with any enforcement action brought by either party under the Agreement.

10. Each provision of this Addendum will be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the North Dakota Franchise Investment Law are met independently without reference to this Addendum.

11. All capitalized terms used but not defined in this Addendum shall have the meanings set forth in the Agreement. To the extent this Addendum is inconsistent with any terms or conditions of the Agreement or the Exhibits or Schedules thereto, the terms of this Addendum shall govern.

Each of the undersigned hereby acknowledges having read, understood, and executed this Addendum on _____, 20____.

FRANCHISOR:

DEVELOPER:

CULTIVATE FRANCHISE CORP

[_____]

By:_____

By:_____

Print Name:_____

Print Name:_____

Title:_____

Title:_____

CULTIVATE FRANCHISE CORP
ADDENDUM TO AREA DEVELOPMENT AGREEMENT
(Rhode Island)

The following Addendum modifies and supersedes the Cultivate Franchise Corp Area Development Agreement (the “Agreement”) with respect to Cultivate franchises offered or sold to either a resident of the State of Rhode Island or a non-resident who will be operating a Cultivate franchise in the State of Rhode Island pursuant to the Rhode Island Franchise Investment Act, §§ 19-28.1-1 through 19-28.1-34, as follows:

1. Section 12.02(e) of the Agreement contains a provision requiring a general release as a condition of transfer of the Agreement or Developer’s interest therein. Such release will exclude claims arising under the Rhode Island Franchise Investment Act.

2. The Agreement requires that it be governed by Georgia law. To the extent that such law conflicts with Rhode Island Franchise Investment Act, it is void under § 19-28.1-14.

3. Section 16.02 of the Agreement will be amended by the addition of the following, which will be considered an integral part of the Agreement:

§ 19-28.1-14 of the Rhode Island Franchise Investment Act provides that “a provision in a franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act.”

4. Franchisor and Developer agree to be bound by the provisions of any limitation on the period of time in which claims must be brought under applicable law or the Agreement, whichever expires earlier.

5. Each provision of this Addendum will be effective only to the extent, with respect to such provision, that the jurisdictional requirements of Rhode Island Franchise Investment Act are met independently without reference to this Addendum.

6. All capitalized terms used but not defined in this Addendum shall have the meanings set forth in the Agreement. To the extent this Addendum is inconsistent with any terms or conditions of the Agreement or the Exhibits or Schedules thereto, the terms of this Addendum shall govern.

Each of the undersigned hereby acknowledges having read, understood, and executed this Addendum on _____, 20____.

FRANCHISOR:

DEVELOPER:

CULTIVATE FRANCHISE CORP

[_____]

By:_____

By:_____

Print Name:_____

Print Name:_____

Title:_____

Title:_____

CULTIVATE FRANCHISE CORP
ADDENDUM TO AREA DEVELOPMENT AGREEMENT
(Washington)

The following Addendum modifies and supersedes the Cultivate Franchise Corp Area Development Agreement (the “Agreement”) with respect to Cultivate franchises offered or sold to either a resident of the State of Washington or a non-resident who will be operating a Cultivate franchise in the State of Washington pursuant to the Washington Franchise Investment Protection Act, Wash. Rev. Code §§ 19.100.010 through 19.100.940, as follows:

1. The State of Washington has a statute, RCW 19.100.180, which may supersede the Agreement including the areas of termination of Developer’s franchise. There may also be court decisions which may supersede the Agreement including the areas of termination of Developer’s franchise.

2. If any of the provisions in the Agreement are inconsistent with the relationship provisions of RCW 19.100.180 or other requirements of the Washington Franchise Investment Protection Act, the provisions of the Washington Franchise Investment Protection Act will prevail over the inconsistent provisions of the Agreement with regard to any franchise sold in Washington.

3. The Securities Administrator has concluded that arbitration between a franchisor and franchisee must take place either in the State of Washington or as may be mutually agreed on by the parties or as may be determined by the arbitrator.

4. A release or waiver of rights executed by Developer will 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 Developer is represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Washington Franchise Investment Protection Act, or rights or remedies under the Act, such as a right to jury trial, may not be enforceable.

5. In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act will prevail.

6. Transfer fees are collectible to the extent that they reflect Franchisor’s reasonable estimated or actual costs in effecting a transfer.

7. Franchisor and Developer agree to be bound by the provisions of any limitation on the period of time in which claims must be brought under applicable law or the Agreement, whichever expires earlier.

8. Each provision of this Addendum will be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Washington Franchise Investment Protection Act are met independently without reference to this Addendum.

9. All capitalized terms used but not defined in this Addendum shall have the meanings set forth in the Agreement. To the extent this Addendum is inconsistent with any terms or conditions of the Agreement or the Exhibits or Schedules thereto, the terms of this Addendum shall govern.

[Signatures Appear on Following Page]

Each of the undersigned hereby acknowledges having read, understood, and executed this Addendum on _____, 20____.

FRANCHISOR:

DEVELOPER:

CULTIVATE FRANCHISE CORP

[_____]

By: _____

By: _____

Print Name: _____

Print Name: _____

Title: _____

Title: _____

EXHIBIT C
FRANCHISE AGREEMENT
(see attached)

**CULTIVATE FRANCHISE CORP
FRANCHISE AGREEMENT**

FRANCHISEE

UNIT LOCATION

UNIT STYLE

DATE OF AGREEMENT

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**CULTIVATE FRANCHISE CORP
FRANCHISE AGREEMENT**

This Franchise Agreement (this “Agreement”) is made as of this _____ day of _____, 20__ (the “Effective Date”), between Cultivate Franchise Corp, a Georgia limited liability company, with its principal place of business located at 1353 Riverstone Parkway, St. 120-172, Canton, Georgia 30114 (“Franchisor”), and _____, a(n) _____, whose principal address is _____ (“Franchisee”). This Agreement sometimes refers to Franchisee as “you” or “your”, and Franchisor as “we”, “us” or “our”.

1. INTRODUCTION.

1.01 Cultivate. Franchisor and its Affiliates own, operate and franchise Cultivate Locations specializing in high-end, fast casual brunch and coffee, and other menu items and merchandise, related to the Cultivate concept. Cultivate Locations are built on a foundation of fresh from scratch, farm-to-table culinary principles, truly world-class customer service, and an authentically positive luxury café experience for all customers. Franchisor has developed and owns a comprehensive system for developing and operating Cultivate Locations, which includes trademarks, building designs and layouts, equipment, ingredients, specifications and recipes for authorized food and beverage products, methods of inventory control, training programs and certain operational and business standards and policies, all of which Franchisor may improve, further develop or otherwise modify from time to time.

1.02 Acknowledgments. Franchisee acknowledges and agrees that it or its authorized officers have read this Agreement and Franchisor’s franchise disclosure document. By signing this Agreement, Franchisee understands that the Cultivate concept offers a high-quality fast casual café experience. Franchisee accepts the proposition that to deliver that experience requires a different approach to the quality of food and beverage products, level of design and environment and customer experience (impacted by the quality of people and training) not typically found in quick service food and beverage establishments. Franchisee understands the terms of this Agreement and accepts them as being reasonably necessary to maintain the uniformity of Franchisor’s high quality standards at all Cultivate Locations in order to protect and preserve the goodwill of the Marks and the integrity of the System. Franchisee has conducted an independent investigation of the business contemplated by this Agreement and recognizes that the restaurant and café industry is highly competitive, with constantly changing market conditions. Franchisee recognizes that the nature of Cultivate Locations may change over time, that an investment in a Cultivate Location involves business risks and that the success of the venture is largely dependent on Franchisee’s own business abilities, efforts and financial resources.

1.03 Representations. Franchisee and its Owners, jointly and severally, represent and warrant to Franchisor that: (a) neither Franchisee nor any of its Owners has made any untrue statement of any material fact or has omitted to state any material fact in the written information submitted in obtaining the rights granted hereunder; (b) neither Franchisee nor any of its Owners has any direct or indirect legal or beneficial interest in any business that may be deemed a Competing Activity, except as Franchisee has otherwise completely and accurately disclosed in writing to Franchisor in connection with obtaining the rights granted hereunder; and (c) the execution and performance of this Agreement will not violate any other agreement to which Franchisee or any of its Owners may be bound. Franchisee recognizes that Franchisor has executed this Agreement in reliance on all of the statements Franchisee and its Owners have made in writing in connection with this Agreement.

1.04 Certain Definitions. The terms listed below have the meanings which follow them and include the plural as well as the singular. Other terms are defined elsewhere in this Agreement in the context in which they arise.

(a) **“Affiliate”** - Any Person that directly or indirectly owns or controls the referenced party, that is directly or indirectly owned or controlled by the referenced party, or that is under common control with the referenced party. The term “control” means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of an Entity, whether through ownership of voting securities, by contract or otherwise.

(b) **“Confidential Information”** – Franchisor’s valuable and proprietary confidential business information or data other than “Trade Secrets” (as defined below). “Confidential Information” also includes any items specifically designated as a Trade Secret that are ultimately determined under applicable law not to constitute a “trade secret” but that otherwise meet the definition of Confidential Information. FRANCHISEE ACKNOWLEDGES THAT THE TERMS OF THIS AGREEMENT ARE CONFIDENTIAL INFORMATION.

(c) **“Cultivate Locations”** – High-end restaurants that offer a luxury café experience and operate under the System and the Marks.

(d) **“Entity”** - A corporation, partnership, sole proprietorship, company, firm, limited liability company, joint venture, trust, business association, organization, joint stock company, unincorporated organization, union, group acting in concert, governmental entity or other entity.

(e) **“Gross Sales”** – The amount of sales of food, beverages, liquor, wine and beer, and other products and merchandise sold or services rendered in, on, about or from the Unit, together with any other revenues derived from the operation of the Unit, whether by Franchisee or by any other Person, whether or not in accordance with the terms of this Agreement, and whether for cash or on a charge, credit, barter or time basis, and whether collected or uncollected, including, but not limited to, all sales and services (i) where orders originate and/or are accepted by Franchisee in the Unit but delivery or performance thereof is made from or at any place other than the Unit, including sales made through third party delivery services or (ii) by telephone, online or other similar orders received or filled at or in the Unit. For purposes of determining the Royalty Fee, ADRF Fee, and local advertising and Advertising Cooperative contributions, there shall be deducted from Gross Sales: (A) the amount of refunds, allowances or discounts to customers and employees (including coupon sales) up to three percent (3%) of the Gross Sales, provided the related sales have previously been included in Gross Sales; and (B) the amount of any excise or sales tax levied upon retail sales and paid over to the appropriate governmental authority.

(f) **“Holiday”** – means a date that the U.S. Federal Government recognizes as a federal holiday.

(g) **“Immediate Family”** - Spouse, parents, brothers, sisters and children, whether natural or adopted.

(h) **“Ingredients”** - The coffee, mixes, syrups, sauces, dressings and other ingredients from which the distinctive coffee and other food and beverage products are made for Cultivate Locations.

(i) **“Internet”** - All communications between computers and between computers and television, telephone, facsimile and similar communications devices, including the World Wide Web, proprietary online services, E-mail, news groups and electronic bulletin boards.

(j) “Marks” - The current and future trade names, trademarks, service marks and trade dress used to identify the services and/or products offered by Cultivate Locations, including the trademarks “Cultivate”, “Cultivate Coffee”, and “Cultivate Food + Coffee” and the distinctive building design and color scheme of Cultivate Locations.

(k) “Operating Partner” - Any individual you so designate in Exhibit A and any replacement thereof approved by us, as more fully described in this Agreement.

(l) “Operations Manual” - Our confidential operations manual, as amended from time to time, which may consist of one or more manuals, including, without limitation, any Cultivate operating system manual, menu compliance manual and management training manual, containing Franchisor’s mandatory and suggested standards, specifications and operating procedures relating to the development and operation of Cultivate Locations and other information relating to Franchisee’s obligations under this Agreement. The term “Operations Manual” also includes alternative or supplemental means of communicating such information by other media which specifically reference that they are to be considered part of the Operations Manual, including items that may be posted on the cloud, Internet or an extranet, bulletins, computer drives, etc.

(m) “Owner” - Each Person that has a direct or indirect legal or beneficial ownership interest in Franchisee, if Franchisee is an Entity.

(n) “Person” – An individual or an Entity.

(o) “Personnel” - All persons employed or engaged by Franchisee in connection with the development, management or operation of the Unit, including persons in general and district management positions for the Unit, baristas, chefs, crew trainers, unit general and assistant managers, shift supervisors, cooks, hourly associates and all other persons who work in or for the Unit.

(p) “System” - The business methods, designs and arrangements for developing and operating Cultivate Locations, which include, without limitation, the Marks, building design and layouts, equipment, ingredients, recipes, methods of preparation and specifications for authorized food and beverage products, training, methods of inventory control and certain operating and business standards and policies, all of which Franchisor may improve, further develop or otherwise modify from time to time.

(q) “Trade Secrets” – The information (including, but not limited to, confidential business information, technical or non-technical data, formulas, patterns, compilations, programs, devices, methods, techniques, drawings, processes, financial data, financial plans, product plans, list of actual or potential customers or suppliers) that: (a) derives economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use; and (b) is the subject of efforts that are reasonable under the circumstances to maintain its secrecy. To the extent that applicable law mandates a definition of “trade secret” that is inconsistent with the foregoing definition, then the foregoing definition shall be construed in such a manner as to be consistent with the mandated definition under applicable law.

(r) “Transfer” or similar words - The voluntary, involuntary, direct or indirect sale, assignment, transfer, license, sublicense, sublease, collateral assignment, grant of a security, collateral or conditional interest, inter-vivos transfer, testamentary disposition or other disposition of this Agreement, any interest in or right under this Agreement, the Premises, any form of ownership interest in Franchisee, if an Entity, or any Owner that is an Entity or the assets, revenues or income of the Unit including: (i) any transfer, redemption or issuance of a legal or beneficial ownership interest in the capital stock of, or a

membership or partnership interest in, or of any interest convertible to or exchangeable for capital stock of, or a membership or partnership interest in, Franchisee or any Owner of Franchisee that is an Entity; (ii) any merger or consolidation between Franchisee or any Owner of Franchisee that is an Entity, on the one hand, and another Entity, on the other hand, whether or not Franchisee, or such Owner of Franchisee that is an Entity, as applicable, is the surviving Entity; (iii) any transfer in, or as a result of, a divorce, insolvency, corporate or partnership dissolution proceeding or otherwise by operation of law; (iv) any transfer upon death of Franchisee or of any of Franchisee's Owners by will, declaration of or transfer in trust or under the laws of intestate succession; or (v) any foreclosure upon the Unit or the transfer, surrender of loss by Franchisee of possession, control or management of the Unit.

(s) "Unit" - The Cultivate Location operated by Franchisee at the Premises.

2. GRANT OF RIGHTS.

2.01 Grant of Franchise. Subject to the terms of this Agreement, we grant to you the right, and you assume the obligation, to operate a single Cultivate Location from the location set forth on Exhibit B hereto (the "Premises") and to use the System solely in connection therewith, for a term of ten (10) years, starting on the date of the opening of the Unit (the "Term"). Immediately after such opening date, the parties hereto shall execute and deliver a Confirmation of Term Commencement Date in the form of Exhibit C hereto. You may not conduct the business of the Unit or use the System at any site other than the Premises, or relocate the Unit, without our prior written consent. If we permit you to relocate the Unit, you must pay to us a relocation fee equal to the greater of the following: (i) seventy-five percent (75%) of the then-current initial franchise fee, or (ii) Thirty Thousand Dollars (\$30,000). You may not carry on or conduct or permit others to carry on or conduct any other business, activity or operation at the Unit, without first obtaining our prior written consent. The renewal of the rights granted to you in this Agreement is described in Section 15 below.

2.02 Franchise Territory. During the Term, we will not operate (directly or through an Affiliate), nor grant to another Person the right to operate, any Cultivate Location located within the geographical area set forth on Exhibit B hereto (the "Franchise Territory"). Notwithstanding the foregoing, we have the right to operate (directly or through an Affiliate), and to grant to others the right to operate, within the Franchise Territory and elsewhere: (a) Cultivate Locations or other retail food and beverage establishments using any part or all of the System and/or Marks that are: (i) operating as of the Effective Date; or (ii) located in a food court, convention center, airport, train station, subway or other transportation facility, car or truck rest stop or travel center, lifestyle center, hotel, casino, college or other school, sports stadium, theme park, hospital, business campus, military base or other government office or any such other location that Franchisor determines, in its sole discretion, to be non-traditional as a location for a Cultivate Location (each, a "Non-Traditional Site"); and (b) retail food and beverage establishments (including restaurants, coffee shops, cafés and bakeries) that Franchisor or its Affiliates purchase (or as to which Franchisor or its Affiliates purchases the rights as franchisor) that are part of another franchise system or chain and either continue to be operate them independently or convert them to Cultivate Locations. For the avoidance of doubt, the Franchise Territory does not include the metaverse, and Franchisor reserves, maintains, and controls all rights with respect to said metaverse.

2.03 Reservation of Rights. Notwithstanding anything to the contrary set forth herein, Franchisor retains the right, in its sole discretion, to:

(a) establish and operate, and grant to other franchisees or licensees the right to establish and operate, a Cultivate Location or any other business using the Marks, the System or any variation of the Marks and the System, (i) in any location outside the Franchise Territory, (ii) at any Non-Traditional Site, regardless of whether such Non-Traditional Site is located within or outside of the

Franchise Territory or (iii) as contemplated by Section 2.02(a) and (b) above, in each case on any terms and conditions that Franchisor deems appropriate;

(b) develop, use and franchise anywhere (including within the Franchise Territory) the rights to any trade names, trademarks, service marks, commercial symbols, logos, emblems, signs, slogans, insignia, patents or copyrights not designated by Franchisor as Marks, for use with similar or different franchise systems for the sale of similar or different products or services than those constituting a part of the System, without granting Franchisee any rights therein;

(c) own, operate, franchise or license anywhere restaurants or cafés of any other type whatsoever operating under marks other than the Marks; and

(d) offer, distribute, sell and provide products or services identified by the Marks or other trademarks, service marks, commercial symbols or emblems to customers located in the Franchise Territory through any distribution channel or method, including grocery stores, convenience stores, Internet (or any other existing or future form of electronic commerce), smart phone applications and delivery services without compensation to Franchisee; provided, however, that any such sales will not be made from a Cultivate Location located in the Franchise Territory.

2.04 Catering and Delivery Services. Franchisor acknowledges and agrees that Franchisee may provide catering services within the Franchise Territory.

3. DEVELOPMENT OF THE UNIT.

In connection with the execution of any lease or sublease for the Premises, Franchisee must execute, and cause the lessor and/or sublessor of the Premises to execute, the Lease Rider attached to this Agreement as Exhibit F, with only such modifications thereto as approved by Franchisor in its sole discretion, in addition to complying with any other obligations and conditions contained in the Area Development Agreement entered into between Franchisor and Franchisee (the “Development Agreement”) relating to the lease or sublease of the Premises and the development and construction of the Unit. The rights granted to Franchisee are for the specific Premises and cannot be transferred to any other location, except with Franchisor’s prior written approval.

4. TRAINING AND GUIDANCE.

4.01 Franchisor Training Programs. The Unit must have three (3) individuals that (a) are designated by Franchisee to assume primary responsibility for managing the Unit and (b) will devote full time and best efforts to the management and operation of the Unit (the “Managers”), one of which Managers shall be the Operating Partner identified on Exhibit A. Prior to opening the Unit, you (or your Operating Partner) and all such personnel must attend and successfully complete, the appropriate certified training programs, conducted at such time(s) and places as Franchisor designates. No fee will be charged by Franchisor for the participation of up to four (4) of your employees, including Managers, in the initial training program, however, Franchisee shall be responsible for the costs and expenses (such as transportation, lodging, meals, compensation and incidental expenses) of each individual who attends the training. You must immediately replace any individual who fails to successfully complete any training program.

Our initial training program is an approximately two (2) to three (3) week program taught by Franchisor. Any in-store training will be conducted at a designated Cultivate Location. Both in-store and classroom training are conducted quarterly, or as needed. Generally, training begins ninety (90) days before opening the Unit.

Any replacement Managers must successfully complete to the satisfaction of Franchisor the initial training program provided by Franchisor, or in the event Franchisee owns and operates a Unit that is certified by Franchisor as a training Unit (a “Training Unit”), the initial training program provided by Franchisor to Franchisee for use at the Training Unit, or a comparable training program approved in advance by Franchisor in its sole discretion. During operating hours, a Manager who has successfully completed the initial training program must at all times be at the Unit. In the event that a Manager ceases active employment at the Unit, Franchisee must notify Franchisor within ten (10) days of cessation of the Manager’s employment at the Unit, replace such Manager within thirty (30) days of such cessation, commence training such Manager on the System and have such replacement Manager come to Franchisor’s headquarters for one (1) week of additional training and for certification by Franchisor, to be granted or withheld in our reasonable discretion. Franchisee is responsible for reimbursement of our trainers’ travel and living expenses and other related expenses and all related travel and living expenses and wages incurred in connection with any replacement Manager attending these training sessions. We will not charge you training program fees, provided that any such training is scheduled well in advance, as determined by us. We will charge you approximately \$500 per day (or \$3,000 per week) for any additional, unscheduled training that you request for any replacement Manager.

4.02 Franchisee Training Programs. Franchisee shall implement a training program approved by Franchisor for Personnel of the Unit and shall be responsible for the proper training of its employees. Franchisee agrees not to employ any person who fails or refuses to complete Franchisee’s training program or is unqualified to perform his or her duties at the Unit in accordance with the requirements established for the operation of a Cultivate Location.

4.03 Additional Training. Franchisee and its Managers and employees shall attend and conduct such additional training programs as Franchisor may from time to time reasonably require relating to the operation of the Unit and the System. Franchisee also may be required to purchase training or other instructional materials as specified by Franchisor from time to time in the Operations Manual or otherwise. Franchisee is responsible for reimbursement of our trainers’ travel and living expenses and other related expenses and all related travel and living expenses and wages incurred in connection with any Personnel attending these training sessions. We will not charge you training program fees, provided that any such training is scheduled well in advance, as determined by us.

4.04 Opening Assistance. If Franchisee (or any of its Affiliates) has not previously owned or managed a Cultivate Location, Franchisor will provide Franchisee with such opening operational assistance as it deems appropriate to assist Franchisee in starting its operations, including on-site opening assistance for three (3) days prior to the opening.

4.05 Advisory Services. During the Term, Franchisor may, in its sole discretion, upon the request of Franchisee, furnish counseling and advisory services to Franchisee with respect to the development, opening and/or operation of the Unit, including with respect to the following: (a) equipment selection and layout; (b) advertising and promotion; (c) recipes, food, beverages, formulas and specifications; (d) bookkeeping and accounting; (e) purchasing and inventory control; (f) operational problems and procedures; and (g) new developments and improvements to the System. These counseling and advisory services shall occur at Franchisor’s offices or via telephone or e-mail. Franchisor shall provide such assistance at no expense to Franchisee; provided, however, Franchisor reserves the right, in its sole discretion, to charge Franchisee a reasonable fee for unusual, extensive or extraordinary assistance requested by Franchisee and/or require Franchisee to reimburse Franchisor for expenses incurred by it in connection with providing such counseling and advisory services. In addition, if requested by Franchisee and Franchisor’s personnel are available, Franchisor may provide onsite assistance and training at the Unit, however, Franchisor reserves the right to charge a reasonable fee for this onsite assistance plus

expenses and costs incurred by Franchisor in rendering such assistance, to the extent it is unscheduled, unusual, extensive or extraordinary.

4.06 Operations Manual. During the Term, Franchisor will loan to Franchisee one (1) copy of, or provide Franchisee with electronic access to, the Operations Manual. The Operations Manual is confidential, copyrighted and Franchisor's exclusive property. The Operations Manual will contain information, standards and specifications concerning the System, the development and operation of the Unit and any other information and advice Franchisor may periodically provide to its franchisees. Franchisor may update and change the Operations Manual periodically to reflect changes in the System and the operating requirements applicable to Cultivate Locations, and Franchisee expressly agrees to comply with each requirement within such reasonable time as Franchisor may require, or if no time is specified, within thirty (30) days after receiving notification of the requirement. Franchisee shall at all times ensure that its copy of the Operations Manual and any other confidential materials supplied by Franchisor to Franchisee are kept current and up to date. Franchisee must keep any printed Operations Manual in a secure location at the Unit and must restrict employee access to the Operations Manual on a need to know basis, and take reasonable steps to prevent unauthorized disclosure or copying of any information in any printed or computerized Operations Manual. If Franchisor and Franchisee have any disagreement about the most current contents of the Operations Manual, Franchisor's master copy of the Operations Manual will control. Upon the expiration or termination of this Agreement for any reason, Franchisee must return all copies of the Operations Manual to Franchisor, and upon Franchisor's request, certify to Franchisor that Franchisee has not kept any copies in any medium.

5. TRADEMARKS; MODIFICATIONS.

5.01 Ownership of the Marks. Franchisee acknowledges that Franchisor and its Affiliates own all right, title and interest in and to the Marks. Franchisee's right to use the Marks is derived solely from this Agreement and is limited to conducting business at or in connection with the Unit pursuant to and in compliance with this Agreement. Franchisee's unauthorized use of any of the Marks constitutes a breach of this Agreement and an infringement of Franchisor's and its Affiliates' rights to the Marks. This Agreement does not confer on Franchisee any goodwill or other interests in the Marks. Franchisee's use of the Marks and any goodwill established thereby inures to the exclusive benefit of Franchisor and its Affiliates. All provisions of this Agreement applicable to the Marks apply to any additional or substitute trademarks, service marks and trade dress Franchisor authorizes Franchisee to use. Franchisee agrees not to, at any time during or after the Term, contest, or assist any other Person in contesting, the validity or ownership of any of the Marks.

5.02 Use of the Marks. Franchisee agrees to use the Marks as the sole identification of the Unit and identify itself as the independent owner thereof in the manner we prescribe. Franchisee agrees to use only the Marks as Franchisor prescribes in connection with the Unit and the sale of authorized food and beverage products and services. Other than in connection with the Subpage and the Email Address (each as defined below), Franchisee may not use any Mark (or any abbreviation, modification or colorable imitation) as part of any corporate or legal business name or in any other manner (including any Internet related use such as an electronic media identifier, for web sites, web pages or domain names) not expressly authorized by Franchisor in writing.

5.03 Discontinuance of Use of Marks. If Franchisor decides to change, add or discontinue use of any Mark, or to introduce additional or substitute Marks, Franchisee, upon a reasonable period of time after receipt of written notice, shall take such action, at its sole expense, as is necessary to comply with such change, alteration, discontinuation, addition or substitution. Franchisor shall have no liability for any loss of revenue or goodwill due to any new Mark or discontinued Mark.

5.04 Notification of Infringements and Claims. Franchisee must notify Franchisor immediately of any apparent infringement of or challenge to Franchisee's use of any Mark, or any claim by another Person of any rights in any Mark. Franchisee may not communicate with any Person, other than its legal counsel, and Franchisor, in connection with any such infringement, challenge or claim. Franchisor will have sole discretion to take such action as it deems appropriate and will have the right to control exclusively any litigation or U.S. Patent and Trademark Office proceeding arising out of any such infringement, challenge or claim or otherwise relating to any Mark. Franchisee must sign any and all documents, render such assistance and do such things as may be advisable in the opinion of our counsel to protect Franchisor's interests in any litigation or U.S. Patent and Trademark Office proceeding or other administrative proceeding or otherwise to protect its interests in the Marks.

5.05 Indemnification of Franchisee. Franchisor shall indemnify Franchisee against, and reimburse Franchisee for, all damages for which Franchisee is held liable in any proceeding arising out of its authorized use of any Mark pursuant to and in compliance with this Agreement and, except as provided herein, for all costs Franchisee reasonably incurs in defending any such claim brought against Franchisee, provided Franchisee has timely notified Franchisor of such claim and provided further that Franchisee and its Owners and Affiliates are in compliance with this Agreement and all other agreements entered into with Franchisor or any of its Affiliates. At Franchisor's sole discretion, Franchisor is entitled to prosecute, defend and/or settle any proceeding arising out of Franchisee's use of any Mark pursuant to this Agreement, and, if Franchisor undertakes to prosecute, defend and/or settle any such matter, Franchisor has no obligation to indemnify or reimburse Franchisee for any fees or disbursements of any legal counsel retained by Franchisee.

5.06 Modification by Franchisor. Franchisee recognizes and agrees that from time to time hereafter, Franchisor may change, modify or improve the System, including, without limitation, modifications to the Operations Manual, the processes and systems to support the business, the menu items and other product ingredients, the products offered for sale, the required equipment, the signage, the presentation and usage of the Marks, and the adoption and use of new, modified or substituted Marks or other proprietary materials. Franchisee agrees to accept, use and/or display for the purposes of this Agreement any such changes, modifications or improvements to the System, including, without limitation the adoption of new, modified or substituted Marks, as if they were part of the System as of the date of this Agreement, and Franchisee agrees to make such expenditures as such changes, modifications or improvements to the System may require.

6. FEES.

6.01 Initial Franchise Fee. Upon the execution of this Agreement, Franchisee shall pay to Franchisor an initial franchise fee in an amount set forth on Exhibit B (the "Franchise Fee"). In the event the Development Agreement requires the payment of a development fee by Franchisee to Franchisor, there shall be credited toward the payment of the Franchise Fee all or a portion of such development fee in the manner and to the extent provided for in the Development Agreement. Franchisee acknowledges and agrees that the Franchise Fee is paid as consideration for Franchisor granting Franchisee the right to develop, open and operate the Unit using the Marks and the System, that the Franchise Fee is fully earned by Franchisor at the time this Agreement is executed, and that the Franchise Fee shall not be refundable for any reason.

6.02 Royalty Fees. Franchisee agrees to pay Franchisor a continuing royalty fee of seven percent (7%) of Gross Sales (the "Royalty Fee") per week. Payment of the Royalty Fee shall be made on the tenth (10th) day of each month based on Gross Sales from the previous month. If such date falls on a Sunday or Holiday, payments will be due the following working day. If applicable laws in the jurisdiction where the Unit is located prohibit the payment of royalties or other percentage payments

based on sales of alcohol and beverage products, Franchisee agrees that Franchisor may designate an alternative minimum royalty amount that Franchisee must pay to Franchisor instead of the Royalty Fee.

6.03 Automated Bank Draft. All Royalty Fees, ADRF Fees, Advertising Cooperative contributions and other fees or contributions required to be paid to Franchisor or any Advertising Cooperative hereunder shall be paid by automated bank draft or such other method as determined by Franchisor or the Advertising Cooperative, as applicable, in its sole discretion.

6.04 Late Payments and Insufficient Funds. All overdue payments for Royalty Fees, ADRF Fees and other fees required to be paid hereunder shall bear interest from the date due at the rate specified by Franchisor from time to time, up to the highest rate permitted by law, but in no event shall such rate exceed one and one-half percent (1½%) per month. Interest shall accrue on all late payments regardless of whether Franchisor exercises its right to terminate this Agreement as provided for herein. In addition to its right to charge interest as provided herein, Franchisor may charge Franchisee a \$100 late payment fee for all such overdue payments and a \$100 insufficient funds fee for each check, automated bank draft payment, or other payment method that is not honored by Franchisee's financial institution.

6.05 Application of Payments. Notwithstanding designation by Franchisee to the contrary, all payments made by Franchisee hereunder will be applied by Franchisor at its discretion to any of Franchisee's past due amounts. Franchisee acknowledges that Franchisor has the right to set-off amounts Franchisee owes Franchisor against any amounts Franchisor may owe Franchisee.

7. RESTRICTIVE COVENANTS.

7.01 Covenants Not to Compete. For purposes of this Agreement, "Covenanting Personnel" means Franchisee's shareholders, members, directors, and officers as added to, deleted from or replaced from time to time. In consideration of the valuable training Franchisor provides to Franchisee, the disclosure to Franchisee of Franchisor's Confidential Information and Trade Secrets, Franchisor's grant to Franchisee of the franchise to use the System, and Franchisee's recognition of Franchisor's need to protect the integrity of the System, Franchisee agrees that it will comply with the following restrictions, which Franchisee acknowledges and agrees are reasonable and necessary to protect Franchisor's legitimate interests, the interests of Franchisor's other franchisees and the integrity of Franchisor's System:

(a) Neither Franchisee nor any of the Covenanting Personnel, nor any Person controlling, controlled by, or under common control with Franchisee or the Covenanting Personnel during the Term of this Agreement, or, in the case of such Covenanting Personnel, during the period when each such individual is a member of the Covenanting Personnel, will, individually or jointly with others, directly or indirectly, by, through or on behalf of, or in conjunction with, any Person, regardless of location:

(i) Own, maintain, operate, engage in, or have any interest in any business engaged in the retail sale of fast-casual brunch, organic coffee, and other menu and carry-out items and merchandise ("Competing Activity"), other than the Unit or another business Franchisee or they operate pursuant to an agreement with Franchisor, without Franchisor's prior written consent, except that any such Person may purchase or hold less than five percent (5%) of the shares of any publicly traded business engaged in a Competing Activity; or

(ii) Act as a director, officer, partner, member, employee, independent contractor, consultant, principal, agent, or proprietor, or participate or assist in the establishment or operation of, directly or indirectly, any business engaged in a Competing Activity; or

(iii) Divert or attempt to divert any business from the Unit or Franchisor.

(b) Neither Franchisee nor any of the Covenanting Personnel, nor any Person controlled, controlled by, or under common control with Franchisee or the Covenanting Personnel, beginning at the expiration or termination of this Agreement and for twenty-four (24) months thereafter within the Franchise Territory, or any former franchise territory, or within five (5) miles of any Cultivate Location, individually or jointly with others, directly or indirectly, by, through or on behalf of, or in conjunction with, any Person:

(i) Own, maintain, operate, engage in, or have any interest in, any business engaged in a Competing Activity without Franchisor's prior written consent, except pursuant to another agreement with Franchisor, and further except that any such person may purchase or hold less than five percent (5%) of the shares of any publicly traded business engaged in a Competing Activity; or

(ii) Act as a director, officer, partner, member, employee, independent contractor, consultant, principal, agent, or proprietor, or participate or assist in the establishment or operation of, directly or indirectly, any business engaged in a Competing Activity; or

(iii) Divert or attempt to divert any business from the Unit or Franchisor.

(c) In the event of any arbitration or litigation related to the Restrictive Covenants in this Agreement, Franchisee, on Franchisee's behalf and on behalf of the Covenanting Personnel, hereby directs any third party construing this Agreement, including without limitation any court, arbitrator, mediator, jury, or other party acting as a trier of fact or law:

(i) To conclusively presume that the restrictions set forth in this Agreement are reasonable and necessary in order to protect: (i) Franchisor's legitimate interests, including its other franchisees and the integrity of the System; (ii) the confidentiality of the Confidential Information and the secrecy of the Trade Secrets; (iii) Franchisor's investment in the System; and (iv) the goodwill associated with the System.

(ii) To conclusively presume that the Restrictive Covenants were made freely and voluntarily by and between Franchisee and Franchisor, as two independent businesses, together with Franchisee's Covenanting Personnel to whom Franchisor delivered good and adequate consideration, in an arms-length commercial transaction between skilled and experienced business operators.

(iii) To conclusively presume that the restrictions set forth in this Agreement will not prevent Franchisee and Franchisee's Covenanting Personnel from earning a livelihood, whether during the Term of this Agreement or in the event of the termination or expiration of this Agreement.

(iv) To conclusively presume that any violation of the terms of the restrictions in this Agreement by Franchisee and/or Franchisee's Covenanting Personnel was accompanied by the misappropriation and inevitable disclosure of Franchisor's Confidential Information, Trade Secrets, and other methods and procedures.

(v) To construe the Restrictive Covenants of this Agreement under the laws governing distribution contracts between commercial entities in an arms-length business transaction, and not under laws governing contracts of employment.

(d) This “Restrictive Covenants” Section 7 is and has been a primary inducement to Franchisor to enter into this Agreement, and, in the event of any breach of this Section 7, Franchisee acknowledges and agrees that Franchisor would be irreparably injured and without adequate remedy at law. Therefore, in the event of a breach or a threatened or attempted breach of any provision of this Section 7, Franchisee agrees that Franchisor is entitled, in addition to any other remedies Franchisor may have under this Agreement or at law or in equity, including the right to terminate this Agreement, to a preliminary and permanent injunction, and a decree for specific performance of the terms of this Section 7 without the necessity of showing actual or threatened damage and without being required to furnish a bond or other security.

7.02 Confidential Information. Franchisee acknowledges that it may be exposed to certain Confidential Information and/or Trade Secrets of Franchisor during the term of the Franchise Agreement, and that Franchisee’s unauthorized use or disclosure of such information or data could cause immediate and irreparable harm to Franchisor. Accordingly, except to the extent that it is necessary to use such information or data to perform its express obligations under this Agreement, Franchisee shall not (and shall take diligent measures to ensure that none of its employees or other personnel shall), without the express prior written consent of Franchisor, publish, disclose, transfer, release, or divulge to any other Person, or use or modify for use, directly or indirectly, in any way for any Person:

(a) Any of the Confidential Information during the term of this Agreement and for a period of two (2) years after the termination of this Agreement; and

(b) Any of the Trade Secrets at any time (whether before or after termination of this Agreement) during which such information shall constitute and rise to the level of a trade secret under the Georgia Trade Secrets Act or other applicable trade secrets law (or for the maximum duration otherwise allowed under applicable trade secrets law).

The Parties acknowledge and agree that Franchisor’s Trade Secrets include, but are not limited to, product marketing and promotions techniques and plans, financial data and plans, and any components of the System that fall within the definition of “Trade Secret.”

THE PARTIES ACKNOWLEDGE AND AGREE THAT FRANCHISOR’S CONFIDENTIAL INFORMATION INCLUDES BUT IS NOT LIMITED TO: THE TERMS AND CONDITIONS OF THIS AGREEMENT; THE CONTENTS OF THE OPERATIONS MANUAL (EXCEPT FOR ANY INFORMATION IN THE OPERATIONS MANUAL THAT WOULD CONSTITUTE A “TRADE SECRET”); AND ANY COMPONENT OF THE SYSTEM THAT DOES NOT CONSTITUTE A “TRADE SECRET” BUT THAT OTHERWISE MEETS THE DEFINITION OF “CONFIDENTIAL INFORMATION.”

In addition, notwithstanding anything in this Agreement to the contrary, Franchisee may, in accordance with any applicable law, including the federal Defend Trade Secrets Act, disclose Confidential Information, including Franchisor’s Trade Secrets, (a) in confidence, to federal, state, or local government officials, or to Franchisee’s attorney, for the sole purpose of reporting or investigating a suspected violation of law; or (b) in a document filed in a lawsuit or other legal proceeding, but only if the filing is made under seal and protected from public disclosure.

7.03 Franchisee Required to Obtain Non-Disclosure Agreements from Its Employees That are Exposed to Franchisor’s Confidential Information. Franchisee’s Personnel may be exposed the Franchisor’s Confidential Information as needed to assist in operating the Unit. Franchisee may *only* disclose such information to its employees, agents, and representatives as needed to operate the Unit. Franchisee shall obtain a non-disclosure agreement restricting the disclosure of Franchisor’s Confidential Information and/or Trade Secrets from each such employee, agent, or representative.

7.04 Injunctive Relief Available to Franchisor. Franchisee acknowledges that any failure to comply with the requirements of this Section 7 of this Agreement will cause Franchisor irreparable injury, and Franchisor shall be entitled to obtain specific performance of, or temporary, preliminary, and/or permanent injunctive relief against any violation of, such requirements. Franchisee agrees to pay all court costs and reasonable attorneys’ fees incurred by Franchisor in obtaining specific performance of, or temporary, preliminary, and/or permanent injunctive relief against, violation of the requirements of this Agreement. The foregoing remedies shall be in addition to any other legal or equitable remedies that Franchisor may possess.

7.05 Ownership of Newly Developed Products and Services. Franchisee must fully and promptly disclose to Franchisor all ideas, names, concepts, methods, and techniques relating to the development, operation, or promotion of his or her Unit, conceived or developed by Franchisee or by employees during the terms of this Agreement. Franchisor has the perpetual right to use and authorize other Cultivate Locations to use such ideas, names, concepts, methods and techniques and, if incorporated into Franchisor’s System for the development, operation or promotion of Cultivate Locations, such ideas, names, concepts, methods and techniques become the sole and exclusive property of Franchisor without any consideration to Franchisee.

7.06 Construction, Modification, and Choice of Law.

(a) In the event that this Section 7 is construed by a court, arbitrator, mediator, jury, or other party acting as a trier of fact or law, Franchisee hereby directs such court, arbitrator, mediator, jury, or other party to broadly construe all provisions contained in this Section 7 in favor of enforcement.

(b) In the event that this Section 7 is construed by a court, arbitrator, mediator, jury, or other party acting as a trier of fact or law, and such court, arbitrator, mediator, jury, or other party finds any provision contained in this Section 7 to be invalid or unenforceable for any reason, Franchisee hereby directs such court, arbitrator, mediator, jury, or other party to modify such provision to the minimum extent necessary to make it valid and enforceable, and Franchisee agrees that such modification shall be deemed to have been a part of this Agreement as of the Effective Date.

Franchisee specifically acknowledges and agrees that the provisions set forth in this Section 7 must be enforced even if Franchisee fails to open Franchisee’s Unit because Franchisee will receive valuable information and training about the System and the operation of the Unit before Franchisee commences operations. Accordingly, Franchisee agrees that Franchisor shall have the right to enforce this Section 7 even if Franchisee does not open the Unit.

7.07 Covenants are Independent. The parties agree that each of the foregoing covenants shall be construed to be independent of any other covenant or provision of this Agreement. If all or any portion of the covenants in this Section 7 is held to be unenforceable or unreasonable by a court or agency having competent jurisdiction in any final decision to which Franchisor is a party, Franchisee expressly agrees 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 resultant covenant were separately stated in and made a part of this Section 7 of this Agreement.

7.08 Claims are Not Defenses to Covenants. Franchisee expressly agrees that the existence of any claim it may have against Franchisor, whether or not arising from this Agreement, shall not constitute a defense to the enforcement by Franchisor of the covenants of this Section 7 of this Agreement. Franchisee further agrees that Franchisor shall be entitled to set off any amount owed by Franchisor to Franchisee against any loss or damage to Franchisor resulting from Franchisee's breach of this Section 7 of this Agreement.

8. YOUR ORGANIZATION AND MANAGEMENT.

8.01 Organizational Documents. If Franchisee is as of the date hereof, or if the original Owner(s) of the franchise sign this Agreement in their individual capacities and thereafter elect to Transfer this Agreement (as permitted herein) to an Entity, the Franchisee and each of the Owners represent, warrant and agree that: (a) the Franchisee Entity is duly organized and validly existing under the laws of the state of its organization, and, if a foreign business corporation, partnership, limited liability company or other legal entity, it is duly qualified to transact business in the state in which the Unit is located; (b) the Franchisee Entity has the authority to execute and deliver this Agreement and to perform Franchisee's obligations hereunder; (c) true and complete copies of the articles or certificate of incorporation, partnership agreement, bylaws, subscription agreements, buy-sell agreements, voting trust agreements and all other documents relating to the ownership, organization, capitalization, management and control of the Franchisee Entity have been delivered to Franchisor and all amendments thereto shall be promptly delivered to Franchisor; and (d) the Franchisee Entity's activities are restricted to those necessary solely for the development, ownership and operation of one or more Cultivate Locations in accordance with this Agreement and in accordance with any other agreements entered into with Franchisor or any of its Affiliates.

8.02 Disclosure of Ownership Interests. Attached hereto as Exhibit A is a description of the legal organization of Franchisee, the names and addresses of each Owner owning a ten percent (10%) or greater interest in Franchisee (the "Principal Owners") and the percentage of such interest owned by such Principal Owner. Franchisee agrees to notify Franchisor in writing whenever there is any change in the organizational structure or ownership interest of Franchisee as set forth on Exhibit A. Franchisor may require each Principal Owner to execute the Personal Guaranty attached hereto as Exhibit D.

8.03 Management of Business. If Franchisee is, or at any time becomes, a business corporation, partnership, limited liability company or other legal entity, Franchisee must designate on Exhibit A an "Operating Partner", which individual must be approved by Franchisor and: (a) own and control, or have the right to own and control (subject to terms and conditions reasonably acceptable to Franchisor), not less than a ten percent (10%) interest in Franchisee's equity and voting rights; (b) have the authority to bind Franchisee regarding all operational decisions with respect to the Unit; and (c) have completed Franchisor's training program to its satisfaction. The Operating Partner (i) shall exert his or her full-time and best efforts to the development and operation of the Unit; and (ii) may not engage in any other business or activity, directly or indirectly, that requires substantial management responsibility or time commitments or otherwise may conflict with his or her obligations hereunder. Franchisee shall provide Franchisor with a copy of any proposed arrangement, agreement or contract, and all amendments thereto, with the Operating Partner for Franchisor's prior review and approval, and upon approval thereof, executed copies thereof. Franchisor shall have no responsibility, liability or obligation to any party to any such arrangement, agreement or contract, or any amendments thereto, on account of our approval thereof or otherwise, and Franchisee agrees to indemnify and hold Franchisor harmless with respect thereto. The Unit at all times must be managed by the Operating Partner or by another Manager who has completed the appropriate training programs.

8.04 Store Organization. All shifts at the Unit must be staffed by at least one (1) Manager and the appropriate numbers of assistant managers and shift supervisors in accordance with the Operations Manual, unless otherwise approved by Franchisor.

9. OPERATING STANDARDS AND FRANCHISEE OBLIGATIONS.

9.01 Obligations of Franchisee. Franchisee recognizes the mutual benefit to Franchisee, Franchisor and other Cultivate Locations of the uniformity of the appearance, products, services and advertising of the System and acknowledges and agrees that such uniformities are necessary for the successful operation of a Cultivate Location. Franchisee also acknowledges and agrees that products and services sold under the Marks and at Cultivate Locations have a reputation for excellence. This reputation has been developed and maintained by Franchisor and its Affiliates, and Franchisee acknowledges and agrees that it is of the utmost importance to Franchisor, Franchisee and all other Cultivate Locations that such reputation be maintained. As such, Franchisee covenants and agrees with respect to the operation of the Unit that Franchisee and its employees and agents will comply with all of the requirements of the System and the Operations Manual and will throughout the Term:

(a) Operate the Unit and prepare and sell all products and services sold therein in accordance with, and comply with all requirements of, this Agreement, Franchisor, the System and the Operations Manual including, but not limited to, the high-end concept for the brand, as they are now or hereafter established, including, without limitation, any specifications, standards, business practices and policies. Franchisor and its duly authorized representatives shall have the right, if they so elect, at all reasonable times, to enter and inspect the Unit to ensure that Franchisee is in compliance therewith and to test any and all equipment, systems, products and ingredients used in connection with the operation of the Unit. If Franchisee in any way shall fail to maintain the standards of quality and luxury for the products and services as established by Franchisor from time to time, Franchisor shall notify Franchisee in writing of the failure and give Franchisee ten (10) days in which to cure such failure. If Franchisee fails to cure such failure within such ten (10) day period, Franchisor shall, in addition to any other remedy available to it, have the right to assign to the Unit such persons as it deems necessary for the training of Franchisee's Personnel to ensure that the standards of quality for the products and services are maintained. Franchisee shall reimburse Franchisor for all costs associated with providing such personnel, including costs of transportation, meals, lodging, salaries, wages and other compensation.

(b) Maintain at all times, at its expense, the Unit and its equipment, fixtures, furnishings, furniture, décor, premises, parking areas, landscape areas, if any, and interior and exterior signs in a clean, attractive and safe condition in conformity with the Operations Manual and Franchisor's high standards and public image. Franchisee shall promptly make all repairs and replacements thereto as may be required to keep the Unit in the highest degree of sanitation and repair and to maintain maximum efficiency and productivity. However, Franchisee shall not undertake any alterations or additions (but may perform maintenance and make repairs) to the buildings, equipment, premises or parking areas associated with the Unit without the prior written approval of Franchisor. If Franchisor changes the System or standards of operation with respect to the Unit, Franchisee expressly agrees to comply with each change within such reasonable time as Franchisor may require, or if no time is specified, within thirty (30) days after receiving notification of the change. Franchisee shall also maintain maintenance contracts and/or service contracts on all equipment and machinery designated by Franchisor and Franchisor shall have the right to designate the vendor(s) for such contracts and the requirements for the contracts.

(c) Make no physical changes from blueprint specifications or approved remodeling plans in connection with the premises constituting the Unit on the Premises, or the design thereof, or any of the materials used therein, or their colors, without the express written approval of Franchisor, except

that Franchisee will, upon request of Franchisor, make such reasonable alterations to the Unit or Premises as may be necessary to conform to the then-current marketing and operating standards and specifications of the System.

(d) Comply with all applicable laws, rules, ordinances and regulations that affect or otherwise concern the Unit or the Premises, including, without limitation, zoning, disability access, signage, fire and safety, sales tax registration, and health and sanitation. Franchisee will be solely responsible for obtaining any and all licenses and permits required to operate the Unit, including, without limitation, liquor licenses. Franchisee must keep copies of all health, fire, building occupancy and similar inspection reports on file and available for Franchisor to review. Franchisee must promptly forward to Franchisor any inspection reports or correspondence stating that Franchisee is not in compliance with any such laws, rules, ordinances and regulations.

(e) Maintain sufficient inventories and employ sufficient employees to operate the Unit at its maximum capacity and efficiency at such hours and days as Franchisor shall designate or approve in the Operations Manual or otherwise, and operate the Unit for such hours or days so designated or approved by Franchisor.

(f) Require all employees of the Unit to wear uniforms and abide by the System dress code and to conduct themselves at all times in a competent and courteous manner and use best efforts to ensure that its employees maintain a neat and clean appearance and render competent, sober and courteous service to patrons of the Unit. Notwithstanding anything contained herein to the contrary, Franchisor shall have no control over Franchisee's Personnel, including, without limitation, work hours, scheduling, recordkeeping, wages, supervision, discipline, hiring or firing.

(g) To pay when due all amounts which it owes to anyone for supplies, equipment and other items used in connection with the Unit and all payments owed hereunder or under any other agreement entered into in connection with the operation of the Unit. Franchisee must notify Franchisor immediately when and if Franchisee becomes more than sixty (60) days delinquent in the payment of any of the obligations mentioned above.

(h) Prominently display at the Unit and the Premises signs using the name "CULTIVATE," and/or other signs, of such nature, form, color, number, location and size, and containing such material as Franchisor may from time to time reasonably direct or approve in writing; and not display in the Unit or on the Premises or elsewhere any sign or advertising media of any kind to which Franchisor reasonably objects.

(i) Refrain from deviating from the formulas, recipes or specifications of materials and ingredients of food and beverages as specified by Franchisor, without the prior written consent of Franchisor, adhere to the menu and all changes, alterations, additions and subtractions thereof, thereto or therefrom as specified by Franchisor from time to time, follow all specifications of Franchisor as to the uniformity of products and weight, quality and quantity of unit products served and sold, and serve and sell only such menu items as are designated by Franchisor.

(j) Participate in all national, regional or local advertising and promotional activities Franchisor or the Advertising Cooperative requires. Franchisee understands that Franchisor implements promotions such as discount coupons, certificates, frequent customer cards, special menu promotions, gift cards and other activities intended to enhance customer awareness and build traffic at Cultivate Locations on a national, regional or local level. Franchisor may establish procedures and regulations related to these promotions in the Operations Manual and Franchisee agrees to honor and participate in these programs in

accordance with such procedures and regulations specified by Franchisor in the Operations Manual or otherwise in writing.

(k) No more often than once every five (5) years during the Term, refurbish the Premises at Franchisee's expense to conform the Unit to the then-current image for new Cultivate Locations, including, without limitation, with respect to trade dress, color schemes and presentation of the Marks ("Refurbishments"). Refurbishments may include structural changes, installation of new equipment and signs, remodeling, redecoration and modifications to existing improvements. Refurbishments are intended to be large-scale re-equipping, refurbishing and remodeling of the Unit, and nothing contained in this subsection (k) will limit Franchisee's other obligations under this Agreement or the Operations Manual.

(l) Become and remain in good standing a member of any purchasing and/or distribution cooperative or program designated by Franchisor and/or established by Franchisor for the System. In addition, as required by Franchisor, maintain contracts with, or participate in any Franchisor contracts, with any third-party(ies) offering customer service, mystery shopper, shopper experience, food safety or other service programs designed to audit, survey, evaluate or inspect business operations. Franchisee understands that Franchisor has the right to specify the third party(ies) and the required level of participation in such programs and that Franchisee will bear the cost thereof.

(m) Operate and maintain the Unit in a manner which will ensure that the Unit will obtain the highest classification possible for restaurants and cafés of like kind from the governmental authorities that inspect restaurants and cafés in the Franchise Territory. In connection with the foregoing, in the event that any health department inspection of the Unit results in a score of less than 93 or grade "A" or if Franchisee fails to operate in accordance with the general standards of quality, maintenance, repairs and sanitation required by Franchisor, then Franchisor may, at its option, place such trained personnel in the Unit as Franchisor deems necessary to train the managerial and operating personnel of the Unit until the Unit can meet such standards. Franchisor's personnel shall remain at the Unit until the required standards are met or until Franchisor, in its sole discretion, decides to remove them. Franchisee shall pay all costs associated with providing such personnel, including costs of transportation, meals, lodging, wages or other compensation, including fringe benefits.

(n) Abide by any maximum, minimum or other pricing requirements established by Franchisor with respect to products and services provided at the Unit.

9.02 Products.

(a) Proprietary Products. Franchisor may, from time to time throughout the Term, in its sole discretion, require that Franchisee use, offer and/or promote, and maintain in stock at the Unit in such quantities as are needed to meet reasonably anticipated consumer demand, certain Ingredients and other food and beverage and non-food or beverage products which are manufactured in accordance with Franchisor's and its Affiliates' proprietary recipes, specifications and/or formulas ("Proprietary Products"). Franchisee shall purchase Proprietary Products only from Franchisor or its Affiliates or such independent third parties whom Franchisor authorizes to manufacture and/or distribute Proprietary Products ("Designated Suppliers"). Franchisor shall not be obligated to reveal such recipes, specifications, and/or formulas of such Proprietary Products to Franchisee, non-designated suppliers, or any other Person. Franchisee agrees not to reverse-engineer, assemble or analyze any Proprietary Product. Franchisor expressly reserves the right to designate any product as a Proprietary Propriety from time to time, in its discretion.

(b) Non-Proprietary Products. Franchisor may designate food and beverage products, ingredients, condiments, fixtures, furnishings, equipment, uniforms, supplies, forms, and other products and equipment other than Proprietary Products which Franchisee may or must use and/or offer and sell at the Unit (“Non-Proprietary Products”). Franchisee may purchase such Non-Proprietary Products from any supplier whom Franchisor authorizes to manufacture and/or distribute Non-Proprietary Products, which may include Franchisor, its Affiliates or independent third parties (“Approved Suppliers”). Franchisee may use, offer, and sell only such Non-Proprietary Products that Franchisor has expressly authorized, or that were purchased or obtained from an Approved Supplier or an Alternative Approved Supplier, as described below. Franchisor expressly reserves the right to designate any product as a Non-Proprietary Propriety from time to time, in its discretion.

(c) Franchisor and its Affiliates as Suppliers. The Operations Manual and other communications will identify the System’s standards and specifications and the names of Designated Suppliers and Approved Suppliers. If Franchisor or its Affiliates are or become a Designated Supplier or an Approved Supplier, Franchisor and/or such Affiliates may charge Franchisee a reasonable mark-up, surcharge and/or handling fee on any items Franchisee purchases therefrom. Because many Proprietary Products (and their Ingredients) are commodities, their costs may fluctuate and Franchisor or its Affiliates may from time to time pass those cost increases or decreases on to Franchisee. Monies paid will include a profit for Franchisor and/or such Affiliates. Franchisor will cause those Designated Suppliers and Approved Suppliers that are its Affiliates to sell to Franchisee such quantities of Proprietary Products and/or Non-Proprietary Products as Franchisee may order from such Affiliate under its then current ordering guidelines, to the extent such products are then available and Franchisee has timely paid for prior orders. All Proprietary Products and/or Non-Proprietary Products sold by Franchisor and/or its Affiliates to Franchisee shall be subject to Franchisor’s or the applicable Affiliate’s then current terms and conditions of sale.

(d) Purchases from Alternative Approved Suppliers. If Franchisee proposes to purchase any Proprietary Products or Non-Proprietary Products from any alternative supplier who is not then approved by Franchisor, Franchisee and the proposed supplier must submit to Franchisor all information that Franchisor may request in order to determine whether to approve the supplier. Franchisor will have the right to approve or disapprove any supplier, in its sole and absolute discretion. In evaluating any supplier Franchisee proposes, Franchisor will, subject to restrictions and conditions to protect Confidential Information and Trade Secrets, disclose to such proposed supplier applicable standards, specifications, ingredients, recipes, processes, equipment and procedures for the item in sufficient detail to enable the proposed supplier to demonstrate its capacity and capabilities to supply the items in accordance with Franchisor’s requirements with respect thereto. Within one hundred twenty (120) days after Franchisor receives all requested information, Franchisor will communicate to Franchisee in writing its decision to approve or disapprove such proposed supplier (if approved, an “Alternative Approved Supplier”). Franchisor will evaluate proposed alternative suppliers on their ability to comply with applicable standards, specifications, ingredients, recipes, processes and procedures, as well as their use of approved equipment, and Franchisor will only approve those proposed alternative suppliers that meet its high standards. Franchisor may at any time revoke its approval of any Alternative Approved Supplier, and Franchisee may not, after receipt of notice of disapproval, reorder from any supplier Franchisor has disapproved.

In connection with the foregoing, Franchisor may prescribe procedures for the submission of requests for approval and impose obligations on Alternative Approved Suppliers, which will be incorporated in a written license agreement with the supplier. Franchisor may obtain from Franchisee and/or such Alternative Approved Suppliers reimbursement of its reasonable costs and expenses incurred in connection with the evaluation, testing, inspection, approval process and on-going monitoring of the supplier’s compliance with our requirements. Franchisor may profit from the sale of

Ingredients to an Alternative Approved Supplier that are then used to make Proprietary Products or Non-Proprietary Products. Franchisor may impose limits on the number of Alternative Approved Suppliers. Franchisor has the right to monitor the quality of services provided by Alternative Approved Suppliers in a manner it deems appropriate. Franchisor and its Affiliates have the right to receive payments or other benefits like rebates, discounts, and allowances from Designated Suppliers, Approved Suppliers and Alternative Approved Suppliers based upon their dealings with Franchisee and other franchisees and Franchisor may use the monies it receives without restriction for any purpose it deems appropriate or necessary. Franchisor may receive payments from a supplier as a condition of its approval of that supplier.

(e) **Use of Products.** Franchisee shall use Proprietary Products and Non-Proprietary Products only at the Premises and only for sale thereof to or use by retail customers of the Unit or as otherwise contemplated by the Operations Manual. Franchisee shall not sell any Proprietary Products or Non-Proprietary Products to wholesalers or any other party on a wholesale basis.

9.03 Information Technology. Franchisee, at its expense, must purchase and use a computerized cash collection and data processing system (the “POS System”) that meets the standards and specifications provided by Franchisor from time to time in the Operations Manual or otherwise. Franchisee must enter all sales and other information Franchisor requires in the POS System. Franchisor may periodically require Franchisee, at its expense, to upgrade or update the POS System to remain in compliance with the standards and specifications required by Franchisor; and, in any event, Franchisee shall upgrade or update the POS System at least every five (5) years during the Term. Franchisee, at its expense, must maintain the POS System in good working order and connected to any telephone or computer network that Franchisor requires. Franchisor may require Franchisee, at its expense, to configure and connect the POS System to Franchisor’s systems to provide Franchisor with continuous real-time access to all information and data stored on the POS System. Franchisor may require Franchisee to pay Franchisor or its designated third party(ies) reasonable fees to purchase, support and upgrade the POS System (which may include a monthly subscription fee) and a reasonable fee to Franchisor or its designated third party(ies) for collecting data from the POS System. In addition to the POS System, Franchisee, at its expense, must equip the Unit with the computer hardware and software that Franchisor specifies periodically and maintain access to the Internet or other computer network(s) that Franchisor specifies. In addition, Franchisee, at its expense, must also apply for and maintain other credit card, debit card or other non-cash payment systems that Franchisor periodically requires. Franchisor may require Franchisee to maintain support service contracts and/or maintenance service contracts and implement and periodically make upgrades and changes to the POS System, computer hardware and software, and credit card, debit card or other non-cash payment systems. Franchisor may require that Franchisee pay to Franchisor a technology fee at the time and in the manner designated by Franchisor for certain technology services that Franchisor provides or secures on Franchisee’s behalf.

9.04 Insurance. Franchisee agrees to secure and maintain during the Term, at its own cost, the following insurance policies by carriers approved by Franchisor:

(a) Such insurance as may be required by the terms of any lease for the Premises or, if there is no such lease, Franchisee agrees to carry fire and extended coverage insurance (including, if applicable, flood and earthquake coverage) covering the building and all equipment, supplies, products, inventory, furniture, fixtures and other tangible property located in the Unit or on the Premises in the amount of the full replacement value of such property.

(b) Commercial General Liability Insurance, including coverages for products/completed operations, contractual liability, explosion, collapse and underground, personal and advertising injury, fire damage/damage to rented premises, medical expenses, and dram shop/liquor

liability, having a combined single limit for bodily injury and property damage of \$2,000,000 per occurrence and \$4,000,000 in the aggregate and, if Franchisee owns, rents or identifies any vehicles with any Mark or vehicles are used in connection with the operation of the Unit, automobile liability coverage for owned, non-owned, scheduled and hired vehicles having a combined single limit of \$1,000,000 per occurrence. The deductibles under such policy shall not be in excess of \$25,000. All such coverages shall be on an occurrence basis and shall provide for waivers of subrogation in favor of Franchisor.

(c) Workers' compensation insurance, or a similar policy if the Unit is located in a non-subscriber state, covering all of its employees as is required by law, provided that such insurance shall have the following minimum coverage limits: general coverage of \$500,000 per accident and employee disease coverage of \$500,000 per employee and in the aggregate. Such coverages shall provide for waivers of subrogation in favor of Franchisor.

(d) Business interruption and extra expense insurance for a minimum of six (6) months to cover net profits and continuing expenses (including Royalty Fees).

(e) Crime coverage with an employee dishonesty limit of \$50,000.

Franchisee agrees that Franchisor shall be named as an additional insured under each of the foregoing insurance policies. Before the opening of the Unit and, thereafter, at least thirty (30) days before the expiration of any such policy or policies, Franchisee shall deliver to Franchisor certificates of insurance evidencing the proper coverage with limits not less than those required hereunder, and all such certificates shall expressly contain endorsements requiring the insurance company to give Franchisor at least thirty (30) days written notice in the event of material alteration to, or termination, non-renewal, or cancellation of, the coverages evidenced by such certificates and notice of any claim filed under such policy within thirty (30) days after the filing of such claim. Franchisee must also provide to Franchisor such other evidence of insurance coverage as Franchisor may designate from time to time. Franchisor may, from time to time, during the Term, at its sole option, require that the minimum limits and types of insurance coverage, as specified above, be increased or changed as determined solely by Franchisor. If Franchisee at any time fails or refuses to maintain any insurance coverage required by Franchisor or to furnish satisfactory evidence thereof, Franchisor, at its option and in addition to its other rights and remedies hereunder, may, but need not, obtain such insurance coverage on behalf of Franchisee, and Franchisee shall pay to Franchisor on demand any premiums incurred by Franchisor in connection therewith. Franchisee's obligation to obtain and maintain, or cause to be obtained and maintained, 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 Franchisor, nor shall Franchisee's performance of that obligation relieve it of liability under the indemnity provisions set forth in Section 17.02 hereof. Notwithstanding the existence of such insurance, Franchisee, as agreed above, is and shall be responsible for all loss or damage and contractual liability to third persons originating from or in connection with the operation of the Unit and for all claims or demands for damages to property or for injury, illness or death of persons directly or indirectly resulting therefrom.

10. MARKETING AND ADVERTISING.

10.01 Grand Opening. Franchisee, at its sole expense, must develop and implement a grand opening promotion approved by Franchisor to introduce or (if Franchisee is purchasing an existing Unit) to re-introduce the Unit to the public during the period that is thirty (30) days prior and thirty (30) days after the opening of the Unit or sixty (60) days after the transfer of the Unit (if Franchisee is purchasing an existing Unit). Franchisee is required to spend a minimum of \$15,000 for the grand opening promotion. To the extent Franchisor has developed or approved marketing or advertising programs and materials for the Unit's grand opening, Franchisee must use such programs and materials, if required by

Franchisor. As part of your grand opening promotion, we will provide members of our staff to assist at our cost and expense for three (3) days prior to the grand opening. Any assistance in excess of that is subject to a reimbursement of travel and living expenses and other related expenses, which is estimated at \$500 per day or \$3,000 per week.

10.02 Advertising Fund.

(a) Franchisee agrees that Franchisor shall have the right, in its sole discretion, to establish an Advertising Development and Research Fund (the “ADRF”) for the System. In addition to all other amounts required to be paid hereunder, in the event that Franchisor establishes an ADRF, applicable to Franchisee’s Unit, Franchisee must pay to Franchisor, or such other entity designated by Franchisor, an amount based upon Gross Sales to be determined by Franchisor on or before December 1st of each year with respect to the following calendar year, provided such amount shall not exceed two percent (2%) of Gross Sales (the “ADRF Fee”), which amount shall be used by the ADRF. The ADRF Fee shall be the same for all Cultivate Locations. Payment of the ADRF Fee shall be made on the tenth (10th) day of each month based on Gross Sales from the previous month. If such date falls on a Sunday or Holiday, payments will be due the following working day. Franchisor shall, for each of its company-owned Cultivate Locations, make contributions to the ADRF equivalent to the assessments required of comparable franchised restaurants within the System.

(b) The ADRF Fee will be expended for the benefit of Franchisor, Franchisee and all other franchisees, licensees or users of the System for the production or purchase of such online, social media, radio, television, print and/or other advertising materials or services as Franchisor deems necessary or appropriate, in its sole discretion, on a national, regional or local basis. The expenditure of such funds for advertising is to be under the control of, and in the discretion of, Franchisor, at all times, or such other entities designated by Franchisor. Franchisee understands and acknowledges that the ADRF is intended to maximize and support general public recognition, brand identity, sales and patronage of Cultivate Locations for the benefit of all Units, and Franchisor undertakes no obligation to ensure that the ADRF benefits each Cultivate Location in proportion to its respective contributions. Franchisor agrees that all funds contributed to the ADRF may be used to meet any and all costs (including, without limitation, reasonable salaries and overhead incurred by Franchisor) of maintaining, administering, directing and preparing national, regional or local advertising materials, programs and public relations activities including, without limitation, the costs of preparing and conducting online, social media, television, radio, magazine, billboard and newspaper advertisements, direct response literature, direct mailings, brochures, collateral advertising material, implementing websites for Franchisor and/or its franchises, surveys of advertising effectiveness and other media programs and activities, employing advertising agencies to assist therewith and providing promotional brochures, decals and other marketing materials.

(c) The ADRF shall be established as a separate banking account and monies received shall be accounted for separately from Franchisor’s other funds and shall not be used to defray any of Franchisor’s general operating expenses, except for such reasonable salaries, administrative costs and overhead as Franchisor may incur in activities reasonably related to the administration or direction of the ADRF and its advertising programs. The ADRF will not be Franchisor’s asset. A financial statement of the operations of the ADRF shall be prepared quarterly and shall be made available to Franchisee upon request. Franchisor may spend in any fiscal year more or less than the aggregate contribution of all Cultivate Locations to the ADRF in that year, and the ADRF may borrow from Franchisor or others to cover deficits or invest any surplus for future use. Any lender loaning money to the ADRF shall receive interest at a reasonable rate. All interest earned on monies contributed to the ADRF will be used to pay advertising costs before other assets of the ADRF are expended. Franchisor may cause the ADRF to be incorporated or operated through a separate entity at such time as Franchisor may deem appropriate, and

such successor entity, if established, will have all rights and duties specified in this Section. Franchisor will not be liable for any act or omission with respect to the ADRF that is consistent with this Agreement and done in good faith. Except as expressly provided in this Section 10.02(c), Franchisor assumes no direct or indirect liability or obligation to Franchisee with respect to the maintenance, direction or administration of the ADRF. Franchisee acknowledges and agrees that Franchisor is not operating or acting as a trustee or fiduciary with respect to the ADRF Fees collected. Franchisor may reduce contributions of franchises to the ADRF and upon notice to Franchisee, reduce the ADRF's operation or terminate the ADRF and distribute unspent monies to those contributing franchisees in proportion to their contributions in the past.

10.03 Local Advertising. Franchisee agrees that, in addition to the payment of the ADRF Fee and any amounts required under Section 10.02 hereof, it will spend such amount each calendar quarter for local market advertising (e.g., marketing, promotions, publicity, sports promotion, social network) as determined by Franchisee but in no event less than two percent (2%) of Gross Sales per calendar quarter. Franchisor shall provide to Franchisor proof of such local advertising expenditures upon Franchisor's request therefor. Local advertising expenditures shall not include incentive programs, including, without limitation, costs of honoring coupons and food and beverage costs incurred in honoring sales promotions. If Franchisee fails to make advertising expenditures in accordance with this Section, Franchisee shall spend the amount of such deficiency during the next succeeding calendar quarter, in addition to spending at least two percent (2%) of the Gross Sales of the Unit during such calendar quarter on local advertising. Failure to comply with this Section shall be deemed a material breach of this Agreement. Franchisee acknowledges that it must follow the procedures provided in the Operations Manual with respect to all advertising and promotional requirements, and it may not use any advertising or promotional plans that Franchisor has not approved in writing.

10.04 Advertising Cooperatives. In connection with the Unit and any and all other Cultivate Locations owned or operated by Franchisee, Franchisee shall participate, if required by Franchisor, in any local, regional or national cooperative advertising group, consisting of other franchisees and licensees of Cultivate Locations and company-owned Cultivate Location, when and if any such groups are created (each, an "Advertising Cooperative"). The particular Advertising Cooperative(s) in which Franchisee may be required to participate shall be designated by Franchisor in its sole discretion. Franchisee's payments to any Advertising Cooperative shall be determined by Franchisee and the other participants in such Advertising Cooperative, as set forth in the by-laws of that Advertising Cooperative or membership, dues, participation or other payment agreements of such Advertising Cooperative. Franchisee, however, may not be required to spend more than one percent (1%) of Gross Sales per annum in connection with any Advertising Cooperative. Amounts paid to an Advertising Cooperative shall be credited against payments Franchisee is otherwise required to make for local advertising as required by Section 10.03 above. Any payments to an Advertising Cooperative shall be in addition to the amounts required to be paid or spent under Sections 10.01 and 10.02 hereof. Franchisee shall enter into such agreements as shall be necessary or appropriate to accomplish the foregoing, and Franchisee shall abide by such agreements and decisions that the Advertising Cooperative is authorized to make related to advertising and marketing in the area covered by the Advertising Cooperative. If Franchisee becomes delinquent in its dues or other payments to the Advertising Cooperative or fails to abide by any agreements or authorized decisions of the Advertising Cooperative, such delinquency or failure shall be deemed a material breach of this Agreement. Franchisor may, upon thirty (30) days' written notice to Franchisee, suspend or terminate an Advertising Cooperative's program or operations. As a member of any Advertising Cooperative, at the request of Franchisor, Franchisee shall provide to Franchisor all information requested by Franchisor related to such Advertising Cooperative within ten (10) days after Franchisor's request therefor.

10.05 Approval of Advertising. Any and all advertising and marketing materials (whether developed in connection with an Advertising Cooperative or otherwise) not prepared or previously

approved by Franchisor shall be submitted to Franchisor at least four (4) weeks before any publication or run date for approval, which approval may be granted or withheld in Franchisor's sole discretion. Franchisor will provide Franchisee with written notification of its approval or disapproval within a reasonable time. In the event Franchisor does not notify Franchisee of its approval or disapproval within twenty-one (21) days of Franchisor's receipt of the materials, the materials shall be deemed disapproved. Franchisee must discontinue the use of any approved advertising within five (5) days of Franchisee's receipt of Franchisor's request to do so. No advertising or promotion by Franchisee shall be conducted on or through the Internet, social media, or other electronic transmission without express prior written approval by Franchisor. All advertising and promotion by Franchisee must be factually accurate and shall not detrimentally affect the Marks or the System, as determined in Franchisor's sole discretion. From time to time, Franchisor may issue policies on advertising, promotion, marketing and social media. Franchisee covenants and warrants with respect to such policies that Franchisee and its employees and agents will comply with all of the requirements of any such policies throughout the Term.

10.06 Franchisee Website. Franchisee agrees not to promote, offer or sell any products or services relating to the Unit, or to use any of the Marks, through the Internet or social media without Franchisor's consent. In connection with any such consent, Franchisor may establish such requirements as we deem appropriate, including (a) obtaining Franchisor's prior written approval of any Internet domain name, home page addresses and social media accounts; (b) submission for Franchisor's approval of all Web site pages and online materials and content; (c) use of all hyperlinks and other links; (d) restrictions on use of any materials (including text, video clips, photographs, images and sound bites) in which any third party has any ownership interest; and (e) obtaining Franchisor's prior written approval of any modifications.

As of the date of this Agreement, Franchisor maintains a website related to Cultivate Locations at <https://cultivating.co/> (the "Website"). Franchisor shall have the right to designate a successor Website. Subject to the terms of this Agreement, during the Term, Franchisor may make available to Franchisee a sub-page on the Website that will be located at a sub-domain of the Website to be specified by Franchisor (the "Subpage"), and/or an e-mail address or e-mail addresses under the Website's domain for Franchisee's use (collectively, the "Email Address"). Franchisee will be permitted to upload content onto the Subpage and use the Email Address solely to promote, and provide customers information related to, the Unit operated by Franchisee. Franchisee shall only upload content onto the Subpage and use the Email Address in accordance with terms of this Agreement as well as any guidelines, directives or specifications (collectively, "Subpage Standards") in the Operations Manual. Franchisee understands and agrees that neither the Subpage nor any message sent from the Email Address may contain content which references any other Unit other than the Unit operated by Franchisee. Franchisee will not upload, publish, display or otherwise include or use any content on the Subpage without receiving the prior written approval of Franchisor. Accordingly, once the initial content of the Subpage is approved by Franchisor, Franchisee must submit any changes to such content to Franchisor for its prior written approval.

Franchisor's review and approval of the Subpage content shall not be construed as Franchisor's approval, recommendation or endorsement of Franchisee or a representation or warranty by Franchisor that such content is accurate, complete, truthful or correct. Franchisee acknowledges and understands that the registration for the Website domain name is and shall be maintained exclusively in the name of Franchisor or its designee. Franchisee acknowledges Franchisor's or its designee's exclusive right, title and interest in and to the domain name for the Website and further acknowledges that nothing herein shall give it any right, title or interest in such domain name. Franchisee will assist Franchisor in preserving and protecting Franchisor's or its designee's rights in and to the Website domain name.

Franchisee further acknowledges and agrees that Franchisor may, at any time in its sole discretion, cease to make the Subpage available to Franchisee or the public or the Email Address

available to Franchisee. Franchisee agrees that Franchisor shall have no liability for failing to make the Subpage available to Franchisee or the public or the Email Address available to Franchisee. ADDITIONALLY, TO THE MAXIMUM EXTENT PERMITTED BY LAW, FRANCHISOR HEREBY EXPRESSLY DISCLAIMS ALL WARRANTIES (WHETHER EXPRESS, IMPLIED OR STATUTORY) RELATED TO THE AVAILABILITY AND PERFORMANCE OF THE WEBSITE, THE SUBPAGE AND THE EMAIL ADDRESS, INCLUDING, WITHOUT LIMITATION, ANY IMPLIED WARRANTIES OF NONINFRINGEMENT, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. TO THE MAXIMUM EXTENT PERMITTED BY LAW, FRANCHISOR SHALL NOT BE LIABLE FOR ANY DIRECT OR INDIRECT DAMAGES (INCLUDING, WITHOUT LIMITATION, ANY CONSEQUENTIAL, PUNITIVE OR INCIDENTAL DAMAGES OR DAMAGES FOR LOST PROFIT OR LOSS OF BUSINESS) RELATED TO THE USE, OPERATION, AVAILABILITY OR FAILURE OF THE WEBSITE, SUBPAGE OR EMAIL ADDRESS. Upon the termination or expiration of this Agreement for any reason or Franchisee's default under this Agreement for any reason, all right of Franchisee to upload content onto, or otherwise use, the Subpage and the Email Address shall immediately cease, and Franchisor may cease to make the Subpage and Email Address available to Franchisee.

Other than in connection with the Subpage and the Email Address, Franchisee shall be strictly prohibited from using the Marks in any fashion on any website, including any social and/or networking websites, including, but not limited to, Facebook, LinkedIn, Snapchat, Instagram, Twitter, and TikTok, without Franchisor's prior written consent. Any such use must be in compliance with any policies issued by Franchisor relating to advertising, promotion, marketing and social media, as such may be amended, modified and/or expanded by Franchisor at any time in its sole discretion. Franchisor's current social media policy is set forth in the Operations Manual.

11. RECORDS.

11.01 Bookkeeping and Recordkeeping. Franchisee agrees to establish a bookkeeping and recordkeeping system conforming to the requirements prescribed from time to time by Franchisor, relating, without limitation, to the use and retention of daily sales slips, coupons, purchase orders, purchase invoices, payroll records, check stubs, bank statements, sales tax records and returns, cash receipts and disbursements, payroll records, journals and general ledgers. In establishing and maintaining Franchisee's bookkeeping and recordkeeping system, Franchisee shall use all form documents established by Franchisor in the Operations Manual or otherwise. Franchisee acknowledges and agrees that if Franchisor is required or permitted by statute, rule, regulation or any other legal requirement to disclose any information regarding Franchisee or the operation of the Unit, including, without limitation, earnings or other financial information, Franchisor shall be entitled to disclose such information. In addition, Franchisee hereby expressly permits Franchisor to disclose any such information to potential purchasers (and their employees, agents and representatives) of Franchisor in connection with the sale or transfer of any equity interests or assets of Franchisor or any merger, reorganization or similar restructuring of Franchisor.

11.02 Periodic Reports. Franchisee must provide Franchisor with those financial reports, data, information and supporting records required thereby from time to time, including, without limitation:

- (a) A statement of relevant Gross Sales in the form required by Franchisor to be delivered with each payment of the Royalty Fee and ADRF Fee, if any;
- (b) A monthly unaudited balance sheet and profit and loss statement in a form satisfactory to Franchisor covering Franchisee's business for the prior month and fiscal year to date, all of

which shall be certified by Franchisee as true and correct and delivered to Franchisor no later than the 21st day of each month;

(c) Annual financial statements compiled or reviewed by an independent certified public accountant in a form satisfactory to Franchisor, which shall include a statement of income and retained earnings, a statement of cash flows and a balance sheet of Franchisee for each fiscal year, to be delivered to Franchisee no later than the 90th day after the end of such fiscal year. Franchisor shall have the right at any time to require audited annual statements to be provided to it, at Franchisee's expense;

(d) An annual copy of Franchisee's signed 1120 or 1120S tax form (including all supporting schedules) as filed with the Internal Revenue Service (or any forms which take the place of those forms), and all other federal, state and local sales and use and income tax reports Franchisee is required to file, all to be delivered within thirty (30) days after filing;

(e) A statement of local advertising expenditures made pursuant to Section 10.03 below for each calendar quarter and fiscal year to date, in a form satisfactory to Franchisor, along with invoices documenting such expenditures (if required by Franchisor), to be delivered within fifteen (15) days after the end of each calendar quarter;

(f) Insurance certificates in connection with Franchisor's annual renewal of the policies, or such other evidence of insurance coverage as Franchisor may request;

(g) All health and safety inspection reports, to be delivered to Franchisor promptly upon receipt thereof by Franchisee; and

(h) Such other information as Franchisor may require from time to time, including sales mix data and food and labor cost reports, within thirty (30) days of Franchisor's request.

All such reports or other information shall be prepared (i) using any form documents established by Franchisor as set forth in the Operations Manual or otherwise, if available, and (ii) in accordance with the generally accepted accounting principles of the United States, to the extent applicable. If any of the reports or other information required to be given to Franchisor in accordance with this Section are not received by Franchisor by the required deadline, Franchisor may charge Franchisee a late submission fee equal to \$50.

12. INSPECTIONS OF THE UNIT; AUDITS.

Franchisee shall allow representatives of Franchisor to inspect Franchisee's books and records at all reasonable times in order to verify Gross Sales that Franchisee reports as well as to verify Franchisee's advertising expenditures required by Section 10.03 below and any other matters relating to this Agreement or the operation of the Unit. Franchisor may require Franchisee to submit to Franchisor, or Franchisor's representatives, copies of Franchisee's books and records for any offsite inspection that Franchisor or Franchisor's representatives conduct to audit the Unit. If an inspection reveals that Gross Sales of Franchisee have been understated, Franchisee shall immediately pay to Franchisor the amount of Royalty Fees and ADRF Fees overdue, unreported or understated, together with interest as prescribed in Section 6.04 above. All inspections shall be at the expense of Franchisor; provided, however, if the inspection results in a discovery of a discrepancy in the total amount owed by Franchisee to Franchisor during the applicable audit period of three percent (3%) or more, then Franchisee shall pay or reimburse Franchisor for any and all reasonable expenses incurred by Franchisor in connection with the inspection, including, but not limited to, attorneys' and accounting fees, travel expenses, room and board and compensation of Franchisor's employees.

13. FRANCHISEE'S RIGHT TO TRANSFER.

13.01 Franchisor's Approval. The rights and duties created by this Agreement are personal to Franchisee or, if Franchisee is an Entity, its Owners. Accordingly, neither Franchisee nor any of its Owners may Transfer the Unit, the Premises, this Agreement or any of its rights or obligations hereunder, or suffer or permit any such Transfer of the Unit, the Premises, this Agreement or its rights or obligations hereunder to occur by operation of law or otherwise without the prior written consent of Franchisor. In addition, if Franchisee is an Entity, its Owners may not Transfer their equity interests in such Entity, without the prior written consent of Franchisor. Furthermore, in the event that any Owner is an Entity, the interests of the shareholders, members, partners, beneficiaries, investors or other equity holders, as the case may be, in such Owner, may not be Transferred, without the prior written consent of Franchisor. Franchisor will not unreasonably withhold consent to a Transfer provided the requirements of Section 13.02 have been satisfied. Any Transfer in violation of this Section shall be void and of no force and effect.

13.02 Conditions for Approval. If Franchisor has not exercised its right of first refusal under Section 13.05, Franchisor will not unreasonably withhold its approval of a Transfer that meets all of the reasonable restrictions, requirements and conditions Franchisor may impose on the Transfer, the transferor(s) and/or the transferee(s), including the following:

(a) Franchisee has completed development of the Unit and is operating the Unit in accordance with this Agreement;

(b) Franchisee and its Owners and Affiliates must be in compliance with the provisions of this Agreement and all other agreements with Franchisor or any of its Affiliates and have paid all outstanding amounts owed thereto;

(c) the proposed transferee and/or the controlling persons of the proposed transferee must have a satisfactory credit rating, be of good moral character, have business qualifications satisfactory to Franchisor, be willing to enter into an agreement in writing to assume and perform all of Franchisee's duties and obligations hereunder and/or enter into a new franchise agreement, if so requested by Franchisor, and agree to enter into any and all agreements with Franchisor that are then required of all new franchisees, including a guaranty agreement, or any other agreement which may require payment of different or increased fees from those paid under this Agreement; provided, however, the amount of the Royalty Fees paid hereunder shall not be increased upon a Transfer;

(d) the transferee (or its operating partner) and its managers have completed the initial training program or must be currently certified by Franchisor to operate and/or manage a Cultivate Location;

(e) Franchisee or the proposed transferee must pay Franchisor a transfer fee equal to the greater of the following: (i) ten percent (10%) of the then-current initial franchise fee, or (ii) Ten Thousand Dollars (\$10,000).

(f) Franchisee and its Owners and Affiliates must, except to the extent limited or prohibited by applicable law, execute a general release, in form and substance satisfactory to Franchisor, of any and all claims against Franchisor and its Affiliates, stockholders, officers, directors, employees, agents, successors and assigns;

(g) The material terms and conditions of the Transfer are not so burdensome as to be likely, in Franchisor's reasonable judgment, to adversely affect the transferee's ability to own and operate the Unit and comply with the terms of this Agreement; and

(h) if Franchisee (or any of its Owners or Affiliates) finance any part of the sale price of the transferred interest, Franchisee and/or such Owners or Affiliates must agree that all obligations of the transferee, and security interests reserved by any of them in the assets transferred, will be subordinate to the transferee's obligations to pay all amounts due Franchisor and its Affiliates; and

(i) at Franchisor's request, the proposed transferee or assignee refurbishes the Unit in the manner and subject to the provisions described in Section 9.01(k) hereof.

13.03 Special Transfers. Neither Section 13.05 nor Section 13.02(e)(i) shall apply to any Transfer to an Entity formed solely for the convenience of ownership, among any of Franchisee's then-current Owners or to any member of Franchisee's Immediate Family or the Immediate Family of a then-current Owner of Franchisee.

13.04 Death or Disability of Franchisee. Upon Franchisee's death or permanent disability, or the death or permanent disability of the Operating Partner or an Owner of a controlling interest in Franchisee, the executor, administrator or other personal representative of such person shall transfer his or her interest in this Agreement or his or her interest in Franchisee to a third party approved by Franchisor in accordance with all of the applicable provisions of Section 13 within a reasonable period of time, not to exceed nine (9) months from the date of death or permanent disability.

13.05 Franchisor's Right of First Refusal. If Franchisee or any of its Owners desire to consummate a Transfer, Franchisee or such Owner must obtain a *bona fide*, executed written offer from a responsible and fully disclosed purchaser and must deliver immediately to Franchisor a complete and accurate copy of such offer. If the offeror proposes to buy any other property or rights from Franchisee or any of its Owners or Affiliates (other than rights with respect to other Cultivate Locations or an ownership interest therein) as part of the *bona fide* offer, the proposal for such property or rights must be set forth in a separate, contemporaneous offer that is fully disclosed to Franchisor, but which will not be part of this right of first refusal.

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

If Franchisor exercises its option to purchase, Franchisor is entitled to purchase such interest subject to all representations and warranties, closing documents and indemnities as are customary for a transaction of this type. If Franchisor does not exercise its option to purchase, Franchisee or its Owners, as applicable, may complete the sale to such offeror pursuant to and on the exact terms of such offer, subject to Franchisor's approval of the Transfer as provided in Sections 13.01 and 13.02, provided that if the sale to such offeror is not completed within ninety (90) days after delivery of such offer to Franchisor,

or if there is a material change in the terms of the offer, Franchisee or such Owners, as applicable, must promptly notify Franchisor, which will have an additional option to purchase (on the terms of the revised offer, if any, and otherwise as set forth herein) during the thirty (30)-day period following such notification of the expiration of the ninety (90)-day period or the material change to the terms of the offer.

13.06 Transfer by Franchisor. This Agreement may be unilaterally assigned by Franchisor and shall inure to the benefit of its successors and assigns. Franchisee agrees and affirms that Franchisor may sell itself, its assets, the Marks and/or the System to a third-party; may go public; may engage in private placement of some or all of its securities; may merge, acquire other Entities, or be acquired by another Entity; and/or may undertake a refinancing, recapitalization, leveraged buyout or other economic or financial restructuring. Franchisee further agrees and affirms that Franchisor has the right, now or in the future, to purchase, merge, acquire or affiliate with an existing competitive or noncompetitive franchise network, chain or any other business regardless of the location of that chain's or business' facilities, and to operate, franchise or license those businesses and/or facilities as Cultivate Locations operating under the Marks or any other marks following Franchisor's purchase, merger, acquisition or affiliation, regardless of the location of these facilities, which Franchisee acknowledges may be proximate to the Unit. With regard to any of the above sales, assignments and dispositions, Franchisee expressly and specifically waives any claims, demands or damages arising from or related to the loss of Franchisor's name, the Marks (or any variation thereof) and the System and/or the loss of association with or identification of Franchisor under this Agreement.

14. TERMINATION OF AGREEMENT.

14.01 Termination by Franchisee. Franchisee may terminate this Agreement if Franchisee is in substantial compliance with this Agreement and Franchisor materially breaches this Agreement and fails to cure such material breach within ninety (90) days after written notice thereof is delivered to Franchisor. Notwithstanding the foregoing, if the breach is curable but is of a nature that cannot reasonably be cured within such ninety (90) day period and Franchisor has commenced and is continuing to make good faith efforts to cure such breach, Franchisor shall be given an additional sixty (60) day period to cure the same, and this Agreement shall not terminate. In the event of termination by Franchisee, all post-termination obligations of Franchisee described herein shall not be waived but shall be strictly adhered to by Franchisee.

14.02 Termination by Franchisor without a Cure Period. Franchisor may immediately terminate this Agreement upon written notice to Franchisee, without opportunity to cure, if:

(a) Franchisee files a petition under any bankruptcy or reorganization law, becomes insolvent, or has a trustee or receiver appointed by a court of competent jurisdiction for all or any part of its property;

(b) Franchisee seeks to effect a plan of liquidation, reorganization, composition or arrangement of its affairs, whether or not the same shall be subsequently approved by a court of competent jurisdiction; it being understood that in no event shall this Agreement or any right or interest hereunder be deemed an asset in any insolvency, receivership, bankruptcy, composition, liquidation, arrangement or reorganization proceeding;

(c) Franchisee has an involuntary proceeding filed against it under any bankruptcy, reorganization, or similar law and such proceeding is not dismissed within sixty (60) days thereafter;

(d) Franchisee makes a general assignment for the benefit of its creditors;

(e) Franchisee fails to pay when due any amount owed to Franchisor or its Affiliates, whether under this Agreement or not, and Franchisee does not correct such failure within ten (10) days after written notice thereof is delivered to Franchisee;

(f) Franchisee fails to pay when due any amount owed to any creditor, supplier or lessor of the Unit or the Premises or any taxing authority for federal, state or local taxes (other than amounts being bona fide disputed through appropriate proceedings) and Franchisee does not correct such failure within ten (10) days after written notice is delivered thereof to Franchisee;

(g) Franchisee fails to commence operation of the Unit at the Premises within nine (9) months after execution of this Agreement, except for any delay that is agreed to in writing by Franchisor, in its sole discretion;

(h) Following commencement of the operation of the Unit, Franchisee ceases to operate the Unit at the Premises without Franchisor's prior written consent;

(i) Franchisee or any of the Owners are convicted of or plead no contest to a felony, a crime involving moral turpitude or any other crime or offense that is likely to adversely affect the reputation of the System and the goodwill associated with the Marks;

(j) Franchisee operates the Unit in a manner that presents a health or safety hazard to Franchisee's customers, employees or the public;

(k) Franchisee makes a material misrepresentation to Franchisor before or after being granted the franchise or knowingly maintains false books and records;

(l) Franchisee, any Owner or any other Person makes an unauthorized Transfer of this Agreement, the franchise, the Unit or an ownership interest in Franchisee or Franchisee's Owners;

(m) Franchisee or any Restricted Party or any other employee of Franchisee breaches or fails to comply fully with Section 7 above;

(n) Franchisee (i) misuses or makes an unauthorized use of or misappropriates any Mark, (ii) commits any act which can be reasonably expected to materially impair the goodwill associated with any Mark, (iii) challenges Franchisor's ownership of any Mark or (iv) files a lawsuit involving any Mark without Franchisor's consent;

(o) Franchisee fails to comply with the Anti-Terrorism Laws as set forth in Section 19.16 below;

(p) The franchised business, the Unit or the Premises is seized, taken over or foreclosed by a government official in the exercise of his or her duties, or seized, taken over or foreclosed by a creditor, lienholder or lessor, provided that a final judgment against Franchisee remains unsatisfied for thirty (30) days (unless a supersedes or other appeal bond has been filed), or a levy of execution has been made upon the license granted by this Agreement or any property used in the franchised business or the Unit, and it is not discharged within five (5) days of such levy;

(q) Franchisee loses for any cause whatsoever right of possession as owner or lessee of the Premises or the real property on which the Unit is located (However, if all or a substantial part of the Premises or real property on which the Unit is located is taken by eminent domain proceedings so as to make the Unit not in compliance with Franchisor's construction specifications or so as to make the

Unit inoperable for the purpose of carrying out the requirements of this Agreement, then Franchisor and Franchisee will agree upon a new location for the Unit and Franchisee will construct and equip the new Unit in accordance with the then current construction specifications of Franchisor within one hundred eighty (180) days after the designation of such location. All of the terms of this Agreement not specifically modified herein shall apply to the construction, maintenance and operation of such new Unit); or

(r) Franchisee has received at least three (3) default notices from Franchisor within a twelve (12) month period, even if such default is subject to a right to cure or is cured after notice is delivered to Franchisee.

14.03 Termination by Franchisor with a Cure Period. In addition to, and without limiting, the termination rights of Franchisor pursuant to Section 14.02 above, Franchisor shall have the right to terminate this Agreement upon thirty (30) days written notice if Franchisee commits any of the following defaults and fails to remedy such default during such thirty (30) day period; provided, however, that if the default is curable but is of a nature which cannot reasonably be cured within such thirty (30) day period and Franchisee has commenced and is continuing to make good faith efforts to cure such default, Franchisee shall be given an additional thirty (30) day period to cure the same, and this Agreement shall not terminate:

(a) Failure or refusal to submit financial statements, reports or other operating data, information or supporting records to Franchisor when due;

(b) Failure to relocate or commission of a default (other than a monetary default which shall be subject to Section 14.02(f) above) under the lease, sublease, purchase contract or other contract for the Premises, the Unit or any equipment or supplies utilized in the operation thereof;

(c) Failure to provide or maintain required insurance coverage;

(d) Failure to restore the Unit to full operation within a reasonable period of time (not to exceed ninety (90) days) after the Unit is rendered inoperable by any casualty; or

(e) Failure to comply with any other provision of this Agreement, the Operations Manual or any mandatory specification, standard or operating procedure prescribed by Franchisor.

15. RENEWAL RIGHTS.

15.01 Right to Acquire a Successor Franchise. Franchisee has the right, subject to the conditions contained in this Section 15, to acquire a successor franchise for the Unit for an additional ten (10) year term on the terms and conditions of the then current form of franchise agreement for Cultivate Locations, if upon expiration of the Term: (a) Franchisee and its Owners and Affiliates are in compliance with this Agreement and any other agreements with Franchisor or any of its Affiliates, and Franchisee and its Owners have been in substantial compliance with this Agreement throughout the Term; (b) Franchisor has not notified Franchisee of its decision that any federal or applicable state legislation, regulation or rule, which is enacted, promulgated or amended after the date hereof, may have an adverse effect on Franchisor's rights, remedies or discretion in franchising Cultivate Locations; and (c) the Premises meet Franchisor's then-current site guidelines, Franchisee maintains the right to possession of the Premises for the term of the successor franchise agreement, and Franchisee enters into an agreement with Franchisor whereby Franchisee agrees within a specified time period (not to exceed one (1) year), starting on the signing of a successor franchise agreement, to perform such Refurbishments as are necessary to meet the specifications and standards then applicable for new Cultivate Locations. Upon the exercise of the right

to acquire a successor franchise, Franchisee shall pay to Franchisor a renewal fee equal to the greater of the following: (i) fifty percent (50%) of the then-current initial franchise fee, or (ii) Ten Thousand Dollars (\$10,000).

15.02 Notices. Franchisee must give Franchisor written notice of its desire to acquire a successor franchise not less than six (6) months nor more than twelve (12) months prior to the expiration of this Agreement. Franchisor will give Franchisee notice of its decision whether or not Franchisee has satisfied the requirements for acquiring a successor franchise pursuant to Section 15.01. Notwithstanding any notice of Franchisor's decision that Franchisee has the right to acquire a successor franchise for the Unit, Franchisee's right will be subject to its continued compliance with all the provisions of this Agreement.

15.03 Agreements. If Franchisee has the right to acquire a successor franchise in accordance with Section 15.01 and states its desire to exercise that right in accordance with Section 15.02, Franchisor and Franchisee (and its Owners) will execute the form of franchise agreement (which may contain provisions, including royalty fees, materially different from those contained herein) and all ancillary agreements (including, personal guarantees by Franchisee's Owners and a remodeling agreement on such terms as Franchisor determines to be appropriate) which Franchisor then customarily uses in granting franchises for the operation of Cultivate Locations, and Franchisee and its Owners must execute general releases, in form and substance satisfactory to Franchisor, of any and all claims against Franchisor, and its Affiliates, officers, directors, managers, employees, agents, successors and assigns. Failure by Franchisee (and its Owners) to sign such agreements and releases within thirty (30) days after delivery to Franchisee shall be deemed an election by Franchisee not to acquire a successor franchise for the Unit.

16. EFFECT OF TERMINATION OR EXPIRATION.

16.01 Payment of Amounts Owed. Within ten (10) days after the effective date of termination or expiration (without Franchisee's successful exercise of the right to acquire a successor franchise) of this Agreement, Franchisee must pay Franchisor and its Affiliates all amounts owed thereto, including, without limitation, unpaid Royalty Fees and ADRF Fees, amounts owed for purchases from Franchisor or its Affiliates and interest and late fees due on any of the foregoing.

16.02 Discontinue Use of Marks and Confidential Information. Upon the termination or expiration (without Franchisee's successful exercise of the right to acquire a successor franchise) of this Agreement, Franchisee and its Owners will:

(a) promptly return to Franchisor all material furnished by Franchisor containing proprietary or confidential information, operating instructions, business practices, or methods or procedures (including the Confidential Information and Trade Secrets), including, without limitation, the Operations Manual;

(b) discontinue all use of the Marks, including at the Premises, and the use of any and all signs, products, paper goods and other items bearing the Marks. Any signs containing the Marks that Franchisee is unable to remove within one (1) day of the termination or expiration of this Agreement shall be completely covered by Franchisee until the time of their removal, which shall be in any event within ten (10) days following the expiration or termination of this Agreement;

(c) if Franchisee retains possession of the Premises, at Franchisee's expense, make such reasonable modifications to the exterior and interior décor of the Unit and the Premises as Franchisor requires to eliminate its identification as a Cultivate Location. If Franchisee fails to modify the exterior

and interior décor of the Unit and the Premises as Franchisor requires to eliminate its identification as a Cultivate Location, Franchisor may take such action to modify the exterior and interior décor of the Unit and the Premises and charge Franchisee for the cost of such action. Franchisee shall immediately pay Franchisor for the cost of any action taken by Franchisor to modify the exterior and interior décor of the Unit and the Premises;

(d) refrain from operating or doing business under any name or in any manner that may give the general public the impression that this Agreement is still in force or that Franchisee is connected in any way with Franchisor or that Franchisee has the right to use the System or the Marks;

(e) refrain from making use of or availing itself to any of the Confidential Information, Trade Secrets, Operations Manual or other information received from Franchisor or disclosing or revealing any of the same in violation of Section 7.02 hereof;

(f) take such action as may be required to cancel all assumed names or equivalent registrations relating to the use of any Mark;

(g) discontinue all use of the Subpage and the Email Address;

(h) assign to Franchisor or its designee all of Franchisee's rights, title, and interest in and to the telephone numbers, telephone directory listings and advertisements, website URLs, e-mail addresses, store leases and governmental licenses or permits used for the operation of the Unit; and

(i) strictly comply with the terms and conditions of Section 7 above and any other procedures in the Operations Manual that are established by Franchisor related to discontinuing operations of the Unit.

16.03 Option to Purchase the Unit.

(a) Upon termination or expiration (without Franchisee's successful exercise of the right to acquire a successor franchise) of this Agreement, Franchisor shall have the right, exercisable by giving notice thereof ("Appraisal Notice") within ten (10) days after the date of such termination or expiration, to require that a determination be made of the Fair Market Value (as defined below) of all the assets of the Unit owned by Franchisee, including inventory of non-perishable products, materials, supplies, furniture, equipment, signs, and any and all leasehold improvements, fixtures, building and land, but excluding any cash and short-term investments and any items not meeting our specifications for Cultivate Locations (the "Purchased Assets"). Upon delivery of the Appraisal Notice, Franchisee may not sell or remove any of the assets of the Unit from the Premises (other than in the ordinary course of business) and must give Franchisor, its designated agents and the Appraiser (as defined below) full access to the Unit and all of its books and records at any times during customary business hours in order to conduct inventories and determine the purchase price for the Purchased Assets.

(b) The "Fair Market Value" shall be determined by consultation between Franchisor and Franchisee to establish the amount which an arm's length purchaser would be willing to pay for the Purchased Assets, assuming that the Purchased Assets would be used for the operation of a Cultivate Location under a valid franchise agreement reflecting the then-current (or if Franchisor is not offering franchises at that time, then the most recent) standard terms upon which Franchisor offers franchises for Cultivate Locations. Franchisor shall be entitled to a credit or reduction in the payment for the Purchased Assets to the extent that Franchisee has not paid any amounts due under this Agreement. Under no circumstances will any value be attributed to any goodwill associated with the Marks or any value attributed to the System (all of which Franchisee acknowledges are owned by Franchisor), provided,

however, value may, if appropriate, be attributed to the going concern value of the Unit. If Franchisor and Franchisee are unable to agree on the Fair Market Value of the Purchased Assets within fifteen (15) days after the Appraisal Notice, then Fair Market Value will be determined by a member of a nationally recognized accounting firm (other than a firm which conducts audits of Franchisor's or Franchisee's or their respective Affiliates' financial statements) mutually selected by Franchisor and Franchisee who has experience in the valuation of food and beverage service or restaurant businesses (the "Appraiser"). If Franchisor and Franchisee are unable to agree on the Appraiser within thirty (30) days after the Appraisal Notice, either party may demand the appointment of an Appraiser be made by the director of the Regional Office of the AAA (as defined below), located at the office of the AAA closest to Franchisor's principal executive office on the date of submission of the matter, and such person shall be the Appraiser. The Appraiser will make his or her determination and submit a written report ("Appraisal Report") to the parties as soon as practicable, but in no event more than sixty (60) days after his or her appointment. Each party may submit in writing to the Appraiser its judgment of Fair Market Value (together with its reasons therefor); however, the Appraiser shall not be limited to these submissions and may make such independent investigations as he or she reasonably determines to be necessary. The Appraiser's fees and costs shall be borne equally by the parties.

(c) Franchisor has the option, exercisable by delivering notice thereof within thirty (30) days after submission of the Appraisal Report (or the date that an agreement is reached, if the parties agree to the Fair Market Value), to purchase the Purchased Assets at the Fair Market Value. Franchisor shall have the unrestricted right to assign this option to purchase separate and apart from the remainder of this Agreement. If Franchisor exercises its option to purchase, the purchase price for the Purchased Assets will be paid in cash at the closing, which will occur at the place, time and date Franchisor designates, but not later than sixty (60) days after the exercise of Franchisor's option to purchase the Purchased Assets. At the closing, Franchisor will be entitled to all warranties, title insurance policies and other closing documents and post-closing indemnifications as Franchisor may reasonably require, including: (i) instruments transferring good and marketable title to the Purchased Assets, free and clear of all liens, encumbrances, and liabilities, to Franchisor or its designee, with all sales and other transfer taxes paid by Franchisee; and (ii) an assignment of all leases of assets used in the operation of the Unit, including the Premises; provided, however, that if any of Franchisee's Owners or Affiliates directly or indirectly owns the Premises, Franchisee will, at Franchisor's option, cause such Owner or Affiliate to grant to Franchisor a lease at reasonable and customary rental rates and other terms prevailing in the community where the Unit is located. Any dispute concerning the rental rates and terms of such lease shall be resolved by the Appraiser.

(d) If Franchisee cannot deliver clear title to all of the Purchased Assets, or if there are other unresolved issues, the closing of the sale may, at Franchisor's option, be accomplished through an escrow on such terms and conditions as Franchisor deems appropriate, including the making of payments, to be deducted from the purchase price, directly to third parties in order to obtain clear title to all of the Purchased Assets.

(e) Upon delivery of the Appraisal Notice and pending (i) determination of Fair Market Value, (ii) Franchisor's option period, and (iii) the closing of the purchase, Franchisor may authorize continued temporary operations of the Unit pursuant to the terms of this Agreement, subject to the supervision and control of one or more of Franchisor's appointed managers.

16.04 Continuing Obligations. The expiration and termination of this Agreement will be without prejudice to the rights of Franchisor against Franchisee. All obligations under this Agreement which expressly or by their nature survive the expiration or termination of this Agreement shall continue in full force and effect until they are satisfied in full or by their nature expire.

17. RELATIONSHIP OF THE PARTIES.

17.01 Independent Contractors.

(a) Neither this Agreement nor the dealings of the parties pursuant to this Agreement shall create any fiduciary relationship or any other relationship of trust or confidence between the parties hereto. Franchisor and Franchisee, as between themselves, are and shall be independent contractors. Nothing contained in this Agreement, or arising from the conduct of the parties hereunder, is intended to make either party a general or special agent, joint venturer, joint employer, partner or employee of the other for any purpose whatsoever. Franchisee must conspicuously identify itself in all dealings with customers, lessors, contractors, suppliers, public officials, employees and others as the owner of the Unit and must place such other notices of independent ownership on such forms, business cards, stationery, advertising and other materials as Franchisor may require from time to time. Franchisee may not make any express or implied agreements, warranties, guarantees or representations or incur any debt in Franchisor's name or on Franchisor's behalf or represent that the relationship of the parties hereto is anything other than that of independent contractors. Franchisor will not be obligated by or have any liability under any agreements made by Franchisee with any third party or for any representations made by Franchisee to any third party. Franchisor will not be obligated for any damages to any person or property arising directly or indirectly out of the operation of Franchisee's business hereunder.

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

(c) During the Term, Franchisee agrees as follows:

(i) Franchisee has no authority to employ or engage persons on behalf of Franchisor, and NO EMPLOYEES, INDEPENDENT CONTRACTORS OR AGENTS OF FRANCHISEE SHALL BE DEEMED TO BE EMPLOYEES, INDEPENDENT CONTRACTORS OR AGENTS OF FRANCHISOR, EACH OF WHICH SHALL AT ALL TIMES REMAIN FRANCHISEE'S EMPLOYEES, INDEPENDENT CONTRACTORS OR AGENTS, AS APPLICABLE. SUBJECT TO THE TERMS OF THIS AGREEMENT, FRANCHISEE HAS SOLE AND EXCLUSIVE CONTROL OVER ITS LABOR AND EMPLOYEE RELATIONS POLICIES, AND ITS POLICIES RELATING TO WAGES, HOURS, SCHEDULING AND WORKING CONDITIONS OF ITS EMPLOYEES. FRANCHISEE HAS THE SOLE AND EXCLUSIVE RIGHT TO HIRE, TRANSFER, SUSPEND, LAY OFF, RECALL, PROMOTE, ASSIGN, DISCIPLINE AND DISCHARGE ITS EMPLOYEES AND TO RESPOND TO EMPLOYEE GRIEVANCES.

(ii) Franchisee is solely responsible for all salaries and other compensation of all its employees and will make all necessary salary deductions and withholdings from its employees' salaries and other compensation, and is solely responsible for the payment of any and all contributions, taxes and assessments and all other requirements of the Federal Social Security Administration, Federal and state unemployment compensation laws, Federal, state and local withholding of income tax laws on all salary and other compensation of its employees and any other laws affecting the income or withholdings of employees' wages.

(iii) Franchisee will comply (and will cause its employees to comply) with all other Federal, state or local laws, ordinances, rules, or regulations regarding its employees, including, but not limited to, Federal or state laws or regulations regarding minimum compensation, overtime and equal opportunities for employment, the Federal Civil Rights Acts, Age Discrimination in Employment Act, the Federal Fair Labor Standards Act, the Americans With Disabilities Act and the Family Leave Act.

17.02 Indemnification. Franchisee agrees to indemnify Franchisor, its Affiliates and its and their respective directors, managers, officers, employees, shareholders, members, agents, successors and assigns (collectively "Indemnitees"), and to hold the Indemnitees harmless to the fullest extent permitted by law, from any and all Losses and Expenses (as defined below) incurred in connection with any litigation or other form of adjudicatory procedure, claim, demand, investigation, or formal or informal inquiry (regardless of whether it is reduced to judgment) or any settlement thereof which arises directly or indirectly from, or as a result of, a claim of a third party against any one or more of the Indemnitees in connection with the relationship between the parties, this Agreement, development, ownership, operation or closing of the Unit, or Franchisee's breach of this Agreement, and regardless of whether it resulted from any strict or vicarious liability imposed by law on the Indemnitees, provided, however, that this indemnity will not apply to any liability arising from a breach of this Agreement by the Indemnitees or the gross negligence or willful acts of the Indemnitees (except to the extent that joint liability is involved, in which event the indemnification provided herein will extend to any finding of comparative or contributory negligence attributable to Franchisee). For purposes hereof "Losses and Expenses" includes obligations, damages (actual, consequential or otherwise) and costs reasonably incurred in the defense of any claim against any of the Indemnitees, including, without limitation, reasonable accountants', arbitrators', attorneys' and expert witness fees. Franchisor agrees to give Franchisee reasonable notice of any event of which Franchisor becomes aware for which indemnification may be required. Franchisor has the exclusive right to defend any such claim. This indemnity will continue in effect after the expiration or termination of this Agreement.

17.03 Taxes. Franchisee shall promptly pay when due all taxes levied or assessed by reason of its operation and performance under this Agreement including, but not limited to, if applicable, state employment tax, state sales tax (including any sales or use tax on equipment purchased or leased) and all other taxes and expenses of operating the Unit. In no event shall Franchisee permit a tax sale or seizure by levy or execution or similar writ or warrant to occur against the Unit, the Premises or any tangible personal property used in connection with the operation of the Unit.

18. DISPUTE RESOLUTION.

18.01 Arbitration. EXCEPT TO THE EXTENT FRANCHISOR SEEKS INJUNCTIVE OR OTHER EQUITABLE RELIEF TO ENFORCE PROVISIONS OF THIS AGREEMENT, AND EXCEPT FOR CONTROVERSIES, CLAIMS OR DISPUTES BASED ON FRANCHISEE'S USE OF THE MARKS, ALL CONTROVERSIES, CLAIMS OR DISPUTES BETWEEN FRANCHISOR AND FRANCHISEE ARISING OUT OF OR RELATING TO (A) THIS AGREEMENT OR ANY OTHER AGREEMENT BETWEEN FRANCHISOR AND FRANCHISEE, (B) THE RELATIONSHIP

BETWEEN FRANCHISEE AND FRANCHISOR OR (C) THE SCOPE AND VALIDITY OF THIS AGREEMENT OR ANY OTHER AGREEMENT BETWEEN FRANCHISOR AND FRANCHISEE (INCLUDING THE SCOPE AND VALIDITY OF THE ARBITRATION OBLIGATIONS UNDER THIS SECTION, WHICH FRANCHISOR AND FRANCHISEE ACKNOWLEDGE IS TO BE DETERMINED BY AN ARBITRATOR AND NOT A COURT) SHALL BE DETERMINED BY ARBITRATION WITH THE AMERICAN ARBITRATION ASSOCIATION (“AAA”) AT THE OFFICE OF THE AAA CLOSEST TO FRANCHISOR’S PRINCIPAL EXECUTIVE OFFICE ON THE DATE OF SUBMISSION OF THE MATTER TO THE AAA. SUCH ARBITRATION SHALL BE CONDUCTED BEFORE THREE (3) ARBITRATORS (UNLESS THE PARTIES AGREE TO ONE (1) ARBITRATOR) CHOSEN AS FOLLOWS: FRANCHISOR AND FRANCHISEE SHALL EACH SELECT ONE (1) ARBITRATOR. THESE TWO (2) ARBITRATORS SHALL MUTUALLY AGREE ON ONE (1) OTHER ARBITRATOR TO ACT AS THE THIRD ARBITRATOR. THE DECISION OF ALL SUCH ARBITRATORS SHALL HAVE AT LEAST FIVE (5) YEARS OF FRANCHISE LAW EXPERIENCE. THE ARBITRATORS SHALL BE FINAL AND BINDING UPON ALL PARTIES CONCERNED. SUCH DECISION SHALL BE RENDERED WITHIN THIRTY (30) DAYS OF THE CLOSE OF THE ARBITRATION HEARING RECORD. THE ARBITRATION WILL BE CONDUCTED ON AN INDIVIDUAL, NOT A CLASS-WIDE BASIS, AND THE ARBITRATION PROCEEDING MAY NOT BE CONSOLIDATED WITH ANY OTHER ARBITRATION PROCEEDING BETWEEN FRANCHISOR AND ANY OTHER PERSON. NOTWITHSTANDING THE FOREGOING OR ANYTHING TO THE CONTRARY IN THIS SECTION OR SECTION 18.02, IF ANY COURT OR ARBITRATOR DETERMINES THAT ALL OR ANY PART OF THE PRECEDING SENTENCE IS UNENFORCEABLE WITH RESPECT TO A DISPUTE THAT OTHERWISE WOULD BE SUBJECT TO ARBITRATION UNDER THIS SECTION 18.01, THEN ALL PARTIES AGREE THAT THIS ARBITRATION CLAUSE SHALL NOT APPLY TO THAT DISPUTE AND THAT SUCH DISPUTE SHALL BE RESOLVED IN A JUDICIAL PROCEEDING IN ACCORDANCE WITH SECTION 18.02 (EXCLUDING THIS SECTION 18.01). THE FEDERAL RULES OF CIVIL PROCEDURE, AS THEY RELATE TO PRETRIAL DISCOVERY, AND THE FEDERAL RULES OF EVIDENCE SHALL APPLY TO THE ARBITRATION. IN ALL OTHER RESPECTS, THE RULES OF THE AAA AND THE UNITED STATES ARBITRATION ACT SHALL CONTROL. JUDGMENT UPON THE AWARD RENDERED BY THE ARBITRATION MAY BE ENTERED IN ANY COURT HAVING COMPETENT JURISDICTION THEREOF.

18.02 Jurisdiction and Venue. For actions that are not subject to mandatory arbitration under Section 18.01, FRANCHISEE HEREBY SUBMITS AND IRREVOCABLY CONSENTS TO THE EXCLUSIVE JURISDICTION OF THE FEDERAL AND STATE COURTS FOR THE DISTRICT WHERE FRANCHISOR’S PRINCIPAL EXECUTIVE OFFICE IS LOCATED ON THE DATE OF THE FILING OF THE ACTION, AND AGREES NOT TO RAISE AND HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY OBJECTION BASED UPON *FORUM NON CONVENIENS* OR ANY OTHER OBJECTION IT MAY NOW HAVE OR HEREAFTER HAVE TO SUCH JURISDICTION OR VENUE. Further, nothing herein contained shall bar Franchisor’s right to obtain injunctive relief against threatened conduct that will cause irreparable harm.

18.03 Waiver of Right to Jury Trial. TO THE EXTENT NOT PROHIBITED BY APPLICABLE LAW THAT CANNOT BE WAIVED, THE PARTIES HERETO HEREBY WAIVE, AND COVENANT THAT THEY SHALL NOT ASSERT (WHETHER AS PLAINTIFF, DEFENDANT, OR OTHERWISE), ANY RIGHT TO TRIAL BY JURY IN ANY ACTION ARISING IN WHOLE OR IN PART UNDER OR IN CONNECTION WITH THIS AGREEMENT.

18.04 Damages and Timing of Claims. The parties agree that neither party shall have the right to receive or collect punitive or exemplary damages from the other party. Any and all claims and

actions arising out of or relating to this Agreement, the relationship between Franchisee and Franchisor, or the operation of the franchise and the Unit brought by Franchisee, the Owners or the Restricted Parties against Franchisor shall be commenced within one (1) year from the discovery of the facts giving rise to any such claim or action, or such claim or action shall be barred. The parties understand that such time limit may be shorter than otherwise allowed by law. Franchisee, the Owners and the Restricted Parties agree that their sole recourse for claims arising between the parties shall be against Franchisor and its successors and assigns. Franchisee, the Owners and the Restricted Parties agree that the owners, directors, managers, officers, employees and agents of Franchisor and its Affiliates shall not be personally liable nor named as a party in any action between Franchisor and Franchisee and/or any Owner or Restricted Party

18.05 Liquidated Damages. If this Agreement is terminated due to Franchisee's default, Franchisee must, within fifteen (15) days of Franchisee's receipt of written demand from Franchisor, pay Franchisor a lump-sum payment in an amount calculated as follows: the average of Franchisee's Royalty Fees due for the last twelve (12) months before the effective date of termination (or, if lesser, the months Franchisee had been operating before Franchisor's delivery of notice of default), multiplied by (a) twenty-four (24) (being the number of monthly periods in two full years), or (b) the number of monthly periods remaining in the term of the Franchise Agreement had it not been terminated, whichever is lower. The payments called for in this Section 18.05 constitute liquidated damages for causing the premature termination of this Agreement and are not a penalty. A precise calculation of the full extent of damages that Franchisor will incur if this Agreement terminates because Franchisee defaults cannot be reasonably determined. Nevertheless, the parties agree that the lumpsum payment provided under this Section 18.05 is reasonable in light of the damages for premature termination that may reasonably be expected to occur in such event. The sum contemplated in this Section does not represent a price for the privilege of not performing nor does the payment represent an alternative manner of performance. Accordingly, as a purely liquidated damages provision, this Section does not preclude, and is not inconsistent with, a court granting Franchisor specific performance or any other equitable remedies, such as an injunction, to prevent future breaches. Franchisor's rights to liquidated damages and specific performance or any other equitable relief are not mutually exclusive.

19. MISCELLANEOUS.

19.01 Successors and Third Party Beneficiaries. This Agreement and the covenants, restrictions and limitations contained herein shall be binding upon and shall inure to the benefit of Franchisor and its successors and assigns and shall be binding upon and shall inure to the benefit of Franchisee and its permitted heirs, successors and assigns. Except as contemplated by Section 17.02, nothing in this Agreement is intended, nor is deemed, to confer any rights or remedies upon any Person not a party hereto. This Agreement is, however, intended to bind the Restricted Parties to the extent set forth in this Agreement.

19.02 Construction. All terms and words used in this Agreement, regardless of the number and gender in which they are used, shall be deemed and construed to include any other number, and any other gender, as the context or sense of this Agreement or any provision hereof may require, as if such words had been fully and properly written in the appropriate number and gender. All covenants, agreements and obligations assumed herein by Franchisee shall be deemed to be joint and several covenants, agreements and obligations of each of the Persons named as Franchisee, if more than one (1) Person is so named. Except where this Agreement expressly obligates Franchisor not to unreasonably withhold its approval of any of Franchisee's actions or requests, Franchisor has the absolute right, in its sole and arbitrary discretion, to refuse any request Franchisee makes or to withhold its approval of any of Franchisee's proposed or effected actions that require Franchisor's approval.

19.03 Interpretation and Headings. The parties agree that this Agreement should be interpreted according to its fair meaning. Franchisee waives to the fullest extent possible the application of any rule that would construe ambiguous language against Franchisor as the drafter of this Agreement. The words “include,” “includes” and “including” when used in this Agreement will be interpreted as if they were followed by the words “without limitation”. References to section numbers and headings will refer to sections of this Agreement unless the context indicates otherwise. Captions and section headings are used herein for convenience only. They are not part of this Agreement and shall not be used in construing it.

19.04 Governing Law. All matters relating to arbitration will be governed by the Federal Arbitration Act (9 U.S.C. §1 et seq.) except to the extent provided by the Federal Arbitration Act, the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. §1051 et seq.) or other applicable federal law, and the terms of this Agreement shall be interpreted and construed in accordance with the laws of the State of Georgia without regard to its conflicts of laws provisions.

19.05 Notices. Whenever notice is required or permitted to be given under the terms of this Agreement, it shall be given in writing, and be delivered personally, by certified, express or registered mail, or by an overnight delivery service, postage prepaid, addressed to the party to be notified at the respective address first above written, or at such other address or addresses as the parties may from time to time designate in writing. Notices shall be deemed delivered on the date shown on the return receipt or in the delivery service’s records as the date of delivery or on the date of first attempted delivery, if actual delivery cannot for any reason be made.

19.06 Costs and Attorneys’ Fees. If Franchisor incurs any expenses in connection with Franchisee’s failure to pay any amounts it owes when due, submit any required reports when due or otherwise comply with this Agreement, Franchisee agrees to reimburse Franchisor for any of the costs and expenses that Franchisor incurs, including, without limitation, reasonable accounting, attorneys’, arbitrators’ and related fees (including any interest).

19.07 Waiver. No waiver, delay, omission or forbearance on the part of Franchisor to exercise any right, option, duty or power arising from any default or breach by Franchisee shall affect or impair the rights of Franchisor with respect to any subsequent default of the same or a different kind; nor shall any delay or omission of Franchisor to exercise any right arising from any such default affect or impair Franchisor’s rights as to such default or any future default.

19.08 Severability. If any term, restriction or covenant of this Agreement is deemed invalid or unenforceable, all other terms, restrictions and covenants and the application thereof to all Persons and circumstances subject hereto shall remain unaffected to the extent permitted by law; and if any application of any term, restriction or covenant to any Person or circumstance is deemed invalid or unenforceable, the application of such term, restriction or covenant to other Persons and circumstances shall remain unaffected to the extent permitted by law.

19.09 Force Majeure. Neither Franchisor nor Franchisee will be liable for loss or damage or deemed to be in breach of this Agreement if Franchisor’s or Franchisee’s failure to perform any obligation results from: (a) transportation shortages, inadequate supply of equipment, products, supplies, labor, material or energy or the voluntary foregoing of the right to acquire or use any of the foregoing in order to accommodate or comply with the orders, requests, regulations, recommendations or instructions of any federal, state or municipal government or any department or agency thereof; (b) acts of God; (c) fires, strikes, embargoes, wars or riots; or (d) any other similar event or cause beyond the control of the affected party. Any delay resulting from any of said causes will extend performance accordingly or

excuse performance, in whole or in part, as may be reasonable, except that said causes will not excuse payments of amounts owed by Franchisee to Franchisor hereunder.

19.10 Delegation by Franchisor. Franchisor shall have the right to delegate performance of any or all of its obligations and duties hereunder. Franchisee hereby agrees to any such delegation.

19.11 No Right of Set Off. Franchisee agrees that it will not set off or withhold payment of any amounts it owes Franchisor on the grounds of Franchisor's alleged nonperformance of any of Franchisor's obligations under this Agreement or for any other reason. Franchisee agrees that all such claims will, if not otherwise resolved, be submitted to arbitration as provided in Section 18.01.

19.12 Cumulative Rights. The rights granted hereunder are cumulative, and no exercise or enforcement by either party of any right or remedy hereunder will preclude the exercise or enforcement of any other right or remedy to which either Franchisor or Franchisee are entitled.

19.13 Entire Agreement. This Agreement and any addendum, schedule or exhibit attached hereto contains the entire agreement between the parties hereto relating to the operation of the Unit and the franchised business and no representations, inducements, promises, agreements, arrangements or undertakings, oral or written, have been made or relied upon by the parties other than those set forth herein. No agreement altering, changing, waiving or modifying any of the terms and conditions of this Agreement shall be binding upon either party unless and until the same is made in writing and executed by all interested parties. Notwithstanding the foregoing, nothing in this Agreement shall disclaim or require Franchisee to waive reliance on any representation that Franchisor made in Franchisor's most recent franchise disclosure document (including its exhibits and amendments) that Franchisor delivered to Franchisee or Franchisee's representative.

19.14 Counterparts. This Agreement may be signed in multiple counterpart copies, each of which will be deemed an original, and all of which together constitute one and the same document.

19.15 Time is of the Essence. Franchisee understands that time is of the essence with respect to its obligations hereunder.

19.16 Anti-Terrorism Laws.

(a) Franchisee and the Owners agree to comply with and/or to assist Franchisor to the fullest extent possible in Franchisor's efforts to comply with Anti-Terrorism Laws. In connection with such compliance, Franchisee and the Owners certify, represent, and warrant that none of their property or interests is subject to being "blocked" under any of the Anti-Terrorism Laws and that Franchisee and the Owners are not otherwise in violation of any of the Anti-Terrorism Laws.

(b) "Anti-Terrorism Laws" means Executive Order 13224 issued by the President of the United States ("Executive Order 13224"), the Terrorism Sanctions Regulation (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, 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.

(c) Franchisee and the Owners certify that none of them, their respective employees, agents, bankers, Affiliates or anyone associated with them is listed in the Annex to Executive Order 13224. Franchisee agrees not to hire (or, if already employed, retain the employment of) any individual who is listed in the Annex. (A copy of the Annex can be accessed on the Internet at the following address: <http://www.treasury.gov/offices/enforcement/ofac/sanctions/terrorism.html>.)

(d) Franchisee is solely responsible for ascertaining what actions it must take to comply with the Anti-Terrorism Laws, and Franchisee specifically acknowledges and agrees that Franchisee's indemnification responsibilities set forth in Section 17.02 above of this Agreement pertain to Franchisee's obligations under this Section 19.16.

(e) Any misrepresentation under this Section or any violation of the Anti-Terrorism Laws by Franchisee or Franchisee's Owners, agents, bankers, employees and Affiliates shall constitute grounds for immediate termination of this Agreement and any other agreement Franchisee has entered into with Franchisor or an Affiliate thereof, in accordance with Section 14.02 above.

19.17 Timing. Franchisee acknowledges that it has had a copy of Franchisor's franchise disclosure document for at least fourteen (14) calendar days before signing this Agreement or any franchise or related agreement; or at least fourteen (14) calendar days before the payment of any consideration to Franchisor. Franchisee has had the opportunity to have this Agreement and the business offered hereunder reviewed by professionals of Franchisee's choosing before executing this Agreement.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties have executed and delivered this Agreement on the day and year first above written.

FRANCHISOR:

CULTIVATE FRANCHISE CORP,
a Georgia corporation

By: _____
Print Name: _____
Title: _____

FRANCHISEE:

If a corporation, partnership, limited
liability company or other legal entity:

(Name of corporation, partnership, limited
liability company or other legal entity)

By: _____
Print Name: _____
Title: _____

If Individual(s):

(Signature)

(Print Name)

[SIGNATURE PAGE TO CULTIVATE FRANCHISE CORP FRANCHISE AGREEMENT]

Name of Each General Partner

3. Owners. Franchisee and each of its Owners represents and warrants that the following is a complete and accurate list of all Owners of Franchisee, including the full name, mailing address and social security number of each Owner, and fully describes the nature and extent of each Owner's interest in Franchisee. Franchisee and each Owner as to his or her ownership interest, represents and warrants that each Owner is the sole and exclusive legal and beneficial owner of his or her ownership interest in Franchisee, free and clear of all liens, restrictions, agreements and encumbrances of any kind or nature, other than those required or permitted by this Agreement.

Owner's Name, Address and
Social Security Number

Percentage and Nature of
Ownership Interest

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Submitted by Franchisee
on _____, _____.

(Name of corporation,
limited liability company
or partnership)

By: _____
Print Name: _____
Title: _____

Accepted by Franchisor and
made a part of the Franchise
Agreement as of _____, _____.

Cultivate Franchise Corp,
a Georgia corporation

By: _____
Print Name: _____
Title: _____

Owners:

(Signature)

(Print Name)

(Signature)

(Print Name)

(Signature)

(Print Name)

EXHIBIT B

INITIAL FRANCHISE FEE, PREMISES AND FRANCHISE TERRITORY

Initial Franchise Fee: _____

Premises: _____

Franchise Territory: **[a one (1) mile radius around the Premises]** [or] [*See attached map.*]

EXHIBIT C

CONFIRMATION OF TERM COMMENCEMENT DATE

Reference is hereby made to a Franchise Agreement dated _____, _____ (“Agreement”) by and between Cultivate Franchise Corp (“Franchisor”) and _____ (“Franchisee”). Pursuant to Section 2.01 of the Agreement, the undersigned hereby agree that the Term (as defined in the Agreement) commenced on _____, _____.

WITNESS the execution hereunder seal as of the _____ day of _____, _____.

FRANCHISOR:

FRANCHISEE:

CULTIVATE FRANCHISE CORP

By: _____

By: _____

Print Name: _____

Print Name: _____

Title: _____

Title: _____

EXHIBIT D

PERSONAL GUARANTY

In consideration of, and as an inducement to, the execution of the Franchise Agreement dated as of _____, _____ (the "Agreement") by and between CULTIVATE FRANCHISE CORP, a Georgia corporation ("Franchisor"), and _____ ("Franchisee"), each of the undersigned owners of an interest in Franchisee hereby personally and unconditionally: (1) guarantees to Franchisor and its successors and assigns, for the term of the Agreement and thereafter as provided in the Agreement, that Franchisee shall punctually pay and perform each and every undertaking, agreement and covenant set forth in the Agreement (and any amendments) and that each and every representation of Franchisee made in connection with the Agreement (and any amendments) is true, correct and complete in all respects at and as of the time given; and (2) agrees personally to be bound by, and personally liable for the breach of, each and every provision in the Agreement (and any amendments).

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

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

EXCEPT TO THE EXTENT FRANCHISOR SEEKS INJUNCTIVE OR OTHER EQUITABLE RELIEF TO ENFORCE PROVISIONS OF THIS PERSONAL GUARANTY, AND EXCEPT FOR CONTROVERSIES, CLAIMS OR DISPUTES BASED ON FRANCHISEE'S USE OF THE MARKS (AS DEFINED IN THE AGREEMENT), ALL CONTROVERSIES, CLAIMS OR DISPUTES BETWEEN FRANCHISOR AND THE UNDERSIGNED ARISING OUT OF OR RELATING TO (A) THE AGREEMENT, THIS PERSONAL GUARANTY OR ANY OTHER AGREEMENT BETWEEN FRANCHISOR AND FRANCHISEE OR THE UNDERSIGNED, (B) THE RELATIONSHIP BETWEEN FRANCHISEE OR THE UNDERSIGNED AND FRANCHISOR OR (C) THE SCOPE AND VALIDITY OF THE AGREEMENT, THIS PERSONAL GUARANTY OR ANY OTHER AGREEMENT BETWEEN FRANCHISOR AND FRANCHISEE OR THE UNDERSIGNED (INCLUDING THE SCOPE AND VALIDITY OF THE ARBITRATION OBLIGATIONS UNDER THIS SECTION, WHICH FRANCHISOR AND THE UNDERSIGNED ACKNOWLEDGE IS TO BE DETERMINED BY AN ARBITRATOR AND NOT A COURT) SHALL BE DETERMINED BY ARBITRATION WITH THE AMERICAN ARBITRATION ASSOCIATION ("AAA") AT THE OFFICE OF THE AAA CLOSEST TO FRANCHISOR'S PRINCIPAL EXECUTIVE OFFICE ON THE DATE OF SUBMISSION OF THE MATTER TO THE AAA. SUCH ARBITRATION SHALL BE

CONDUCTED BEFORE THREE (3) ARBITRATORS (UNLESS THE PARTIES AGREE TO ONE (1) ARBITRATOR) CHOSEN AS FOLLOWS: FRANCHISOR AND FRANCHISEE OR THE UNDERSIGNED, AS APPLICABLE, SHALL EACH SELECT ONE (1) ARBITRATOR. THESE TWO (2) ARBITRATORS SHALL MUTUALLY AGREE ON ONE (1) OTHER ARBITRATOR TO ACT AS THE THIRD ARBITRATOR. ALL SUCH ARBITRATORS SHALL HAVE AT LEAST FIVE (5) YEARS OF FRANCHISE LAW EXPERIENCE. THE DECISION OF THE ARBITRATORS SHALL BE FINAL AND BINDING UPON ALL PARTIES CONCERNED. SUCH DECISION SHALL BE RENDERED WITHIN THIRTY (30) DAYS OF THE CLOSE OF THE ARBITRATION HEARING RECORD. THE ARBITRATION WILL BE CONDUCTED ON AN INDIVIDUAL, NOT A CLASS-WIDE BASIS, AND THE ARBITRATION PROCEEDING MAY NOT BE CONSOLIDATED WITH ANY OTHER ARBITRATION PROCEEDING BETWEEN FRANCHISOR AND ANY OTHER PERSON. NOTWITHSTANDING THE FOREGOING OR ANYTHING TO THE CONTRARY IN THIS PERSONAL GUARANTY, IF ANY COURT OR ARBITRATOR DETERMINES THAT ALL OR ANY PART OF THE PRECEDING SENTENCE IS UNENFORCEABLE WITH RESPECT TO A DISPUTE THAT OTHERWISE WOULD BE SUBJECT TO ARBITRATION UNDER THIS PROVISION, THEN ALL PARTIES AGREE THAT THIS ARBITRATION CLAUSE SHALL NOT APPLY TO THAT DISPUTE AND THAT SUCH DISPUTE SHALL BE RESOLVED IN A JUDICIAL PROCEEDING IN ACCORDANCE WITH THE FOLLOWING PARAGRAPH. THE FEDERAL RULES OF CIVIL PROCEDURE, AS THEY RELATE TO PRETRIAL DISCOVERY, AND THE FEDERAL RULES OF EVIDENCE SHALL APPLY TO THE ARBITRATION. IN ALL OTHER RESPECTS, THE RULES OF THE AAA AND THE UNITED STATES ARBITRATION ACT SHALL CONTROL. JUDGMENT UPON THE AWARD RENDERED BY THE ARBITRATION MAY BE ENTERED IN ANY COURT HAVING COMPETENT JURISDICTION THEREOF.

For actions that are not subject to mandatory arbitration under the preceding paragraph, EACH OF THE UNDERSIGNED HEREBY SUBMITS AND IRREVOCABLY CONSENTS TO THE EXCLUSIVE JURISDICTION OF THE FEDERAL AND STATE COURTS FOR THE DISTRICT WHERE FRANCHISOR'S PRINCIPAL EXECUTIVE OFFICE IS LOCATED ON THE DATE OF THE FILING OF THE ACTION, AND AGREES NOT TO RAISE AND HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY OBJECTION BASED UPON FORUM NON CONVENIENS OR ANY OTHER OBJECTION IT MAY NOW HAVE OR HEREAFTER HAVE TO SUCH JURISDICTION OR VENUE. Further, nothing herein contained shall bar Franchisor's right to obtain injunctive relief against threatened conduct that will cause irreparable harm.

TO THE EXTENT NOT PROHIBITED BY APPLICABLE LAW THAT CANNOT BE WAIVED, THE PARTIES HERETO HEREBY WAIVE, AND COVENANT THAT THEY SHALL NOT ASSERT (WHETHER AS PLAINTIFF, DEFENDANT, OR OTHERWISE), ANY RIGHT TO TRIAL BY JURY IN ANY ACTION ARISING IN WHOLE OR IN PART UNDER OR IN CONNECTION WITH THIS PERSONAL GUARANTY.

All matters relating to arbitration will be governed by the Federal Arbitration Act (9 U.S.C. §1 et seq.) except to the extent provided by the Federal Arbitration Act, the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. §1051 et seq.) or other applicable federal law, and the terms of this Personal Guaranty shall be interpreted and construed in accordance with the laws of the State of Georgia without regard to its conflicts of laws provisions.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, each of the undersigned has hereunto affixed his or her signature, under seal, effective as of the Effective Date of the Agreement.

**PERCENTAGE OF OWNERSHIP
INTERESTS IN FRANCHISEE**

GUARANTOR(S)

(Signature)

(Print Name)

(Signature)

(Print Name)

(Signature)

(Print Name)

DATE: _____, _____

Subscribed and sworn to before me this _____ day of _____, _____

Notary Public

My Commission expires:

EXHIBIT E

PERSONAL COVENANTS

These Personal Covenants are being made and executed in connection with that certain FRANCHISE AGREEMENT, dated as of the ___ day of _____, ____ (the “Franchise Agreement”), by and between CULTIVATE FRANCHISE CORP (“Franchisor”) and _____ (“Franchisee”). All capitalized terms used but not defined in these Personal Covenants shall have the meanings set forth in the Franchise Agreement.

Each of the undersigned hereby agrees that:

1. He or she is a Restricted Party.

2. As an inducement to Franchisor to enter into the Franchise Agreement, and in consideration of the direct and personal benefits the undersigned will derive from the Franchise Agreement, the undersigned acknowledges and agrees that: (a) he or she has read and understood Sections 7 and 13.05 of the Franchise Agreement in their entirety; (b) he or she is and shall be personally bound by all of the obligations and covenants of Franchisee contained in such Sections as if such obligations and covenants were made and given personally thereby directly to Franchisor; and (c) such covenants and restrictions are reasonable, appropriate and necessary to protect the System, other Cultivate Locations and the legitimate interest of Franchisor and do not cause undue hardship on the undersigned.

3. If any sentence, clause, paragraph, or combination of any of them in Sections 7 or 13.05 of the Franchise Agreement is held by a court of competent jurisdiction to be unenforceable as applied to the undersigned, then such unenforceable sentence, clause, paragraph, or combination may be modified by such court to the extent necessary to render it enforceable, and if it cannot be so modified, it shall be severed and the remainder of Sections 7 and 13.05 of the Franchise Agreement shall remain in full force and effect.

4. These Personal Covenants shall be governed by the internal laws of the State of Georgia, unless the law of another jurisdiction applies as provided for in Section 19.04 of the Franchise Agreement. These Personal Covenants may be enforced by Franchisor and its Affiliates in accordance with the terms of the Franchise Agreement.

The undersigned hereby execute and deliver this instrument effective as of the Effective Date of the Franchise Agreement.

[Name]

Date: _____

[Name]

Date: _____

[Name]

Date: _____

EXHIBIT F

FORM OF LEASE RIDER

(see attached)

RIDER AND SPECIAL STIPULATIONS

TO LEASE AGREEMENT DATED _____

BY AND BETWEEN

_____, AS "LANDLORD"

AND

_____, AS "TENANT" FOR THE DEMISED
PREMISES ("PREMISES") DESCRIBED THEREIN

This Rider and Special Stipulations (this "Rider") and the provisions hereof are hereby incorporated into the body of the lease to which this Rider is attached (the "Lease"), and the provisions hereof shall be cumulative of those set forth in the Lease, but to the extent of any conflict between any provisions of this Rider and the provisions of the Lease, this Rider shall govern and control.

1. Consent to Collateral Assignment to Franchisor; Disclaimer. Landlord acknowledges that Tenant intends to operate a Cultivate location in the Premises and that Tenant's rights to operate a Cultivate location and to use the Cultivate name, trademarks and service marks are solely pursuant to a franchise agreement ("Franchise Agreement") between Tenant and Cultivate Franchising, LLC ("Franchisor"). Tenant's operations at the Premises are independently owned and operated. Landlord acknowledges that Tenant alone is responsible for all obligations under the Lease unless and until Franchisor or another franchisee expressly assumes such obligations and takes actual possession of the Premises. Notwithstanding any provisions of the Lease to the contrary, Landlord hereby consents, without payment of a fee and without the need for further Landlord consent, to (a) the collateral assignment of Tenant's interest in the Lease to Franchisor to secure Tenant's obligations to Franchisor under the Franchise Agreement, and/or (b) Franchisor's succeeding to Tenant's interest in the Lease as a result of Franchisor's exercise of rights or remedies under such collateral assignment or as a result of Franchisor's termination of, or exercise of rights or remedies granted in or under, the Franchise Agreement or any other agreement between Franchisor and Tenant, and/or (c) Tenant's, Franchisor's and/or any other franchisee of Franchisor's assignment of the Lease to another franchisee of Franchisor with whom Franchisor has executed its then-standard franchise agreement. Landlord, Tenant and Franchisor agree and acknowledge that simultaneously with such assignment pursuant to the immediately preceding sentence, Franchisor shall be released from all liability under the Lease or otherwise accruing after the date of such assignment (in the event Franchisor is acting as the assignor under such assignment), but neither Tenant nor any other franchisee shall be afforded such release in the event Tenant/such franchisee is the assignor unless otherwise agreed by Landlord. Landlord further agrees that all unexercised renewal or extension rights shall not be terminated in the event of any assignment referenced herein, but shall inure to the benefit of the applicable assignee.

2. Use of Premises. Without limitation of uses permitted under the Lease, but in expansion thereof, the Premises may be used for the purpose of conducting the business of a café, specializing in the retail sale of coffee, tea, bakery goods, sandwiches, salads, soups, gelato, liquor, beer and wine, and any other items sold in any of Franchisor's or its affiliate's or franchisees' other stores, and any other legal purpose.

3. Assignment Rights of Franchisor and Affiliates. Notwithstanding anything to the contrary contained in the Lease or this Rider, in the event Franchisor (or any entity owned or controlled by, or under common control or ownership with, Franchisor) becomes the "Tenant" entity under the

Lease, whether pursuant to the terms of Section 1 of this Rider or otherwise consistent with the terms of the Lease, then as of and following such date of Franchisor's (or any entity owned or controlled by, or under common control or ownership with, Franchisor's) becoming "Tenant": (a) the transfer of equity interests among existing holders of equity interests in Tenant or any direct or indirect parent thereof, to or among family members, or to trusts for the benefit of any of such parties, (b) the transfer of equity interests in Tenant or any direct or indirect parent thereof in connection with a public offering of equity interests, (c) any transfer of equity interests in Tenant or any direct or indirect parent thereof, if Tenant or any direct or indirect parent of Tenant is a public company, (d) any direct or indirect transfers, including any sale, of equity interests in Tenant or any affiliate thereof, or (e) any change in the members of the board of managers, directors, management or organization of Tenant or any affiliate thereof, shall not be deemed an assignment, subletting, change of control or other transfer of Tenant's interest in and to the Lease.

4. Radius and Relocation Clauses Ineffective. Notwithstanding anything as set forth in the Lease to the contrary or in conflict, in the event Franchisor (or any entity owned or controlled by, or under common control or ownership with, Franchisor) becomes the "Tenant" entity under the Lease, whether pursuant to the terms of Section 1 of this Rider or otherwise consistent with the terms of the Lease, then as of and following such date of Franchisor's (or any entity owned or controlled by, or under common control or ownership with, Franchisor's) becoming "Tenant": (a) all "radius" restrictions or other limitations contained within the Lease limiting the operation of other locations/stores/units within a certain geographic area shall be of no further force or effect; and (b) all rights of Landlord to directly or indirectly relocate the Premises shall be of no further force or effect.

5. Limitation of Certain Default Remedies. Notwithstanding anything as set forth in the Lease to the contrary or in conflict, in the event Franchisor (or any entity owned or controlled by, or under common control or ownership with, Franchisor) becomes the "Tenant" entity under the Lease, whether pursuant to the terms of Section 1 of this Rider or otherwise consistent with the terms of the Lease, then as of and following such date of Franchisor's (or any entity owned or controlled by, or under common control or ownership with, Franchisor's) becoming "Tenant": (a) unless and until Landlord secures a final, non-appealable court order granting Landlord exclusive possession of the Premises, Landlord shall have no right to change or alter the locks of the Premises or discontinue any utilities to the Premises as a remedy for any uncured Tenant default under the Lease; and (b) in no event shall Landlord have the right to accelerate rental against Tenant or any guarantor of Tenant (provided, however, that this clause (b) shall not limit acceleration of rental, if permitted in the Lease, against the originally named "Tenant" or any original guarantors of Tenant).

6. Notice and Cure Rights to Franchisor. Prior to exercising any remedies hereunder (except in the event of imminent danger to the Premises), Landlord shall give Franchisor written notice of any default by Tenant, and commencing upon receipt thereof by Franchisor, Franchisor shall have ten (10) additional days to the established cure period as is given to Tenant under the Lease for such default, provided that in no event shall Franchisor have a cure period of less than (a) ten (10) days after Franchisor's receipt of such notice as to monetary defaults or (b) thirty (30) days after Franchisor's receipt of such notice as to non-monetary defaults. Landlord agrees to accept cure tendered by Franchisor as if the same was tendered by Tenant, but Franchisor has no obligation to cure such default. The initial address for notices to Franchisor is as follows:

Cultivate Franchise Corp
1353 Riverstone Parkway, Ste. 120-172
Canton, Georgia 30114
Attention: [_____]

7. Non-disturbance from Mortgage Lenders. Notwithstanding anything contained in the Lease to the contrary or in conflict, it shall be a condition of the Lease being subordinated to any mortgage, deed of trust, deed to secure debt or similar encumbrance on the Premises that the holder of such encumbrance agree not to disturb Tenant's rights under the Lease or Tenant's possession of the Premises, so long as Tenant is not in default of its obligations hereunder or thereunder beyond an applicable grace or cure period provided herein or therein (as may be extended from time to time pursuant to Section 6 of this Rider immediately above).

CHECK THE FOLLOWING PARAGRAPH THAT APPLIES. CHECK ONLY ONE. IF NONE IS CHECKED, THEN CLAUSE A) BELOW WILL BE APPLICABLE, AND CLAUSE B) BELOW WILL BE DEEMED DELETED.

A) Landlord represents and warrants that on the date hereof no mortgage, deed of trust, deed to secure debt or similar encumbrance encumbers the Premises.

B) A mortgage, deed of trust or deed to secure debt currently encumbers the Premises. It is a condition precedent to Tenant's obligations under the Lease that the holder of such encumbrance enter into a written subordination and non-disturbance agreement with Tenant, in form acceptable to Franchisor.

8. Financing of Trade Fixtures by Franchisor and Security Interest. Any security interest and/or Landlord's lien in Tenant's trade fixtures, "trade dress", equipment and other personal property in the Premises is hereby subordinated to any security interest and pledge granted to Franchisor in such items. The parties acknowledge that there may be certain personal property in the Premises which are not owned by Tenant, which property shall not be subject to any lien of Landlord. Upon request, Landlord shall grant the party who owns such property reasonable access to the Premises for the sole purpose of removing such property, provided such party repairs any damage caused by such removal and otherwise complies with Landlord's reasonable requirements with respect to such access.

9. Third Party Beneficiary. For so long as Franchisor holds a collateral assignment of the Lease, Franchisor is a third party beneficiary of the Lease, including, without limitation, this Rider, and as a result thereof, shall have all rights (but not the obligation) to enforce the same.

10. Franchisor Right to Enter. Landlord acknowledges that, under the Franchise Agreement, Franchisor or its appointee has the right to assume the management and operation of the Tenant's business, on Tenant's behalf, under certain circumstances (to-wit: Tenant's abandonment, Tenant's failure to timely cure its default of the Franchise Agreement, and while Franchisor evaluates its right to purchase the Cultivate location). Landlord agrees that Franchisor or its appointee may enter upon the Premises for purposes of assuming the management and operation of Tenant's Cultivate location as provided in the Franchise Agreement and, if it chooses to do so, it will do so in the name of the Tenant and without assuming any direct liability under the Lease. Further, upon the expiration or earlier termination of the Lease or the Franchise Agreement, Franchisor or its designee may enter upon the Premises for the purpose of removing all signs and other material bearing the Cultivate name or trademarks, service marks, or other commercial symbols of Franchisor.

11. Amendments. Tenant agrees that the Lease may not be terminated, modified or amended without Franchisor's prior written consent, nor shall Landlord accept surrender of the Premises without Franchisor's prior written consent. Tenant agrees to promptly provide Franchisor with copies of all proposed modifications or amendments and true and correct copies of the signed modifications and amendments.

12. Copy of Lease. Landlord agrees to provide Franchisor with a copy of the fully-executed Lease within ten (10) days of its full execution by Landlord and Tenant, at the address set forth in Section 6 of this Rider above.

13. Counterparts. This Rider may be executed in one or more counterparts, each of which shall cumulatively constitute an original. PDF/Faxed signatures of this Rider shall constitute originals of the same.

AGREED and executed and delivered under seal by the parties hereto as of the day and year of the Lease.

LANDLORD: _____

TENANT: _____

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

[CORPORATE SEAL]

[CORPORATE SEAL]

EXHIBIT G

STATE SPECIFIC ADDENDA

(see attached)

CULTIVATE FRANCHISE CORP
ADDENDUM TO FRANCHISE AGREEMENT
(California)

The following Addendum modifies and supersedes the Cultivate Franchise Corp Franchise Agreement (the “Agreement”) with respect to Cultivate franchises offered or sold to either a resident of the State of California or a non-resident who will be operating a Cultivate franchise in the State of California pursuant to the California Franchise Investment Law §§ 31000 through 31516, and the California Franchise Relations Act, California Business and Professions Code §§ 20000 through 20043, as follows:

1. If any of the provisions of the Agreement concerning termination, transfer and/or non-renewal of a franchise are inconsistent with either the California Franchise Relations Act or with the federal bankruptcy law (11 U.S.C. §101, et seq.) (concerning termination of the Agreement on certain bankruptcy-related events), then such laws will apply.

2. The Agreement requires that it be governed by Georgia law. This requirement may be unenforceable under California law.

3. The Agreement contains a waiver of punitive damages. This provision may not be enforceable under California law.

4. The Agreement requires binding arbitration at the office of the American Arbitration Association closest to Franchisor’s principal executive office. This provision may not be enforceable under California law.

5. Franchisee must sign a general release if Franchisee renews or transfers its franchise. California Corporations Code 31512 voids a waiver of Franchisee’s rights under the Franchise Investment Law (California Corporations Code 31000 through 31516). Business and Professions Code 20010 voids a waiver of Franchisee’s rights under the Franchise Relations Act (Business and Professions Code 20000 through 20043).

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

7. Franchisor and Franchisee agree to be bound by the provisions of any limitation on the period of time in which claims must be brought under applicable law or the Agreement, whichever expires earlier.

8. Each provision of this Addendum shall be effective only to the extent, with respect to such provision, the jurisdictional requirements of the California Franchise Investment Law §§ 31000 through 31516, and the California Franchise Relations Act, California Business and Professions Code §§ 20000 through 20043, as applicable, are met independently, without reference to this Addendum, and only to the extent such provision is a then valid requirement of the statute.

9. All capitalized terms used but not defined in this Addendum shall have the meanings set forth in the Agreement. To the extent this Addendum is inconsistent with any terms or conditions of the Agreement or the Exhibits or Schedules thereto, the terms of this Addendum shall govern.

[Signatures Appear on Following Page]

Each of the undersigned hereby acknowledges having read, understood, and executed this Addendum on _____, 20____.

FRANCHISOR:

FRANCHISEE:

CULTIVATE FRANCHISE CORP

[_____]

By: _____

By: _____

Print Name: _____

Print Name: _____

Title: _____

Title: _____

**CULTIVATE FRANCHISE CORP
ADDENDUM TO FRANCHISE AGREEMENT
(Hawaii)**

The following Addendum modifies and supersedes the Cultivate Franchise Corp Franchise Agreement (the “Agreement”) with respect to Cultivate franchises offered or sold to either a resident of the State of Hawaii or a non-resident who will be operating a Cultivate franchise in the State of Hawaii pursuant to the Hawaii Franchise Investment Law, Hawaii Rev, Stat. §§ 482E, et seq., as follows:

1. Sections 13.02(f) and 15.03 of the Agreement each contain a provision requiring a general release as a condition of renewal and transfer of the franchise. Such release will exclude claims arising under the Hawaii Franchise Investment Law.

2. Sections 13, 14 and 15 of the Agreement as they relate to non-renewal, termination, and transfer are only applicable if they are not inconsistent with the Hawaii Franchise Investment Law. Otherwise, the Hawaii Franchise Investment Law will control.

3. Section 14.02 of the Agreement permits Franchisor to terminate the Agreement on the bankruptcy of Franchisee. This Section may not be enforceable under federal bankruptcy law (11 U.S.C. §101, et seq.).

4. Each provision of this Addendum will be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Hawaii Franchise Investment Law are met independently without reference to this Addendum.

5. All capitalized terms used but not defined in this Addendum shall have the meanings set forth in the Agreement. To the extent this Addendum is inconsistent with any terms or conditions of the Agreement or the Exhibits or Schedules thereto, the terms of this Addendum shall govern.

Each of the undersigned hereby acknowledges having read, understood, and executed this Addendum on _____, 20____.

FRANCHISOR:

FRANCHISEE:

CULTIVATE FRANCHISE CORP

[_____]

By: _____

By: _____

Print Name: _____

Print Name: _____

Title: _____

Title: _____

CULTIVATE FRANCHISE CORP
ADDENDUM TO FRANCHISE AGREEMENT
(Illinois)

The following Addendum modifies and supersedes the Cultivate Franchise Corp Franchise Agreement (the “Agreement”) with respect to Cultivate franchises offered or sold to either a resident of the State of Illinois or a non-resident who will be operating a Cultivate franchise in the State of Illinois pursuant to the Illinois Franchise Disclosure Act of 1987, Ill. Comp. Stat. §§ 705/1 through 705/44, as follows:

1. Section 14 of the Agreement, under the heading “TERMINATION”, shall be supplemented by the addition of the following Section, which shall be considered an integral part of the Agreement:

14.04 Other. If any of the provisions of this Section 14 concerning termination are inconsistent with Section 19 of the Illinois Franchise Disclosure Act of 1987, then said Illinois law shall apply.

2. Although Section 19.04 of the Agreement requires that it be governed by Georgia law, Franchisor agrees that Illinois law will govern the Agreement.

3. Illinois law prohibits a prospective general release of claims subject to the Illinois Franchise Disclosure Act of 1987.

4. The provisions of the Agreement concerning governing law, jurisdiction, and venue shall not constitute a waiver of any right conferred on Franchisee by Illinois law. Consistent with the foregoing, any provision in the Agreement which designates jurisdiction and venue in a forum outside of Illinois is void with respect to any cause of action which is otherwise enforceable in Illinois.

5. Although Section 18.02 of the Agreement requires that litigation permitted under the Agreement must be instituted in a court closest to Franchisor’s principal executive office, Franchisor agrees that jurisdiction and venue for all litigation claims brought under the Agreement will be in the State of Illinois.

6. Franchisor and Franchisee agree to be bound by the provisions of any limitation on the period of time in which claims must be brought under applicable law or the Agreement, whichever expires earlier.

7. Each provision of this Addendum shall be effective only to the extent, with respect to each such provision, that the jurisdictional requirements of the Illinois Franchise Disclosure Act are met independently without reference to this Addendum.

8. All capitalized terms used but not defined in this Addendum shall have the meanings set forth in the Agreement. To the extent this Addendum is inconsistent with any terms or conditions of the Agreement or the Exhibits or Schedules thereto, the terms of this Addendum shall govern.

[Signatures Appear on Following Page]

Each of the undersigned hereby acknowledges having read, understood, and executed this Addendum on _____, 20____.

FRANCHISOR:

FRANCHISEE:

CULTIVATE FRANCHISE CORP

[_____]

By: _____

By: _____

Print Name: _____

Print Name: _____

Title: _____

Title: _____

CULTIVATE FRANCHISE CORP
ADDENDUM TO FRANCHISE AGREEMENT
(Indiana)

The following Addendum modifies and supersedes the Cultivate Franchise Corp Franchise Agreement (the “Agreement”) with respect to Cultivate franchises offered or sold to either a resident of the State of Indiana or a non-resident who will be operating a Cultivate franchise in the State of Indiana pursuant to the Indiana Deceptive Franchise Practices Law, Indiana Code §§ 23-2-2.7-1 through 23-2-2.7-10, and the Indiana Franchise Disclosure Law, Indiana Code §§ 23-2-2-2.5-1 through 23-2-2-2.5-51, as follows:

1. The Agreement contains a covenant not to compete that extends beyond the termination of the franchise. This provision may not be enforceable under Indiana law.
2. Under Section 17.02 of the Agreement, Franchisee will not be required to indemnify Franchisor for any liability imposed on Franchisor as a result of Franchisee’s reliance on or use of procedures or products which were required by Franchisor, if such procedures were utilized by Franchisee in the manner required by Franchisor.
3. Sections 13.02(f) and 15.03 of the Agreement each contain a provision requiring a general release as a condition of renewal and transfer of the franchise. Each provision is inapplicable under the Indiana Deceptive Franchise Practices Law, IC § 23-2-2.7-1(5).
4. Section 19.04 of the Agreement is amended to provide that in the event of a conflict of law, the Indiana Franchise Disclosure Law and the Indiana Deceptive Franchise Practices Law will prevail.
5. Section 18.01 of the Agreement is amended to provide that arbitration between Franchisee and Franchisor will be conducted at a mutually agreed-on location.
6. Nothing in the Agreement will abrogate or reduce any rights Franchisee has under Indiana law.
7. Franchisor and Franchisee agree to be bound by the provisions of any limitation on the period of time in which claims must be brought under applicable law or the Agreement, whichever expires earlier.
8. Each provision of this Addendum will be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Indiana Franchise Disclosure Law and the Indiana Deceptive Franchise Practices Act are met independently without reference to this Addendum.
9. All capitalized terms used but not defined in this Addendum shall have the meanings set forth in the Agreement. To the extent this Addendum is inconsistent with any terms or conditions of the Agreement or the Exhibits or Schedules thereto, the terms of this Addendum shall govern.

[Signatures Appear on Following Page]

Each of the undersigned hereby acknowledges having read, understood, and executed this Addendum on _____, 20____.

FRANCHISOR:

FRANCHISEE:

CULTIVATE FRANCHISE CORP

[_____]

By: _____

By: _____

Print Name: _____

Print Name: _____

Title: _____

Title: _____

**CULTIVATE FRANCHISE CORP
ADDENDUM TO FRANCHISE AGREEMENT
(Maryland)**

The following Addendum modifies and supersedes the Cultivate Franchise Corp Franchise Agreement (the “Agreement”) with respect to Cultivate franchises offered or sold to either a resident of the State of Maryland or a non-resident who will be operating a Cultivate franchise in the State of Maryland, as follows:

1. The general release language required as a condition of renewal, sale and/or assignment or transfer shall apply except for claims arising under the Maryland Franchise Registration and Disclosure Law.

2. Franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

3. Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within three (3) years after the grant of the franchise.

4. No representation or acknowledgment by Franchisee in the Agreement is intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

5. Each provision of this Addendum will be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Maryland Franchise Registration and Disclosure Law are met independently without reference to this Addendum.

6. All capitalized terms used but not defined in this Addendum shall have the meanings set forth in the Agreement. To the extent this Addendum is inconsistent with any terms or conditions of the Agreement or the Exhibits or Schedules thereto, the terms of this Addendum shall govern.

Each of the undersigned hereby acknowledges having read, understood, and executed this Addendum on _____, 20____.

FRANCHISOR:

FRANCHISEE:

CULTIVATE FRANCHISE CORP

[_____]

By:_____

By:_____

Print Name: _____

Print Name: _____

Title:_____

Title:_____

CULTIVATE FRANCHISE CORP
ADDENDUM TO FRANCHISE AGREEMENT
(Minnesota)

The following Addendum modifies and supersedes the Cultivate Franchise Corp Franchise Agreement (the “Agreement”) with respect to Cultivate franchises offered or sold to either a resident of the State of Minnesota or a non-resident who will be operating a Cultivate franchise in the State of Minnesota pursuant to the Minnesota Franchise Law, Minn. Stat. §§ 80C.01 through 80C.22, as follows:

1. Sections 13.02(f) and 15.03 of the Agreement each contain a provision requiring a general release as a condition of renewal and transfer of the franchise. Each release will exclude claims arising under the Minnesota Franchise Law.

2. Sections 14.02, 14.03 and 15.01 of the Agreement are each amended to add the following:

With respect to franchises governed by Minnesota law, Franchisor will comply with Minn. Stat. Sec. 80C.14, Subds, 3, 4 and 5, which require, except in certain specified cases, that a franchisee be given ninety (90) days notice of termination (with sixty (60) days to cure) and 180 days notice for nonrenewal of the Agreement.

3. Sections 18.01 and 18.02 of the Agreement are each amended to add the following:

Minn. Stat. Sec. 80C.21 and Minn. Rule 2860.4400J prohibit Franchisor from requiring litigation or arbitration to be conducted outside Minnesota. In addition, nothing in the Agreement can abrogate or reduce any of Franchisee’s rights as provided for in Minnesota Statutes, Chapter 80C, or Franchisee’s rights to any procedure, forum or remedies provided for by the laws of the jurisdiction.

4. A new Section 18.05 is hereby added to the Agreement which states the following:

Minn. Rule Part 2860.4400J prohibits Franchisor from requiring Franchisee to waive Franchisee’s rights to a jury trial or waive Franchisee’s rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction, or consenting to liquidated damages, termination penalties or judgment notes.

5. Franchisor and Franchisee agree to be bound by the provisions of any limitation on the period of time in which claims must be brought under applicable law or the Agreement, whichever expires earlier.

6. Each provision of this Addendum will be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Minnesota Franchise Law or the Rules and Regulations promulgated thereunder by the Minnesota Commissioner of Commerce are met independently without reference to this Addendum to the Agreement.

7. All capitalized terms used but not defined in this Addendum shall have the meanings set forth in the Agreement. To the extent this Addendum is inconsistent with any terms or conditions of the Agreement or the Exhibits or Schedules thereto, the terms of this Addendum shall govern.

Each of the undersigned hereby acknowledges having read, understood, and executed this Addendum on _____, 20____.

FRANCHISOR:

FRANCHISEE:

CULTIVATE FRANCHISE CORP

[_____]

By: _____

By: _____

Print Name: _____

Print Name: _____

Title: _____

Title: _____

CULTIVATE FRANCHISE CORP
ADDENDUM TO FRANCHISE AGREEMENT
(New York)

The following Addendum modifies and supersedes the Cultivate Franchise Corp Franchise Agreement (the “Agreement”) with respect to Cultivate franchises offered or sold to either a resident of the State of New York or a non-resident who will be operating a Cultivate franchise in the State of New York pursuant to the General Business Law of the State of New York, Article 33, Sections 680 through 695, as follows:

1. Notwithstanding any provision of the Agreement to the contrary, Franchisor will not make any assignment of the Agreement except to an assignee who, in Franchisor’s good faith judgment, is willing and able to assume Franchisor’s obligations under the Agreement.

2. Notwithstanding any provision of the Agreement to the contrary, all rights enjoyed by Franchisee and any causes of action arising in Franchisee’s favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder will 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.

3. Section 17.02 of the Agreement is amended by adding the following to the end of such section:

The indemnification contained in this Section 17.02 shall not apply to any claim by any third party arising out of a breach of this Agreement by Franchisor or any other civil wrong of Franchisor.

4. No new or different requirements imposed on Franchisee as a result of any changes made by Franchisor to Franchisor’s Operations Manual or otherwise shall place an unreasonable economic burden on Franchisee.

5. Each provision of this Addendum will be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the General Business Law of the State of New York are met independently without reference to this Addendum.

6. All capitalized terms used but not defined in this Addendum shall have the meanings set forth in the Agreement. To the extent this Addendum is inconsistent with any terms or conditions of the Agreement or the Exhibits or Schedules thereto, the terms of this Addendum shall govern.

Each of the undersigned hereby acknowledges having read, understood, and executed this Addendum on _____, 20____.

FRANCHISOR:

FRANCHISEE:

CULTIVATE FRANCHISE CORP

[_____]

By: _____

By: _____

Print Name: _____

Print Name: _____

Title: _____

Title: _____

CULTIVATE FRANCHISE CORP
ADDENDUM TO FRANCHISE AGREEMENT
(North Dakota)

The following Addendum modifies and supersedes the Cultivate Franchise Corp Franchise Agreement (the “Agreement”) with respect to Cultivate franchises offered or sold to either a resident of the State of North Dakota or a non-resident who will be operating a Cultivate franchise in the State of North Dakota pursuant to the North Dakota Franchise Investment Law, N.D. Cent. Code §§ 51-19-01 through 51-19-17, as follows:

1. The Agreement contains a covenant not to compete which extends beyond the termination of the franchise. This provision may not be enforceable under North Dakota law.
2. Sections 13.02(f) and 15.03 of the Agreement each contain a provision requiring a general release as a condition of renewal or transfer of the franchise. Each release is subject to and will exclude claims arising under the North Dakota Franchise Investment Law.
3. Section 18.02 of the Agreement requires that Franchisee consent to the jurisdiction of a court located in close proximity to Franchisor’s principal executive office. This provision may not be enforceable under North Dakota law because North Dakota law precludes Franchisee from consenting to jurisdiction of any court outside of North Dakota.
4. Although Section 19.04 of the Agreement provides that the Agreement will be governed by and construed in accordance with the laws of the State of Georgia, Franchisor agrees that the laws of the State of North Dakota will govern the Agreement.
5. Although Section 18.01 of the Agreement provides that the place of arbitration will be held at the office of the American Arbitration Association closest to Franchisor’s principal executive office, Franchisor agrees that the place of arbitration will be a location that is in close proximity to the site of Franchisee’s business.
6. Section 18.04 of the Agreement requires Franchisee to consent to a waiver of exemplary or punitive damages, which is in violation of Section 51-19-09 of the North Dakota Franchise Investment Law. This provision shall be deleted from the Agreement.
7. Although Section 18.04 of the Agreement states that all claims must be brought within one (1) year, Franchisor agrees that the statute of limitations under North Dakota Law will apply.
8. To the extent that Section 18 of the Agreement requires Franchisee to consent to a waiver of trial by jury, which is in violation of Section 51-19-09 of the North Dakota Franchise Investment Law, this provision shall be deleted from the Agreement.
9. Notwithstanding anything contained in the Agreement to the contrary, each party shall bear its owns costs and expenses in connection with any enforcement action brought by either party under the Agreement.
10. Each provision of this Addendum will be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the North Dakota Franchise Investment Law are met independently without reference to this Addendum.
11. All capitalized terms used but not defined in this Addendum shall have the meanings set forth in the Agreement. To the extent this Addendum is inconsistent with any terms or conditions of the Agreement or the Exhibits or Schedules thereto, the terms of this Addendum shall govern.

[Signatures Appear on Following Page]

Each of the undersigned hereby acknowledges having read, understood, and executed this Addendum on _____, 20____.

FRANCHISOR:

FRANCHISEE:

CULTIVATE FRANCHISE CORP

[_____]

By: _____

By: _____

Print Name: _____

Print Name: _____

Title: _____

Title: _____

**CULTIVATE FRANCHISE CORP
ADDENDUM TO FRANCHISE AGREEMENT
(Rhode Island)**

The following Addendum modifies and supersedes the Cultivate Franchise Corp Franchise Agreement (the “Agreement”) with respect to Cultivate franchises offered or sold to either a resident of the State of Rhode Island or a non-resident who will be operating a Cultivate franchise in the State of Rhode Island pursuant to the Rhode Island Franchise Investment Act, §§ 19-28.1-1 through 19-28.1-34, as follows:

1. Sections 13.02(f) and 15.03 of the Agreement each contain a provision requiring a general release as a condition of renewal and transfer of the franchise. Such release will exclude claims arising under the Rhode Island Franchise Investment Act.

2. The Agreement requires that it be governed by Georgia law. To the extent that such law conflicts with Rhode Island Franchise Investment Act, it is void under § 19-28.1-14.

3. Section 18.02 of the Agreement will be amended by the addition of the following, which will be considered an integral part of the Agreement:

§ 19-28.1-14 of the Rhode Island Franchise Investment Act provides that “a provision in a franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act.”

4. Franchisor and Franchisee agree to be bound by the provisions of any limitation on the period of time in which claims must be brought under applicable law or the Agreement, whichever expires earlier.

5. Each provision of this Addendum will be effective only to the extent, with respect to such provision, that the jurisdictional requirements of Rhode Island Franchise Investment Act are met independently without reference to this Addendum.

6. All capitalized terms used but not defined in this Addendum shall have the meanings set forth in the Agreement. To the extent this Addendum is inconsistent with any terms or conditions of the Agreement or the Exhibits or Schedules thereto, the terms of this Addendum shall govern.

Each of the undersigned hereby acknowledges having read, understood, and executed this Addendum on _____, 20____.

FRANCHISOR:

FRANCHISEE:

CULTIVATE FRANCHISE CORP

[_____]

By: _____

By: _____

Print Name: _____

Print Name: _____

Title: _____

Title: _____

CULTIVATE FRANCHISE CORP
ADDENDUM TO FRANCHISE AGREEMENT
(Washington)

The following Addendum modifies and supersedes the Cultivate Franchise Corp Franchise Agreement (the “Agreement”) with respect to Cultivate franchises offered or sold to either a resident of the State of Washington or a non-resident who will be operating a Cultivate franchise in the State of Washington pursuant to the Washington Franchise Investment Protection Act, Wash. Rev. Code §§ 19.100.010 through 19.100.940, as follows:

1. The State of Washington has a statute, RCW 19.100.180, which may supersede the Agreement including the areas of termination and renewal of Franchisee’s franchise. There may also be court decisions which may supersede the Agreement including the areas of termination and renewal of Franchisee’s franchise.

2. If any of the provisions in the Agreement are inconsistent with the relationship provisions of RCW 19.100.180 or other requirements of the Washington Franchise Investment Protection Act, the provisions of the Washington Franchise Investment Protection Act will prevail over the inconsistent provisions of the Agreement with regard to any franchise sold in Washington.

3. The Securities Administrator has concluded that arbitration between a franchisor and franchisee must take place either in the State of Washington or as may be mutually agreed on by the parties or as may be determined by the arbitrator.

4. A release or waiver of rights executed by Franchisee will 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 Franchisee is represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Washington Franchise Investment Protection Act, or rights or remedies under the Act, such as a right to jury trial, may not be enforceable.

5. In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act will prevail.

6. Transfer fees are collectible to the extent that they reflect Franchisor’s reasonable estimated or actual costs in effecting a transfer.

7. Franchisor and Franchisee agree to be bound by the provisions of any limitation on the period of time in which claims must be brought under applicable law or the Agreement, whichever expires earlier.

8. Each provision of this Addendum will be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Washington Franchise Investment Protection Act are met independently without reference to this Addendum.

9. All capitalized terms used but not defined in this Addendum shall have the meanings set forth in the Agreement. To the extent this Addendum is inconsistent with any terms or conditions of the Agreement or the Exhibits or Schedules thereto, the terms of this Addendum shall govern.

[Signatures Appear on Following Page]

Each of the undersigned hereby acknowledges having read, understood, and executed this Addendum on _____, 20____.

FRANCHISOR:

FRANCHISEE:

CULTIVATE FRANCHISE CORP

[_____]

By: _____

By: _____

Print Name: _____

Print Name: _____

Title: _____

Title: _____

EXHIBIT D

LIST OF PROPRIETARY PRODUCTS

<u>Product</u>	<u>Vendor</u>
Logo Cups	Various as Designated
Organic Coffee	Café Kreyol
Specialty Grade Espresso	Josuma Coffee
Pork	Bear Creek Cattle
Chai Tea	Chai Box
Teas and Matcha	Arbor Tea
Halal Chicken	Sanderson Farms or Mar Jac
Vegan, Gluten-Free Beignets	Mom's Place Gluten Free
Organic Syrups	Holy Kakow
Just Eggs	Just Eggs
Grits	Nora Mill
Vegan Cheese	Chao Cheese
Vegan Meat	Impossible Burger
Gluten Free and Vegan Bread	Pure Knead
CBD	Uncanny Wellness
Delta 8	Saints Garden
Gluten Free Scones	7 Sisters Scones
Hot Chili Sauce	Sriracha
Hot Sauce	Hoff Sauce

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(see attached)



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FINANCIAL STATEMENTS

(see attached)

Cultivate Franchise Corp

Statement of Operations

Period from July 11, 2021 (Inception) to December 31, 2021

Revenues	
Franchise fee revenues	\$ -
Product sales	\$ -
Total revenues	<u>\$ -</u>
Operating expenses	\$ 15,000
Net loss	<u><u>\$ (15,000)</u></u>

Cultivate Franchise Corp

Balance Sheet
December 31, 2021

Current assets	
Cash and cash equivalents	\$ 15,000
Total current assets	<u>\$ 15,000</u>
Total assets	<u><u>\$ 15,000</u></u>
Current liabilities	
Total current liabilities	\$ -
Stockholders' Equity	
Common stock	\$ 30,000
Accumulated deficit	\$ (15,000)
Total stockholders' equity	<u>\$ 15,000</u>
Total liabilities and stockholders' equity	<u><u>\$ 15,000</u></u>

Cultivate Franchise Corp
Statement of Operations
For the Six Months Ending June 30, 2022

Revenues	
Franchise fee revenues	\$ -
Product sales	\$ -
Total revenues	<u>\$ -</u>
Operating expenses	\$ 158,596
Net loss	<u><u>\$ (158,596)</u></u>

Cultivate Franchise Corp

Balance Sheet

June 30, 2022

Current assets

Cash and cash equivalents

\$ 19,808

Total current assets

\$ 19,808

Total assets

\$ 19,808

Current liabilities

Accounts Payable

\$ 32,012

Taxes Payable

\$ 7,636

Due to Affiliate

\$ 15,600

Total current liabilities

\$ 55,248

Stockholders' Equity

Common stock

\$ 123,156

Accumulated deficit

\$ (15,000)

Noet loss

\$ (158,596)

Total stockholders' equity

\$ (35,440)

Total liabilities and stockholders' equity

\$ 19,808

EXHIBIT G
STATE SPECIFIC ADDENDA
(see attached)

ADDENDUM REQUIRED BY THE STATE OF CALIFORNIA

THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE DISCLOSURE DOCUMENT.

CALIFORNIA CORPORATIONS CODE SECTION 31125 REQUIRES THAT WE GIVE YOU A DISCLOSURE DOCUMENT, IN A FORM CONTAINING THE INFORMATION THAT THE COMMISSIONER OF BUSINESS OVERSIGHT OF THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT MAY BY RULE OR ORDER REQUIRE, BEFORE A SOLICITATION OR A PROPOSED MATERIAL MODIFICATION OF AN EXISTING FRANCHISE.

As of the date of this Disclosure Document, neither we nor any person or franchise broker identified in Item 2 of this Disclosure Document is subject to any 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.

California Business and Professions Code Sections 20000 through 20043 provide rights to you concerning termination, transfer and non-renewal of a franchise. If the Franchise Agreement or Development Agreement contains a provision that is inconsistent with the law, the law will control.

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

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 Franchise Agreement and Development Agreement each provide for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C. Sec. 101 et seq.).

The Franchise Agreement and Development Agreement each contain a covenant not to compete which extends beyond the termination of the Franchise Agreement or the Development Agreement. These provisions may not be enforceable under California law.

The Franchise Agreement and Development Agreement each contain a waiver of punitive damages. These provisions may not be enforceable under California law.

THE FRANCHISE AGREEMENT AND DEVELOPMENT AGREEMENT EACH REQUIRE APPLICATION OF THE LAWS OF GEORGIA. THESE PROVISIONS MAY NOT BE ENFORCEABLE UNDER CALIFORNIA LAW.

THE FRANCHISE AGREEMENT AND THE DEVELOPMENT AGREEMENT EACH REQUIRE BINDING ARBITRATION. THE ARBITRATION WILL OCCUR AT THE OFFICE OF THE AMERICAN ARBITRATION ASSOCIATION CLOSEST TO FRANCHISOR'S PRINCIPAL EXECUTIVE OFFICE ON THE DATE OF SUBMISSION OF THE MATTER TO ARBITRATION

AND YOU MAY BE RESPONSIBLE FOR THE FRANCHISOR'S COSTS, IN ADDITION TO BEING RESPONSIBLE FOR YOUR OWN COSTS. THESE PROVISIONS MAY NOT BE ENFORCEABLE UNDER CALIFORNIA LAW.

YOU ARE ENCOURAGED TO CONSULT PRIVATE LEGAL COUNSEL TO DETERMINE THE APPLICABILITY OF CALIFORNIA AND FEDERAL LAWS (SUCH AS BUSINESS AND PROFESSIONS CODE SECTION 20040.5, CODE OF CIVIL PROCEDURES SECTION 1281, AND THE FEDERAL ARBITRATION ACT) TO ANY PROVISIONS OF A FRANCHISE AGREEMENT OR DEVELOPMENT AGREEMENT RESTRICTING VENUE TO A FORUM OUTSIDE THE STATE OF CALIFORNIA.

Each provision of this Addendum to the Disclosure Document shall be effective only to the extent, with respect to such provision, the jurisdictional requirements of the California Franchise Investment Law and the California Franchise Relations Act are met independently, without reference to this Addendum to the Disclosure Document, and only to the extent such provision is a then valid requirement of the statute.

ADDENDUM REQUIRED BY THE STATE OF HAWAII

THESE FRANCHISES WILL BE/HAVE BEEN FILED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF HAWAII. FILING DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE HAWAII COMMISSIONER OF SECURITIES OR A FINDING BY THE HAWAII COMMISSIONER OF SECURITIES 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 BEFORE THE EXECUTION BY THE PROSPECTIVE FRANCHISEE OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST SEVEN DAYS BEFORE 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 DEVELOPMENT AGREEMENT AND THE FRANCHISE AGREEMENT. THESE CONTRACTS OR AGREEMENTS SHOULD BE REFERRED TO FOR A STATEMENT OF ALL RIGHTS, CONDITIONS, RESTRICTIONS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.

The Franchise Agreement contains provisions requiring a general release as a condition of renewal and transfer of the franchise. Such release will exclude claims arising under the Hawaii Franchise Investment Law.

The Sections in the Franchise Agreement and Development Agreement that relate to non-renewal, termination, and transfer are only applicable if they are not inconsistent with the Hawaii Franchise Investment Law. Otherwise, the Hawaii Franchise Investment Law will control.

The Development Agreement and the Franchise Agreement each provide for termination upon bankruptcy. These provisions may not be enforceable under federal bankruptcy law (11 U.S.C. §101, et seq.).

Item 20 will be amended by the addition of the following paragraph:

No states have refused, by order or otherwise, to register these franchises. No states have revoked or suspended the right to offer these franchises. The proposed registration of these franchises has not been involuntarily withdrawn in any state.

ADDENDUM REQUIRED BY THE STATE OF ILLINOIS

Item 17 of this Disclosure Document is modified to include the following paragraph:

Sec. 705/4 of the Illinois Franchise Disclosure Act of 1987 provides that “any provision in a franchise/license agreement that designates jurisdiction or venue in a forum outside of Illinois is void.”

Although the Franchise Agreement and the Development Agreement each provide that it will be governed by and construed in accordance with the laws of the State of Georgia, we agree that the laws of the State of Illinois will govern the construction and interpretation of the Franchise Agreement and the Development Agreement. The provisions of the Franchise Agreement and the Development Agreement concerning governing law, jurisdiction, and venue shall not constitute a waiver of any right conferred on you by Illinois law.

Although the Franchise Agreement and the Development Agreement each require litigation to be instituted in the federal and state courts for the district where our principal executive office is located on the date of the filing of the action, except as you may be restricted by the arbitration provisions of the Franchise Agreement and the Development Agreement, all litigation must be instituted in a court of competent jurisdiction located in the State of Illinois.

ADDENDUM REQUIRED BY THE STATE OF INDIANA

The Franchise Agreement and the Development Agreement each contain a covenant not to compete that extends beyond the termination of the Franchise Agreement and the Development Agreement. These provisions may not be enforceable under Indiana law.

Indiana law makes unilateral termination of a franchise unlawful unless there is a material violation of the Franchise Agreement or the Development Agreement and the termination is not done in bad faith.

If Indiana law requires the Franchise Agreement, the Development Agreement and all related documents to be governed by Indiana law, then nothing in the Franchise Agreement, the Development Agreement or related documents referring to Georgia law will abrogate or reduce any of your rights as provided for under Indiana law.

Item 8, “Restrictions on Sources of Products and Services,” is amended by the addition of the following language:

Any benefits derived as a result of a transaction with suppliers for Indiana franchisees will be kept by us as compensation for locating suppliers and negotiating prices for you.

Indiana law prohibits a prospective general release of claims subject to the Indiana Deceptive Franchise Practices Law.

Although the Franchise Agreement and the Development Agreement each require arbitration to be held in the office of the American Arbitration Association closest to our principal executive office on the date of submission of the matter to arbitration, arbitration held under the Franchise Agreement or the Development Agreement must take place in Indiana if you so request. If you choose Indiana, we have the right to select the location in Indiana.

ADDENDUM REQUIRED BY THE STATE OF MARYLAND

Item 17 of this Disclosure Document is modified as follows:

The general release language required as a condition of renewal, sale and/or assignment or transfer will not apply to claims arising under the Maryland Franchise Registration and Disclosure Law.

A franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

The Franchise Agreement and Development Agreement each provide for termination upon your bankruptcy. This provision might not be enforceable under federal bankruptcy law (11. U.S.C. Sections 101 et seq.), but we will enforce it to the extent enforceable.

Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within three years after the grant of your franchise.

To the extent that any provisions of the Development Agreement, Franchise Agreement and/or Franchise Compliance Certification require you to assent to any release, estoppel or waiver of liability as a condition to your purchasing a Cultivate Coffee franchise, such provisions are not intended to nor shall they act as a release, estoppel or waiver of any liability under the Maryland Franchise Registration and Disclosure Law.

ADDENDUM REQUIRED BY THE STATE OF MINNESOTA

We will protect your right to use the Marks and/or indemnify you from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the Marks.

Minn. Rule 2860.4400D prohibits us from requiring you to assent to a general release. Any release you sign as a condition of renewal or transfer will not apply to any claims you may have under the Minnesota Franchise Law.

With respect to franchises governed by Minnesota law, we will comply with Minn. Stat. Sec. 80C.14, subds 3, 4 and 5 which require, except in certain specified cases, that you be given 90 days notice of termination (with 60 days to cure) and 180 days notice for nonrenewal of the Franchise Agreement.

Minn. Stat. Sec. 80C.21 and Minn. Rule 2860.4400J prohibit us from requiring litigation to be conducted outside Minnesota. In addition, nothing in this Disclosure Document, the Development Agreement or the Franchise Agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

Minn. Rule Part 2860.4400J prohibits us from requiring you to waive your rights to a jury trial or waive your rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction, or consenting to liquidated damages, termination penalties or judgment notes.

ADDENDUM REQUIRED BY THE STATE OF NEW YORK

Registration of this franchise by the State of New York does not mean that the State of New York recommends it or has verified the information in this Disclosure Document.

All references to “Disclosure Document” will be deemed to include the term “Offering Prospectus” as used under the General Business Law of New York.

Item 3 of this Disclosure Document is supplemented with the following:

Except as disclosed in this Item 3, neither the franchisor, its predecessor, nor any person identified in Item 2 of this Disclosure Document, or an affiliate offering franchises under the franchisor’s principal trademark:

A. 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, or misappropriation of property; or unfair or deceptive practices or comparable civil or misdemeanor allegations; including 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.

B. Has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the ten year period immediately preceding the application for registration, has been convicted of a 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.

C. 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.

Item 4 of this Disclosure Document is supplemented with the following:

Except as disclosed in this Item 4, the franchisor, its affiliates, its predecessor, nor any officers or general partner during the 10 year period immediately before the date of this Disclosure Document: (a) filed as debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code; (b) obtained a discharge of its debts under the U.S. Bankruptcy Code; or (c) was a principal officer of a company or a general partner in a partnership that either filed as a debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code or that obtained a discharge of its debts under the U.S. Bankruptcy Code during or within one year after the officer or general partner of the franchisor held this position in the company or partnership.

Under the Franchise Agreement, the Operations Manual we issue may be modified and you are bound by such modifications. However, no such modifications may impose an unreasonable economic burden on you.

Item 17 of this Disclosure Document, the summary column of part (d) for the Development Agreement, is modified to include the following sentence:

You can also terminate the Development Agreement on any grounds available by law.

Item 17 of this Disclosure Document, the summary column of part (d) for the Franchise Agreement, is modified to include the following sentence:

You can also terminate the Franchise Agreement on any grounds available by law.

Item 17 of this Disclosure Document, the summary column of part (j) for the Development Agreement, is modified to include the following sentence:

However, no assignment will be made except to an assignee who in good faith and judgment of the franchisor, is willing and financially able to assume the franchisor's obligations under the Development Agreement.

Item 17 of this Disclosure Document, the summary column of part (j) for the Franchise Agreement, is modified to include the following sentence:

However, no assignment will be made except to an assignee who in good faith and judgment of the franchisor, is willing and financially able to assume the franchisor's obligations under the Franchise Agreement.

Item 17 of this Disclosure Document, the summary column of part (w) for the Development Agreement, is modified to include the following sentence:

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.

Item 17 of this Disclosure Document, the summary column of part (w) for the Franchise Agreement, is modified to include the following sentence:

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.

WE MAY NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE PROSPECTUS. HOWEVER, WE CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON YOU TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS PROSPECTUS.

ADDENDUM REQUIRED BY THE STATE OF NORTH DAKOTA

The Franchise Agreement and the Development Agreement each contain a covenant not to compete which extends beyond the termination of the Franchise Agreement or the Development Agreement. These provisions may not be enforceable under North Dakota law.

Although the Franchise Agreement and the Development Agreement each provide that the place of arbitration will be held at the American Arbitration Association office that is closest to our principal executive office on the date of submission of the matter to arbitration, we agree that the place of arbitration will be a location that is in close proximity to the site of your business.

The Franchise Agreement and the Development Agreement each require that you consent to the jurisdiction of a court in close proximity to our principal executive offices. These provisions may not be enforceable under North Dakota law because North Dakota law precludes you from consenting to jurisdiction of any court outside of North Dakota.

Although the Franchise Agreement and the Development Agreement each provide that the Franchise Agreement and the Development Agreement will be governed by and construed in accordance with the laws of the State of Georgia, we agree that the laws of the State of North Dakota will govern the Franchise Agreement and the Development Agreement.

A contractual requirement that you sign a general release may be unenforceable under the laws of North Dakota.

Notwithstanding anything contained in the Franchise Agreement or the Development Agreement to the contrary, each party shall bear its own costs and expenses in connection with any enforcement action brought by either party under the Franchise Agreement or Development Agreement.

To the extent any provisions of the Franchise Agreement or Development Agreement require you to consent to a waiver of exemplary or punitive damages, these provisions will be deleted from such agreements.

To the extent any provisions of the Franchise Agreement or Development Agreement require you to consent to a waiver of trial by jury, these provisions will be deemed null and void.

ADDENDUM REQUIRED BY THE STATE OF RHODE ISLAND

Even though our Franchise Agreement and Development Agreement say the laws of Georgia apply, § 19-28.1-14 of the Rhode Island Franchise Investment Act provides that “A provision in a franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act.”

Each provision of this Addendum shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Rhode Island Franchise Investment Act are met independently without reference to this Addendum to the Disclosure Document.

ADDENDUM REQUIRED BY THE STATE OF SOUTH DAKOTA

Except as may be described in Item 3 of this Disclosure Document, neither we nor any person identified in Item 2 of this Disclosure Document has any material arbitration proceeding pending, or has

during the 10 year period immediately preceding the date of this Disclosure Document been a party to concluded material arbitration proceedings.

Although the Franchise Agreement and the Development Agreement each require all arbitration proceedings to be held in the office of the American Arbitration Association closest to our principal executive office on the date of submission of the matter to arbitration, the site of any arbitration started under the Franchise Agreement or the Development Agreement will be at a site mutually agreed upon by you and us.

We may not terminate the Franchise Agreement or the Development Agreement for a breach, for failure to meet performance and quality standards and/or for failure to make royalty or advertising payments unless you receive 30 days prior written notice from us and you are provided with an opportunity to cure the defaults.

Covenants not to compete upon termination or expiration of the Franchise Agreement or the Development Agreement are generally unenforceable in the State of South Dakota.

The laws of the State of South Dakota will govern matters pertaining to franchise registration, employment, covenants not to compete, and other matters of local concern; but as to contractual and all other matters, the Franchise Agreement and the Development Agreement will be subject to the applications, construction, enforcement and interpretation under the governing law of Georgia.

Any provisions in the Franchise Agreement and the Development Agreement restricting jurisdiction or venue to a forum outside of the State of South Dakota or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under the South Dakota Franchise Act.

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

ADDENDUM REQUIRED BY THE STATE OF VIRGINIA

In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, the Franchise Disclosure Document for Cultivate Franchise Corp for use in the Commonwealth of Virginia shall be amended as follows:

Additional Disclosure: The following statements are added to Item 17.h. for the Franchise Agreement and the Development Agreement:

“Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any ground for default or termination stated in the franchise agreement or development agreement does not constitute “reasonable cause;” as that term is defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.”

ADDENDUM REQUIRED BY THE STATE OF WASHINGTON

The state of Washington has a statute, RCW 19.100.180, which may supersede the Franchise Agreement and the Development Agreement including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the Franchise Agreement and the Development Agreement including the areas of termination and renewal of your franchise.

If any of the provisions in this Disclosure Document, the Franchise Agreement or the Development Agreement are inconsistent with the relationship provisions of RCW 19.100.180 or other requirements of the Washington Franchise Investment Protection Act, the provisions of the Washington Franchise Investment Protection Act will prevail over the inconsistent provisions of this Disclosure Document, the Franchise Agreement and the Development Agreement with regard to any franchise sold in Washington.

The Securities Administrator has concluded that arbitration between a franchisor and franchisee must take place either in the State of Washington or as may be mutually agreed on by the parties or as may be determined by the arbitrator.

A release or waiver of rights executed by you will 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 you are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Washington Franchise Investment Protection Act, or rights or remedies under the Washington Franchise Investment Protection Act, such as a right to jury trial, may not be enforceable.

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act will prevail.

Transfer fees are collectable to the extent that they reflect our reasonable estimated or actual costs in effecting a transfer.

STATE EFFECTIVE DATES

The following states 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 Franchise Disclosure Document is registered, on file or exempt from registration in the following states having franchise registration and disclosure laws, with the following effective dates:

State	Effective Date
Maryland	Pending

EXHIBIT H

FORM OF FRANCHISE COMPLIANCE CERTIFICATION

(see attached)

FRANCHISE COMPLIANCE CERTIFICATION

As you know, Cultivate Franchise Corp (“we”, “us” or “our”) and you are preparing to enter into a Development Agreement and Franchise Agreement for the operation of a Cultivate Unit franchise. The purpose of this Certification 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 Certification the same day as the Receipt for the Franchise Disclosure Document but you must sign and date it the same day you sign the Development Agreement and/or Franchise Agreement and pay your development and/or 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 Disclosure Document (“**Disclosure Document**”) we provided?
- Yes__ No__ 2. Did you sign a receipt for the Disclosure Document indicating the date you received it?
- Yes__ No__ 3. Do you understand all the information contained in the Disclosure Document, the Development Agreement and the Franchise Agreement?
- Yes__ No__ 4. Have you reviewed the Disclosure Document, the Development Agreement and the Franchise Agreement with a lawyer, accountant or other professional advisor?
- Yes__ No__ 5. Have you discussed the benefits and risks of developing and operating Cultivate Unit franchise with an existing Cultivate Unit franchisee?
- Yes__ No__ 6. Do you understand the risks of developing and operating a Cultivate Unit franchise?
- Yes__ No__ 7. 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__ 8. Do you understand we have only granted you a limited territorial protection against us locating another Unit near your Cultivate Unit as stated in your Franchise Agreement and that another Cultivate Unit franchise, licensee or company-owned Cultivate Unit may open anywhere outside your limited protected territory or at a Non-Traditional Site inside your protected territory.
- Yes__ No__ 9. 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 food products and other products under the Cultivate Coffee name or other mark, at any location, other than a Cultivate Unit at a traditional site within your limited protected territory, or by any method of distribution even within your limited

protected territory, and these other restaurants or methods of distribution may compete with your Cultivate Unit(s) and adversely affect its sales?

- Yes__ No__ 10. Do you understand that the only radius restriction concerning where another franchised or company Cultivate Unit may open is the limited protected territory specified in your Franchise Agreement?
- Yes__ No__ 11. Do you understand that most disputes or claims you may have arising out of or relating to the Development Agreement and/or the Franchise Agreement must be litigated in the courts closest to our principal executive office or arbitrated at the office of the American Arbitration Association closest to our principal executive office?
- Yes__ No__ 12. Do you understand that you or your Operating Partner and your other Managers must satisfactorily complete our initial training course before we will allow your Cultivate Unit to open?
- Yes__ No__ 13. Has any employee or other person speaking on our behalf made any statement or promise regarding the costs involved in operating a Cultivate Unit franchise that is not contained in the Disclosure Document or that is contrary to, or different from, the information contained in the Disclosure Document?
- Yes__ No__ 14. Has any employee or other person speaking on our behalf made any statement or promise or agreement, other than those matters addressed in the Development Agreement and the 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 Disclosure Document?
- Yes__ No__ 15. Has any 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 Cultivate Unit franchise will generate, that is not contained in the Disclosure Document or that is contrary to, or different from, the information contained in the Disclosure Document?
- Yes__ No__ 16. Do you understand that the Development Agreement and the Franchise Agreement contain the entire agreement between us and you concerning the franchise for the Cultivate Unit, meaning any prior oral or written statements not set out in the Development Agreement or the Franchise Agreement will not be binding?

YOU UNDERSTAND THAT YOUR ANSWERS ARE IMPORTANT TO US AND THAT WE WILL RELY ON THEM. BY SIGNING THIS CERTIFICATION, YOU ARE REPRESENTING THAT YOU HAVE CONSIDERED EACH QUESTION CAREFULLY AND RESPONDED TRUTHFULLY TO THE ABOVE QUESTIONS.

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 _____

Special note for residents of the State of Maryland and franchised businesses located in Maryland:
Nothing in this Franchise Compliance Certification shall act as a release, estoppel, or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

Explanation of any negative responses [refer to question number and use additional paper if necessary]:

EXHIBIT I
RECEIPTS
(see attached)

RECEIPT

This Disclosure Document summarizes certain provisions of the development agreement, the franchise agreement and other information in plain language. Read this Disclosure Document and all agreements carefully.

If Cultivate Franchise Corp offers you a franchise, it must provide this Disclosure Document to you (a) 14 calendar days before you sign a binding agreement with, or make a payment to, us or an affiliate in connection with the proposed franchise sale, or (b) Under New York law at the earlier of (i) your first personal meeting to discuss the franchise, or (ii) 10 business days before you sign a binding agreement with, or make payment to us or an affiliate in connection with the proposed franchise sale, or (c) Under Michigan law, at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first, or (d) Under Iowa law at the earlier of (i) your first personal meeting to discuss the franchise, or (ii) 14 calendar days before you sign a binding agreement with, or make payment to us or an affiliate in connection with the proposed franchise sale.

If Cultivate Franchise Corp does not deliver this Disclosure Document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the appropriate state agency identified on Exhibit A.

The franchisor is Cultivate Franchise Corp, located at 1353 Riverstone Parkway, St. 120-172, Canton, Georgia 30114. Its telephone number is 678-851-5604.

Issuance date: August 8, 2022

The franchise sellers for this offering are: Ryan Bowersox, Johnny Liu, and Phillip Coleman, at 1353 Riverstone Pkwy, Ste. 120-172, Canton, Georgia, 30114, 678-851-5604

We authorize the respective state agencies identified on Exhibit A to receive service of process for us in the particular state.

I received a Disclosure Document from Cultivate Franchise Corp dated August 8, 2022, that included the following Exhibits:

- A State Agencies and Administrators and Franchisor's Agents for Service of Process
- B Area Development Agreement
- C Franchise Agreement
- D List of Proprietary Products
- E Operations Manual Table of Contents
- F Financial Statements
- G State Specific Addenda
- H Form of Franchise Compliance Certification
- I Receipts

Dated: _____

PROSPECTIVE FRANCHISEE:

If a corporation or LLC:

If an individual:

(Name of corporation or LLC)

(Signature)

By: _____

(Print Name)

Its _____
(Title)

(Signature)

(Print Name)

(Print Name)

(Signature)

(Print Name)

Address of corporation, LLC, or individual(s): _____

OUR COPY- RETURN TO US

You may return the signed receipt either by signing, dating, and mailing it to Ryan Bowersox, Cultivate Franchise Corp, 1353 Riverstone Parkway, St. 120-172, Canton, Georgia 30114, or by emailing a copy of the signed and dated receipt to us at ryan@cultivating.co.

RECEIPT

This Disclosure Document summarizes certain provisions of the development agreement, the franchise agreement and other information in plain language. Read this Disclosure Document and all agreements carefully.

If Cultivate Franchise Corp offers you a franchise, it must provide this Disclosure Document to you (a) 14 calendar days before you sign a binding agreement with, or make a payment to, us or an affiliate in connection with the proposed franchise sale, or (b) Under New York law at the earlier of (i) your first personal meeting to discuss the franchise, or (ii) 10 business days before you sign a binding agreement with, or make payment to us or an affiliate in connection with the proposed franchise sale, or (c) Under Michigan law, at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first, or (d) Under Iowa law at the earlier of (i) your first personal meeting to discuss the franchise, or (ii) 14 calendar days before you sign a binding agreement with, or make payment to us or an affiliate in connection with the proposed franchise sale.

If Cultivate Franchise Corp does not deliver this Disclosure Document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the appropriate state agency identified on Exhibit A.

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- G State Specific Addenda
- H Form of Franchise Compliance Certification
- I Receipts

Dated: _____

PROSPECTIVE FRANCHISEE:

If a corporation or LLC:

If an individual:

(Name of corporation or LLC)

(Signature)

By: _____

(Print Name)

Its _____
(Title)

(Signature)

(Print Name)

(Print Name)

(Signature)

(Print Name)

Address of corporation, LLC, or individual(s): _____

YOUR COPY- RETAIN FOR YOUR FILES