

## FRANCHISE DISCLOSURE DOCUMENT

Freshii Development, LLC  
a Delaware limited liability company  
27 North Wacker Drive, Suite 426  
Chicago, Illinois 60606  
(312) 863-2151  
development@freshiifood.com  
www.freshii.com



The franchise is to develop and operate restaurants offering healthy meals such as salads, soups, bowls, wraps, burritos, frozen yogurt, healthy portable snacks, smoothies and other beverages.

The total investment necessary to begin operation of a Freshii Restaurant franchise is \$172,500 to \$641,000. This includes \$41,500 to \$43,000 that must be paid to the franchisor or affiliate.

The total investment necessary to develop five Freshii restaurants under an Area Development Agreement is \$244,500 to \$700,500. This includes \$101,500 to \$103,000 that must be paid to the Franchisor or its affiliate.

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

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Shawn Saraga, our VP of Development, at 27 North Wacker Drive, Suite 426, Chicago, Illinois 60606 and +1 (416) 712-5526.

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](http://www.ftc.gov) for additional information. Call your state agency or visit your public library for other sources of information on franchising.

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

**Issuance date: May 19, 2023**

## 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.

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

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

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

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

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

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

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

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

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

### **Some States Require Registration**

Your state may have a franchise law, or other law, that requires franchisors to register before offering or selling franchises in the state. Registration does not mean that the state recommends the franchise or has verified the information in this document. To find out if your state has a registration requirement, or to contact your state, use the agency information in Exhibit 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, multi-unit site selection agreement and area development agreement require you to resolve disputes with the franchisor by arbitration and/or litigation only in the Province of Ontario, Canada. Out-of-state arbitration or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to arbitrate or litigate with the franchisor in the Province of Ontario, Canada, than in your own state.
- 2) **Turnover Rate.** During the last 3 years, a large number of franchised outlets (76) were terminated or ceased operations for other reasons. This franchise could be a higher risk investment than a franchise in a system with a lower turnover rate.
- 3) **Financial Condition.** The franchisor's financial condition, as reflected in its financial statements (see Item 21), calls into question the franchisor's financial ability to provide services and support to you.
- 4) **Spousal Liability.** Your spouse must sign a document that makes your spouse liable for all financial obligations under the franchise agreement even though your spouse has no ownership interest in the franchise. This guarantee will place both your spouse's marital and personal assets, perhaps including your house, at risk if your franchise fails.

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

## **TABLE OF CONTENTS**

	<b><u>PAGE</u></b>
<b>ITEM 1 THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS, AND AFFILIATES</b>	1
<b>ITEM 2 BUSINESS EXPERIENCE</b>	3
<b>ITEM 3 LITIGATION</b>	4
<b>ITEM 4 BANKRUPTCY</b>	4
<b>ITEM 5 INITIAL FEES</b>	4
<b>ITEM 6 OTHER FEES</b>	5
<b>ITEM 7 ESTIMATED INITIAL INVESTMENT</b>	8
<b>ITEM 8 RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES</b>	11
<b>ITEM 9 FRANCHISEE’S OBLIGATIONS</b>	14
<b>ITEM 10 FINANCING</b>	15
<b>ITEM 11 FRANCHISOR’S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS, AND TRAINING</b>	16
<b>ITEM 12 TERRITORY</b>	29
<b>ITEM 13 TRADEMARKS</b>	31
<b>ITEM 14 PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION</b>	33
<b>ITEM 15 OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS</b>	34
<b>ITEM 16 RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL</b>	36
<b>ITEM 17 RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION</b>	37
<b>ITEM 18 PUBLIC FIGURES</b>	44
<b>ITEM 19 FINANCIAL PERFORMANCE REPRESENTATIONS</b>	44
<b>ITEM 20 OUTLETS AND FRANCHISEE INFORMATION</b>	45
<b>ITEM 21 FINANCIAL STATEMENTS</b>	51
<b>ITEM 22 CONTRACTS</b>	51
<b>ITEM 23 RECEIPTS</b>	51

## **EXHIBITS**

Exhibit A	List of State Administrators/Agents for Service of Process
Exhibit B	Area Development Agreement
Exhibit C	Multi-Unit Site Selection Agreement
Exhibit D	Franchise Agreement
Exhibit E	Confidential Operations Manual Table of Contents
Exhibit F	Financial Statements
Exhibit G	State-Specific Addenda
Exhibit H	List of Franchisees
Exhibit I	List of Franchisees Who Have Left The System
Exhibit J	Renewal/Assignment of Franchise Documents Release
Exhibit K	Sample Letter of Intent

State Effective Dates

Receipts

**Item 1**  
**THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS, AND AFFILIATES**

The franchisor is Freshii Development, LLC (“we,” “us,” or “our”). “You” means the company to whom we grant a franchise or development rights. We do not expect that people will sign our Area Development Agreement (Exhibit B) or Franchise Agreement (Exhibit C) in their individual capacities.

We are a limited liability company organized in Delaware in February 2008. Our principal business address is 27 North Wacker Drive, Suite 426, Chicago, Illinois 60606. We conduct business under our company name “Freshii” and the trademarks described in Item 13 and no other name. If we have an agent in your state for service of process, we disclose that agent in Exhibit A. We do not currently operate any Freshii Restaurants. We have offered franchises for Freshii Restaurants since March 2008. We have no other business activities and have not offered franchises in other lines of business.

**Our Parents, Predecessors and Affiliates**

Our parent company is Freshii Inc., an Ontario corporation headquartered at 1027 Yonge Street, Toronto, Ontario M4W 2K9 Canada (“Parent”). Our Parent does not own or operate a business of the type being franchised. Our Parent is not an approved supplier of any product or service that you must purchase or lease.

We have a second parent, Foodtastic, Inc. (“Foodtastic”), a Canadian corporation with its principal business address at 9300 Trans Canada Route, Suite 310, Saint-Laurent H4S 1K5. Foodtastic is the sole shareholder of Freshii Inc. In February 2023, Foodtastic Inc. acquired all of the shares of Freshii, Inc., thereby acquiring a controlling interest in the Franchisor, which is wholly owned by Freshii, Inc. Foodtastic is an international, multi-brand restaurant company founded in 2016. Foodtastic brands listed below are operated pursuant to networks of franchised and company-owned restaurants owned and administered by Franchisor’s affiliates under the “Copper Branch”, “Pita Pit”, “Second Cup”, “Tommy Café”, “Au Coq”, “La Belle et La Boeuf”, “Monza”, “Carlos & Pepe’s”, “Souvlaki Bar”, “Nickels”, “Rotisseries Benny”, “Chocolato”, “Big Rig”, “Bacaro”, “Shoeless Joe’s”, “Fusée”, “GattoMatto”, “La Chambre”, “L’Gros Luxe”, “Loo Koo”, “Fionn MacCool’s”, “D’Arcy McGee’s”, “Paddy Flaherty”, “Tir nan Og”, “Quesada”, and “Le Blossom” Marks. Unless otherwise stated, all Foodtastic’s subsidiaries share Foodtastic’s principal business address. Except as described below, none of Foodtastic’s subsidiaries have ever operated or offered franchises for Freshii restaurants or offered franchises in any other line of business.

We have an affiliate, Lettuce Eatery Development Inc. (“Lettuce Eatery Canada”) which is headquartered at 1027 Yonge Street, Toronto, Ontario Canada M4W 2K9. Lettuce Eatery Canada has offered Freshii franchises and previously Lettuce Eatery Restaurant franchises in Canada since March 2008. Freshii Restaurants in Canada are similar to Freshii Restaurants in the United States in that they also offer a variety of healthy meals like salads, soups, salad-wraps, frozen yogurt and healthy packaged snacks and beverages. Lettuce Eatery Canada has not offered franchises in any other line of business in the United States.

We have a second affiliate, Freshii Canada Ltd. (“Freshii Canada”), which is headquartered at 1027 Yonge Street, Toronto, Ontario Canada M4W 2K9. Although it is not currently, Freshii Canada may become a required supplier for certain consumer packaged goods that you will be required to purchase for the operation of your Freshii Restaurant. Freshii Canada has not offered franchises in this or any other line of business previously.

Our affiliate, Foodtastic Franchises, Inc. (“Foodtastic Franchises”), is a Quebec corporation with its principal business address at 9300 Trans Canada Route, Suite 310, Saint-Laurent, H4S 1K5. Foodtastic Franchises is wholly owned by our parent, Foodtastic, Inc. Foodtastic Franchises offers franchises under

the “Rôtisseries Au Coq”, “Bacaro Pizzeria”, “Rôtisseries Benny”, “Big Rig”, “Copper Branch” (Canada), “Carlos & Pepe’s”, “Rôtisseries Fusée”, “Gatto Matto”, “La Belle & La Bœuf”, “L’Gros Luxe”, “Nickels”, “Enoteca Monza”, “Pizzeria Monderna”, “Pok Pok”, “Pita Pit”, “La Slice”, and “Tommy Café” Marks. Foodtastic Franchises does not and has not offered Freshii franchises previously.

Our affiliate, Foodtastic USA, Inc. (“Foodtastic USA”), is a Canadian corporation with its principal business address at 9300 Trans Canada Route, Suite 310, Saint-Laurent, H4S 1K5. Foodtastic USA is wholly owned by our parent, Foodtastic, Inc. Foodtastic USA offers franchises under the “Copper Branch” (USA), and “Quesada” Marks. Foodtastic USA does not and has not offered Freshii franchises previously.

Our affiliate, Red Blossom Restaurants, Inc. (“Red Blossom Restaurants”) is a Quebec corporation with its principal business address at 9300 Trans Canada Route, Suite 310, Saint-Laurent, H4S 1K5. Red Blossom Restaurants is wholly owned by our parent, Foodtastic, Inc. Red Blossom Restaurants offers franchises under the “Le Blossom” Marks. Red Blossom Restaurants does not and has not offered Freshii franchises previously.

Our affiliate, 9295-8175 Quebec, Inc. (“9295-8175 Quebec”) is a Quebec corporation with its principal business address at 9300 Trans Canada Route, Suite 310, Saint-Laurent H4S 1K5. 9295-8175 Quebec offers franchises under the “Chocolato” Marks. 9295-8175 Quebec does not and has not offered Freshii franchises previously.

Our affiliate, La Chambre Restaurants, Inc. (“La Chambre Restaurants”) is a Quebec corporation with its principal business address at 9300 Trans Canada Route, Suite 310, Saint-Laurent H4S 1K5. La Chambre Restaurants offers franchises under the “La Chambre” Marks. La Chambre Restaurants does not and has not offered Freshii franchises previously.

Our affiliate, Milestones Restaurants, LTD. (“Milestones Restaurants”), is a Canadian corporation with its principal business address at 9300 Trans Canada Route, Suite 310, Saint-Laurent H4S 1K5. Milestones Restaurants offers franchises under the “Milestones” Marks. Milestones Restaurants does not and has not offered Freshii franchises previously.

Our affiliate, 13482359 Canada, Inc. (“13482359 Canada”), is a Canadian corporation with its principal business address at 9300 trans Canada Route, Suite 310, Saint-Laurent H4S 1K5. 13482359 Canada offers franchises under the “Fion MacCools,” “Darcy McGee’s,” “Paddy Flaherty’s,” and “TIR NON OG” Marks. 13482539 Canada does not and has not offered Freshii franchises previously.

Our affiliate, Quesada Franchising of Canada Corp. (“Quesada Franchising of Canada”), is an Ontario corporation with its principal business address at 9300 Trans Canada Route, Suite 310, Saint-Laurent H4S 1K5. Quesada Franchising of Canada offers franchises under the “Quesada” (Canada) Marks. Quesada Franchising of Canada does not and has not offered Freshii franchises previously.

Our affiliate, Rotisserie De Joliette, Inc. (“Rotisserie De Joliette”), is a Quebec corporation with its principal business address at 9300 Trans Canada Route, Suite 310, Saint-Laurent H4S 1K5. Rotisserie De Joliette offers franchises under the “Rôtisserie Joliette” Marks. Rotisserie De Joliette does not and has not offered Freshii franchises previously.

Our affiliate, SC Coffee Canada, Inc. (“SC Coffee Canada”), is a Canadian corporation with its principal place of business at 9300 Trans Canada Route, Suite 310, Saint-Laurent H4S 1K5. SC Coffee Canada offers franchises under the “Second Cup” Marks. SC Coffee Canada does not and has not offered Freshii franchises previously.



Our affiliate, Shoeless Joes LTD. (“Shoeless Joes”), is an Ontario corporation with its principal place of business at 9300 Trans Canada Route, Suite 310, Saint-Laurent H4S 1K5. Shoeless Joes offers franchises under the “Shoeless Joe’s” Marks. Shoeless Joes does not and has not offered Freshii Franchises previously.

Our affiliate, Souvlaki Bar Franchises, Inc. (“Souvlaki Bar Franchises”), is a Quebec corporation with its principal place of business at 9300 Trans Canada Route, Suite 310, Saint-Laurent H4S 1K5. Souvlake Bar Franchises offers franchises under the “Souvlaki Bar” Marks. Souvlaki Bar Franchises does not and has not offered Freshii franchises previously.

Neither we, nor our affiliates, operate any Freshii restaurants in the United States.

### **Franchise Agreement**

We grant franchises for restaurants identified by the Marks (defined below) offering for general consumption a wide variety of healthy meals such as salads, soups, bowls, wraps, burritos, frozen yogurt, healthy portable snacks, smoothies and other beverages. In this disclosure document we call these restaurants “Freshii Restaurants” and we call the Freshii Restaurant that you will operate under the Franchise Agreement the “Restaurant.” Freshii Restaurants operate under the trademarks, service marks and other commercial symbols that we periodically designate, including “Freshii™” (collectively, the “Marks”). Freshii Restaurants operate under our mandatory and suggested specifications, standards, operating procedures and rules that we periodically specify for operating a Freshii Restaurant (collectively, “System Standards”).

### **Area Development Agreement**

We also grant qualified individuals the right to enter into an Area Development Agreement. These prospects will sign the Area Development Agreement under which they will develop a specified number of Freshii Restaurants within a defined geographic area (the “Development Area”) according to a mandatory development schedule (the “Schedule”). You must typically commit to develop a minimum of five restaurants to enter into an Area Development Agreement. We will determine the Development Area before you sign the Area Development Agreement and it will be included in the Area Development Agreement. Under the Area Development Agreement, you must establish a certain number of Freshii Restaurants within the Development Area according to a minimum performance schedule, and sign a separate Franchise Agreement for each Restaurant established under the Area Development Agreement. We expect to sign Franchise Agreements that are not covered by an Area Development Agreement only in rare situations.

The Franchise Agreement for the first Restaurant developed under the Area Development Agreement will be in the form attached as Exhibit B to this Disclosure Document, and we expect that this Franchise Agreement for your first Restaurant will be signed at the same time as the Area Development Agreement. For each additional Restaurant developed under the Area Development Agreement, you must sign the form of Franchise Agreement that we are then offering to new franchisees, but the Royalty Fee, Marketing Fee and other continuing fees will be the same as for your first Restaurant. The size of the Development Area will vary depending upon local market conditions and the number of Restaurants to be developed. You may not open a Restaurant for business until a fully executed Franchise Agreement is in place for that Restaurant, all your pre-opening obligations have been completed, and the initial franchise fee has been fully paid.

The person or entity signing the Area Development Agreement is referred to as the “Area Developer”. The Area Development Agreement contains concepts similar to the Franchise Agreement involving the “Area Developer’s Principals.”

## **Multi-Unit Site Selection Agreement**

We also grant qualified individuals the right to enter into a Multi-Unit Site Selection Agreement. The Multi-Unit Site Selection Agreement authorizes you to put forward site suggestions in a defined area (the “Site Selection Area” for the number of Restaurants indicated in a minimum performance schedule (the “Minimum Performance Schedule”). You must typically commit to develop a minimum of five sites to enter into a Multi-Unit Site Selection Agreement. Each such site, subject to approval by us, will be established and operated pursuant to a separate Franchise Agreement. The Multi-Unit Site Selection Agreement does not itself include the grant of any license to you or the grant of any rights to use the Marks, the System or the right to open or operate any Restaurant(s). You will only obtain such rights at each Restaurant upon the execution of each Franchise Agreement and only in accordance with the terms thereof, which may differ from the Franchise Agreement included with this Disclosure Document.

## **Market and Competition**

Your Restaurant will provide products and services to the general public throughout the year and compete with restaurants, grocery stores, gas station and convenience stores offering healthy foods and snacks. The market for a Freshii Restaurant’s products and services generally is well developed and growing to reach the increasing number of health-conscious consumers. You will serve the general public and will compete with a variety of businesses, including locally owned to regional, national and chain restaurants, some of which may be franchise systems. In some markets, you may also encounter competition from Freshii Restaurants that we, or our affiliates and/or other franchisees own and operate. You may also compete with new and existing concepts that Franchisor and/or its affiliates may develop or currently operate.

## **Industry Regulations**

The restaurant industry is heavily regulated. A variety of Federal, state and local laws, rules, and regulations have been enacted that may impact the operation of your Restaurant, and may include those which: (a) establish general standards, zoning, permitting restrictions and requirements and other specifications and requirements for the location, construction, design, maintenance and operation of the Restaurant’s premises; (b) set standards pertaining to employee health and safety; (c) regulate matters affecting the health, safety and welfare of your customers, such as general health and sanitation requirements for restaurants and laws and regulations relating to access by persons with disabilities; employee practices concerning the storage, handling, cooking and preparation of food; restrictions on smoking; available of and requirements for public accommodations and requirements for fire safety and general emergency preparedness; (d) establish requirements for food identification and labeling; and I regulate advertisements. State and local agencies inspect restaurants to ensure that they comply with these laws and regulations. Due to the Covid-19 pandemic, orders enacted by Federal, state and local governments may affect the operation of your Restaurant. You should investigate whether there are regulations, requirements and orders that may apply in the geographic area in which you are interested in locating your Restaurant and you should consider both their effect and costs of compliance.

Many of the laws, rules and regulations that apply to business generally, such as the Americans With Disabilities Act, Federal Wage and Hour Laws and the Occupational Safety and Health Act, also apply to restaurants. The U.S. Food and Drug Administration, the U.S. Department of Agriculture and state and local health departments administer and enforce laws and regulations that govern food preparation and service and restaurant sanitary conditions. The federal Clean Air Act and various implementing state laws require certain state and local areas to meet national air quality standards limiting emissions of ozone,

carbon monoxide and particulate matters, including caps on emissions from commercial food preparation. Some areas have also adopted or are considering proposals that would regulate indoor air quality.

The Nutrition Labeling and Education Act (NLEA) sets regulations for food labeling, including nutritional label standards, nutrient content claims, and health claims. NLEA applies to virtually all foods in the food supply, including food served and sold in restaurants. While NLEA specifies a number of exemptions for restaurants, there are many instances where a nutritional label is required. The Food and Drug Administration's *Nutritional Labeling Guide for Restaurants and Other Retail Establishments* provides answers to commonly asked questions regarding the application of NLEA.

You must identify, investigate, satisfy and comply with all laws, ordinances and/or regulations applicable to your Restaurant, including employment, workers' compensation, insurance, corporate, tax, public health and similar laws and regulations, because they vary from place to place, can change over time and may affect the operation of your Restaurant. You should independently research and review the legal requirements of the food services industry with your own attorney before you sign any binding documents or make any investments.

At all times during the operation of your Freshii restaurant, you must obtain the necessary ServSafe Food Handler certification(s), or other state-required food handler's certification and comply with all laws and regulations for proper food storage, preparation and service.

## **Item 2** **BUSINESS EXPERIENCE**

### **Executive Chairman: Matthew Corrin**

Mr. Corrin has been our Executive Chairman since May 2022. He served as our chief executive officer from 2008 to 2022 and the President of Freshii ONE, LLC, our affiliate, in Chicago, Illinois since June 2007. He also is the founder and has been the CEO of Freshii Inc. in Toronto, Ontario, Canada since June 2004.

### **Chief Executive Officer & Director: Peter Mammias**

Mr. Mammias has been our Chief Executive Officer since February 2023. He is also the President, Secretary and Director of Foodtastic Inc., our parent company, and has been since its formation in 2015. Mr. Mammias is also an officer and director in a number of our affiliates.

### **Vice President Brands – Foodtastic, Inc.: Terry Faulconbridge**

Mr. Faulconbridge is not a director, general partner or officer of the Franchisor. Mr. Faulconbridge is the Vice-President Brands at Foodtastic. In this capacity, Mr. Faulconbridge is involved in the franchise and development activities of the Franchisor. Mr. Faulconbridge served as Vice-President Brands at Foodtastic Franchises, Inc. from April 2021 to February 2023. Prior to that, he served as Senior Director at Olayan Food Services in Riyadh, Saudi Arabia from January 2018 to April 2021.

### **Vice President of Development – Freshii, Inc.: Shawn Saraga**

Mr. Saraga is not a director, general partner or officer of the Franchisor. Mr. Saraga is the Vice President of Development of Freshii, Inc. and has held this position since May 2022. In that capacity, Mr. Saraga is involved in the franchise sales and development activity of the Franchisor. Mr. Saraga has been involved in franchising for over 17 years.

### **Item 3**

#### **LITIGATION**

A notice of request to arbitrate in the ADR Institute of Canada, and a statement of claim associated therewith, was served on Lettuce Eatery Canada, our affiliate, on or around March 31, 2021, by former franchisee, 2512549 Ontario Inc. The claimant alleged breach of contract by franchisor and franchisor's obligations related to the franchisee's requested territory. Lettuce Eatery Canada strongly denied the allegations and vigorously defended the claims. On February 10, 2022, the parties resolved the above matter by entering into a confidential settlement agreement, without liability or any admission of wrongdoing on the part of Lettuce Eatery Canada.

Kore Meals, LLC v. Freshii Development, LLC and Freshii, Inc., American Arbitration Association, No. 01-21-0016-1277 (Chicago, Illinois). Claimant, a former development agent and franchisee, filed a statement of claim against respondents on January 31, 2022 alleging breach of contract and breach of the duty of good faith and fair dealing in the context of a now-terminated Development Agent Agreement. On February 6, 2023, the parties resolved the above matter by entering into a mutual release of claims without liability or any admission of wrongdoing on the part of Freshii Development, LLC or Freshii, Inc.

#### **Litigation Against Franchisees in the Last Fiscal Year**

During fiscal year 2022, Freshii Development, LLC did not initiate any claims against franchisees.

Other than the foregoing, no litigation information is required to be disclosed in this Item.

### **Item 4**

#### **BANKRUPTCY**

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

### **Item 5**

#### **INITIAL FEES**

#### **Area Development Agreement**

If you sign the Area Development Agreement, you must pay us a "Development Fee" when you sign that Agreement. You must sign the Franchise Agreement for the first Restaurant at the same time you sign the Area Development Agreement. The Development Fee is calculated based on the total number of Restaurants you commit to develop under the Area Development Agreement. You must typically commit to develop a minimum of five restaurants to enter into an Area Development Agreement. The Development Fee will be equal to 100% of the initial franchise fee for the first Restaurant to be developed, plus a deposit of 50% of the initial franchise fee for each additional Restaurant to be developed. We will charge an initial franchise fee of \$30,000 for each Freshii Restaurant. For example, if you commit to develop five Restaurants, the Development Fee is calculated as  $\$30,000 + (4 \times \$15,000 = \$60,000) = \$90,000$ . The Development Fee is non-refundable, but we will apply \$15,000 of the Development Fee towards the initial franchise fee owed for the second and each additional franchise agreement that the Area Development Agreement covers.

## **Franchise Agreement**

You must pay us a \$30,000 initial franchise fee in a lump sum when you sign the Franchise Agreement. The initial franchise fee is not refundable. If you or your affiliate signed an Area Development Agreement covering this franchise and this is not the first Freshii Restaurant to be developed under such Area Development Agreement, we will apply \$15,000 of the Development Fee towards the initial franchise fee. We generally recognize \$15,000 of the Franchisee Fee as we complete pre-opening services (which include (i) real estate assistance and site selection support, (ii) design, construction and build out support, and (iii) pre-opening training support). The remaining \$15,000 of the initial franchise fee relating to accessing the Freshii license is amortized over the term of the Franchise Agreement (10 years).

## **Multi-Unit Site Selection Agreement**

If you sign the Multi-Unit Site Selection Agreement, you must pay us an “Initial Multi-Unit Site Selection Fee” when you sign the Multi-Unit Site Selection Fee. The Initial Multi-Unit Site Selection Fee is calculated based on the total number of Restaurants you agree to develop under the Multi-Unit Site Selection Agreement. The Initial Multi-Unit Site Selection Fee will be equal to 100% of the initial franchise fee for the first Restaurant to be developed, plus 50% of the initial franchise fee for each additional Restaurant to be developed. We will charge an initial franchise fee of \$30,000 for each Freshii Restaurant. The Initial Multi-Unit Site Selection Fee is non-refundable, but we will apply \$15,000 of the Initial Multi-Unit Site Selection Fee toward the initial franchise fee owed for the second and each additional franchise agreement that the Multi-Unit Site Selection Agreement covers. You will not need to sign a Franchise Agreement in conjunction with the Multi-Unit Site Selection Agreement.

## **Marketing Deposit**

When you execute the lease for the Freshii Restaurant, you must pay to us a marketing deposit in the amount of \$10,000 (the “Marketing Deposit”) and execute our Marketing Deposit Agreement, which is attached to the Franchise Agreement as Exhibit. Provided a grand opening is conducted in accordance with the Franchise Agreement, we will choose to either (a) pay, on your behalf, approved providers of products and services according to the approved grand opening marketing program, up to a maximum amount not exceeding the Marketing Deposit, or (b) credit you for the amounts paid to approved providers of products and services according to the approved grand opening marketing program, up to a maximum amount not exceeding the Marketing Deposit, provided that you provide us with copies of the paid invoices and other documentation we reasonably request to show the applicable amounts.

## **Training Fees**

Prior to attending the initial management training program, you must pay us a training fee for initial training and opening assistance we provide. The training fee ranges from \$1,500 to \$3,000. The duration and fee structure may vary depending on the location of your Freshii Restaurant and your experience, but is typically \$500 per person, per week. We will determine the number of people who need to attend based on an assessment of the individuals operating the Freshii Restaurant.

There are no other purchases from or payments to us or any affiliate of ours that you must make before your Restaurant opens.

**Item 6**  
**OTHER FEES**

<b>Column 1</b> <b>Type of fee<sup>(1)</sup></b>	<b>Column 2</b> <b>Amount</b>	<b>Column 3</b> <b>Due Date</b>	<b>Column 4</b> <b>Remarks</b>
Royalty	6% of Gross Sales	Due weekly on day we specify (the “Payment Day”)	Based on Gross Sales during previous week. Royalty Fees are payable by automatic debit, and funds must be made available in your account for withdrawal. See Note 2
Marketing Fund Contributions	Amount we specify, up to 3% of Gross Sales  Currently 1.5% of Gross Sales (may be changed in our discretion, subject to Franchise Agreement).	Due monthly on Payment Day	See Item 11 for a detailed discussion about the Marketing Fund.
Local Marketing	1.5% of Gross Sales	Must be spent each month	Payable directly to your local marketing vendors. Any marketing that you propose to use must first be approved by us
Successor Franchise Fee	Our then current standard initial franchise fee	When you acquire successor franchise	
Transfer	\$10,000	Upon transfer	Due only upon transfer of agreement or controlling ownership interest in you
Ongoing Training And Special Assistance	Currently \$500 per person, per week plus out-of-pocket costs and expenses, but could increase if our costs increase	As incurred	We may charge you for supplemental training courses, programs and conventions we provide and for additional or special assistance or training you need or request
New Product/Supplier Testing	Our good faith estimate of evaluation costs	When billed	Covers costs of testing new products or inspecting new suppliers you propose
Insurance	Premiums and our costs and expenses	When billed	Due only if you fail to maintain insurance and we (at our option) obtain insurance on your behalf
Relocation	Reasonable costs we incur	As incurred	Due only if you ask to relocate the Restaurant

Health and Safety Audit	Cost of audit	As incurred	Due if you fail a health and safety audit we or our third-party provider conducts at your Restaurant
Other Audit	Cost of inspection or audit	As incurred	Due only if you fail to report or understate by 2% or more
Late Payment Fee	1.5% of overdue amount(s) per month	15 days after billing	Due on all overdue amounts more than 7 days late
Management Fee	10% of Gross Sales <sup>(2)</sup> while we manage Restaurant plus direct out-of-pocket costs and expenses	As incurred	Due only if we or our designee manages Restaurant after your (or your managing owner's) death or disability, after your default or abandonment, or after termination
Costs and Attorneys' Fees	Will vary under circumstances	As incurred	Due only if we incur costs to enforce our legal rights
Indemnification	Will vary under circumstances	As incurred	You must reimburse us if we are held liable for claims from your Restaurant's operation or your business or breach of agreement
Liquidated Damages	Will vary under the circumstances	15 days after termination	See note 3
Technology Fees	<p>OLO Activation Fee: \$250 per location</p> <p>OLO App Ordering Fee:</p> <p>Pickup: \$0.12 per pickup transaction</p> <p>Delivery Fee \$0.48 per transaction</p> <p>OLO App Fixed Fee: \$43.65</p> <p>HQ Pinnacle Subsidy: \$47</p> <p>Order House Loyalty Program: \$51.52</p>	<p>One time, prior to activation of service</p> <p>Monthly</p> <p>Monthly</p> <p>Monthly</p> <p>Monthly</p> <p>Monthly</p>	<p>Payable to us, subsequently remitted by us to the provider.</p> <p>Delivery fee is charged by Order House.</p>
Restaurant365 Inventory Management Platform	Initial set up fee of \$50 and monthly platform fee \$55	Bi-Annually	Payable directly to vendor.

Food Safety Restaurant Inspection	\$197	Quarterly if the approved supplier determines that your Restaurant fails the inspection and we (or the approved supplier) determine that a re-audit is required.	You will reimburse us the amount. Amounts may also be payable in the event that more than one audit per quarter is determined by us (or the approved supplier) to be necessary.
-----------------------------------	-------	--	---

- (1) Except as otherwise noted in this Item 6, all fees are imposed and collected by and payable to us. Except as noted above, all fees are non-refundable and currently are uniformly imposed.
- (2) “Gross Sales” means all revenue from sales conducted upon or from the Restaurant, whether from check, cash, credit, charge account, debit account, exchange, trade credit, other credit transactions, barter or otherwise, including any implied or imputed Gross Sales from any business interruption insurance and all revenue from providing Catering Service and Delivery Service, and including all sales placed through online, mobile application and remote ordering platforms. However, Gross Sales exclude: (a) sales for which you refund cash, if you previously included those sales in Gross Sales; (b) federal, state, or municipal sales, use or service taxes you collect from customers and pay to the appropriate taxing authority; and (c) the face value of coupons or discounts that customers redeem. We treat each charge or sale upon credit as a sale for the full price on the day during which that charge or sale is made, irrespective of when you receive payment (whether full or partial, or at all) on that sale. We include amounts customers pay by gift certificate, gift card or similar program in Gross Sales when the gift certificate, other instrument or applicable credit is redeemed.

You must sign and deliver to us the documents that we periodically require to authorize us to debit your business checking account automatically for the Royalty, Order House Loyalty fees, HQ Pinnacle fees and other amounts due under the Franchise Agreement or any related agreement between us (or our affiliates) and you. If we institute an automatic debit program for the Restaurant, we will debit your account for the Royalty and other amounts on or after the Payment Day, based on the Gross Sales for the previous week, and in the case of technology related fee, we will debit your account monthly. You must make the funds available for withdrawal by electronic transfer before each due date. In our automatic debit program, we may require you to procure, at your expense, overdraft protection for your business checking account in an amount that we specify. You must reimburse us for any “insufficient funds” charges and related expenses that we incur for (a) any checks that we receive from you or (b) your failure to maintain sufficient funds in your automatic debit account.

If you fail to report the Restaurant’s Gross Sales for any week, we may debit your account for 120% of the Royalty that we debited for the previous week. If the amount we debit from your account is less than the amount you actually owe us for the week (once we have determined the true and correct Gross Sales of the Restaurant for the week), we will debit your account for the balance due on the day that we specify. If the amount we debit from your account is greater than the amount you actually owe us for the week (once we have determined the true and correct Gross Sales of the Restaurant for the week), we will credit the excess, without interest, against the amount that we otherwise would debit from your account during the following week.

We have the right, at our sole option upon notice to you, to change periodically the timing and terms for payment of Royalties, Order House Loyalty fees, HQ Pinnacle fees and other amounts



payable to us under the Franchise Agreement. For example, we may change the frequency at which we calculate payments to bi-weekly or monthly.

- (3) If we terminate your Franchise Agreement for cause, 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 12 months of operation preceding the effective date of termination multiplied by the number of months remaining in the Agreement had it not been terminated.

**Item 7**  
**ESTIMATED INITIAL INVESTMENT**

<b>YOUR ESTIMATED INITIAL INVESTMENT ONE FRESHII RESTAURANT</b>				
<b>Column 1 Type of expenditure</b>	<b>Column 2 Amount</b>	<b>Column 3 Method of payment</b>	<b>Column 4 When due</b>	<b>Column 5 To whom payment is to be made</b>
Initial Franchise Fee (1)	\$30,000	Installments if you sign Area Development Agreement, otherwise lump sum	See Item 5	Us
Travel & Living Expenses While Training (2)	\$10,000 to \$25,000	As agreed	As incurred	Third parties
Marketing Deposit For Grand Opening	\$10,000	Lump sum	When the lease for the Restaurant is signed	Us
Real Estate/3 Months' Rent (3)	\$10,000 to \$30,000	Installments	Typically monthly	Landlord
Security Deposit (3)	\$0 to \$15,000	Lump sum	Typically when lease signed	Landlord
Construction, Remodeling, Leasehold Improvements And Decorating Costs(4)	\$50,000 to \$300,000	As agreed	As incurred	Contractors/Interior Designer and other suppliers
Design Firm Fees(5)	\$3,500 to \$5,000	As agreed	Prior to work start	Designated service provider
Furniture, Fixtures, Other Fixed Assets And Equipment (6)	\$30,000 to \$100,000	As agreed	As incurred	Approved vendors
Signage (Interior And Exterior)	\$3,000 to \$15,000	As agreed	As incurred	Approved vendors

Opening Inventory And Supplies	\$5,000 to \$10,000	As agreed	As incurred	Third parties
Insurance	\$5,000 to \$15,000	As agreed	As incurred	Insurance company
Licenses And Permits	\$1,000 to \$3,000	As incurred	Typically lump sum	Government agencies and contractors
Miscellaneous Opening Costs (7)	\$0 to \$10,000	As incurred	As incurred	Third parties
Professional Fees	\$3,500 to \$10,000	As incurred	As incurred	Attorneys, accountants, architects, etc.
Initial Training Fee and opening assistance	\$1,500 to \$3,000	As agreed	Prior to attending training	Us
Additional Funds – 3 Months (8)	\$10,000 to \$60,000	As incurred	As incurred	Third parties
<b>TOTAL ESTIMATED INITIAL INVESTMENT</b>	<b>\$172,500 to \$641,000</b>			

Except for the lease security deposit which typically is refundable if you comply with the lease during its term, none of these expenditures is refundable. We do not finance any portion of your initial investment.

**Explanatory Notes:**

1. We describe the initial franchise fee in Item 5.
2. We describe training in Item 11. This figure estimates your and your personnel's costs and expenses for training if neither you nor your affiliates operate a Certified Training Restaurant and the entire initial training program is facilitated at a Coach Store (as defined below). It includes costs for the Operating Partner (under the Area Development Agreement) to attend training.
3. A standard Freshii Restaurant occupies approximately 500 to 1,500 square feet of space. The typical location for a Freshii Restaurant is in an inline footprint in an urban setting with high vertical density that is focused on attracting office workers and professionals. Rent depends on geographic location, size, local rental rates, other businesses in the area, site profile, and other factors and could be higher in large metropolitan areas. This estimate contemplates a security deposit equal to one month's rent. A landlord might require you to pay a lease security deposit that is more than one month's rent. We anticipate that you will rent the Restaurant's location. It is possible, however, that you might choose to buy, rather than rent, real estate on which a building suitable for the Restaurant already is constructed or could be constructed. Real estate costs depend on location, size, visibility, economic conditions, accessibility, competitive market conditions, and the type of ownership interest you are buying. Because of the numerous variables affecting the value of a particular piece of real estate, this initial investment table does not reflect the potential purchase cost of real estate or the costs of constructing a building suitable for the Restaurant.

4. The estimate is to improve a 1,000 square foot property and includes the costs of general contractors and licensed tradesmen to install electrical and plumbing fixtures. Your costs might be more or less than this estimate depending on where you plan to operate your Restaurant. Leasehold improvement costs – including floor covering, wall treatment, counters, ceilings, painting, window coverings, electrical, carpentry and similar work, and contractor's fees – depend on the site's condition, location, and size; the demand for the site among prospective lessees; the site's previous use; the build-out required to conform the site for your Restaurant; and any construction or other allowances the landlord grants. We have internal resources that will assist with the interior design of the Restaurant.

5. Includes layout design, including plans for partitions, equipment placement, ceiling tiles and lights, floor tiles, decor, and furniture placement. Does not include, among other things, engineered drawings for plumbing, mechanical and electrical, any architect's plans or any other drawings required to obtain permits or otherwise comply with federal, state or local laws, codes or regulations.

6. This includes items like the serving line, refrigerators, tables, chairs, the components for the Computer System, digital menu boards, small wares and office supplies.

7. This includes costs for utility deposits and other organizational and pre-paid expenses.

8. We have relied on our experience and our affiliate's experience in franchising Freshii Restaurants in the USA and Canada since March 2008 to compile these estimates. This estimates the funds needed to cover your initial expenses for the first 3 months of operation (other than the items identified separately in the table). It includes payroll costs but not any draw or salary for your owners. This is only an estimate, and you might need additional working capital during the first 3 months you operate your Restaurant and for a longer time period after that. This 3-month period is not intended, and should not be interpreted, to identify a point at which your Restaurant will break even.

<b>YOUR ESTIMATED INITIAL INVESTMENT AREA DEVELOPMENT AGREEMENT OR MULTI-UNIT SITE SELECTION AGREEMENT FOR FIVE RESTAURANTS</b>				
Column 1 <b>Type of Expenditure</b>	Column 2 <b>Amount</b>	Column 3 <b>Method of Payment</b>	Column 4 <b>When Due</b>	Column 5 <b>To Whom Payment is to be Made</b>
Development Fee/Initial Multi-Unit Site Selection Fee (for five Restaurants) (1)	\$100,000 (\$90,000 initial fee + \$10,00 marketing)	Lump Sum	When Area Development Agreement or Multi-Unit Site Selection Agreement is Signed	Us
Vehicle – 3 Months (2)	\$2,000 to \$2,500	As incurred	As arranged	Third Parties
Other Expenditures for first Restaurant (3)	\$142,500 to \$598,000	As Disclosed in First Table	As Disclosed in First Table	As Disclosed in First Table
<b>Total</b>	<b>\$244,500 to \$700,500</b>			

1. ***Development Fee/Initial Multi-Unit Site Selection Fee.*** We describe the development fee and initial multi-unit site selection fee in Item 5.
2. ***Vehicle.*** We expect that you will need a vehicle to view potential sites, oversee the build-outs, supervise multiple locations, etc. Our estimate includes expenses related to loan or lease payments, gas and maintenance for three months.
3. ***Other Expenditures for first Restaurant.*** An Area Developer or Multi-Unit Site Selection franchisee is expected to incur these same costs for each Freshii Restaurant it develops, subject to inflation and other increases over time. If you are an Area Developer or Multi-Unit Site Selection franchisee, your professional fees (such as legal and financial) will probably be higher.

## **Item 8**

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

You may be required use the Freshii customer experience platform as part of your Computer System. We are currently the only approved supplier of the customer experience platform. Other than the customer experience platform, neither we nor any of our affiliates currently is an approved supplier of any products or services that you will purchase or lease to establish or operate your Restaurant, although we or our affiliate(s) may become an approved or required supplier in the future. You currently must buy all of the furniture, fixtures, foodservice equipment, food items, beverages, printed marketing materials and uniforms, digital menu boards, construction materials and software, for the Restaurant only from suppliers that we designate or approve. None of our officers owns any interest in any approved supplier to the franchise system.

You must purchase the Oracle point of sale system, Eigen for your transactional terminals (used for credit, debit, and gift card transactions), the First Pay payment processing program, Pinnacle IP Solutions for your Internet service, phone service, fax service, security software and their software support service, and UR Channel for your digital menu board. You must purchase these software systems and programs from their respective manufacturers. Kill the 8 is the designated supplier that you must use to order your ongoing inventory of staff and management uniforms. Stingray is our designated music provider. You must use Restaurant365, our designated inventory management platform, for your food cost management. You must also use our designated printing supplier. In order to utilize the online ordering capabilities of the Freshii mobile app and website, you must subscribe to certain technology providers that contribute to back-end functionality. You must purchase the OLO menu management and ordering system, the Order House loyalty platform, which includes loyalty offers, rewards and campaigns that are offered through our mobile applicable or website. You must also subscribe to Maegan systems, which is primarily used for menu management.

You are required to adequately insure your Restaurant. While we do not currently specify the types and amounts of insurance coverage that you are required to obtain and maintain, we reserve the right to do so in the future. We currently strongly recommend that you carry, at a minimum, commercial general liability insurance of not less than \$5,000,000; tenant legal liability insurance coverage of at least \$500,000; business interruption coverage with a 12 month indemnity period in an amount sufficient to reimburse you for loss of earnings; all-risk property insurance for all owned property including stock, equipment, betterments and improvements on a replacement cost basis; broad form boiler and machinery coverage for the complete value of property; and earthquake, flood and sewer back-up coverage. The foregoing is not an opinion, warranty, representation, or advice as to the adequacy of such coverage, and it is your responsibility to ensure you have the proper insurance for the Restaurant. In the event we determine, in our discretion, that your Restaurant is underinsured, we may require that you increase your coverage types and/or amounts.

Before using a vendor that is not approved, you must send us, for our approval, samples of all advertising, promotional and marketing materials for the Restaurant that we have not prepared or previously approved within the last 6 months. If you do not receive written notice of disapproval from us within 15 days after we receive the materials, they are deemed approved. You may not use any advertising, promotional or marketing materials that we have disapproved. You also must implement a grand opening marketing program according to our requirements.

You must send us for our approval any lease or sublease for the Restaurant's site before you sign it. The lease must contain the terms and provisions that are reasonably acceptable to us. You may not relocate the Restaurant without our approval.

You are responsible for developing the Restaurant at your expense. It is your responsibility to prepare all required construction and remodeling plans and specifications to suit the Restaurant and to make sure that they comply with the Americans with Disabilities Act (the "ADA") and similar rules governing public accommodations for persons with disabilities, other applicable ordinances, building codes, permit requirements, and lease requirements and restrictions, and to complete the development of the Restaurant, within the timelines provided by us. We may provide a list or other indication of approved service providers for developing the Restaurant that you must select your service providers from. We may also provide a list or other indication of required service providers for developing the Restaurant, including, if we so choose, our project management services or designated design firm, which you must use at expense (our or our designee's then-current fee for the applicable services). You must submit all construction and remodeling plans and specifications to us for our approval before beginning build-out for the Restaurant and all revised or "as built" plans and specifications during construction and development. Our review is limited to ensuring your compliance with design requirements. Our review is not designed to assess compliance with federal, state, or local laws and regulations, including the ADA, as compliance with those laws are your responsibility.

At our option, we may periodically (up to twice during the Franchise Agreement's term) require you to substantially alter the Restaurant's appearance, branding, layout and/or design, and/or replace a material portion of the Operating Assets (defined below), to meet our then current requirements for new Freshii Restaurants. You must incur any necessary costs. Within 60 days after receiving written notice from us, you must have plans prepared according to our standards and specifications and, if we require, using architects and contractors that we designate or approve. We have internal resources that will assist with the interior design of the Restaurant. You must submit those plans to us for our approval. You must complete all work according to the plans we approve within the time period that we reasonably specify.

Other than as described above, there are no goods, services, supplies, fixtures, equipment, inventory, computer hardware and software, real estate, or comparable items related to establishing or operating the Restaurant that you must buy or lease from us (or our affiliate). In the future, we may designate products and services that you must buy only from us or our affiliates at the prices that we or they decide to charge.

To maintain the quality of the products and services that Freshii Restaurants offer and sell and our franchise network's reputation, all furniture, fixtures, equipment (including components for the Computer System), vehicles, small wares, digital menu boards and signs that we periodically require for the Restaurant and the business you operate under the Franchise Agreement (collectively, "Operating Assets") and other products and services that your Restaurant uses or sells (besides those described above that you currently may obtain only from approved suppliers) must meet our minimum standards and specifications. We issue and modify standards and specifications based on our and our affiliates' experience in developing and operating Freshii Restaurants and Lettuce Eatery Restaurants. Standards and specifications may impose minimum requirements for production, performance, reputation, prices, quality, design, and appearance.

Our confidential operations manual or other communications will identify our standards and specifications for you and, where appropriate, you may provide those standards and specifications to suppliers.

If you want to use any products or services for or at the Restaurant that we have not yet evaluated or purchase any product or service from a supplier that we have not yet approved (for products and services that we require you to purchase only from designated or approved suppliers), you first must submit sufficient information, specifications and samples for us to determine whether the product or service complies with our standards and specifications or the supplier meets our criteria. We may charge you our evaluation costs and will decide within a reasonable time (no more than 30 days). We may condition our approval of a supplier on requirements relating to product quality, prices, consistency, warranty, reliability, financial capability, labor relations, customer relations, frequency of delivery, concentration of purchases, standards of service (including prompt attention to complaints), and/or other criteria. We may inspect the proposed supplier's facilities and require the proposed supplier to deliver product samples or items, at our option, either directly to us or to any third party we designate for testing. We may periodically re-inspect any approved supplier's facilities and products and revoke our approval of any supplier, product or service that does not continue to meet our criteria by notifying you and/or the supplier. Despite these procedures, we may limit the number of approved suppliers with whom you may deal, designate sources that you must use, and/or refuse any of your requests for any reason, including that we have already designated an exclusive source (which in the future might be us or our affiliate) for a particular item or service or if we believe that doing so is in the best interests of the Freshii Restaurant network. We are not required to make available to you or to any supplier our criteria for product or supplier approval that we deem confidential.

We and/or our affiliates may derive revenue or other material consideration based on your purchases and leases, including from charging you for products and services that we or our affiliates provide to you in the future and from promotional allowances, volume discounts and other payments that designated, approved or recommended suppliers make to us and our affiliates (collectively "Allowances"). We and our affiliates may use all amounts received from suppliers, whether or not based on your and other franchisees' prospective or actual dealings with them, without restriction for any purposes that we and our affiliates deem appropriate. Collectively, the purchases and leases that you must make from us or our affiliates, from designated or approved suppliers, or according to our standards and specifications represent about 100% of your overall purchases and leases in establishing and operating the Restaurant. Neither we nor our affiliates or Parent have sold or leased products or services directly to franchisees (and therefore, have derived no revenue from these activities), however, we may centralize certain bills in respect of payments that are to be made to third party service providers. For the fiscal year ended December 25, 2022, we didn't earn any rebates, but our Parent earned rebates in the amount of \$4,249,075, or 11% of their total revenues of \$40,246,503 on account of franchisee purchases of required and approved items from those suppliers.

There are no purchasing or distribution cooperatives related to Freshii franchises. We have negotiated purchase arrangements with suppliers (including price terms) for some items and services. In doing so, we seek to promote the overall interests of the franchise system and affiliate-owned operations and our interests as the franchisor. We do not provide material benefits to you (for example, renewal or granting additional franchises) based on your purchase of particular products or services or use of particular suppliers.

The Area Development Agreement and Multi-Unit Site Selection Agreement do not require you to buy or lease from us (or our affiliates), our designees, or approved suppliers, or according to our specifications, any goods, services, supplies, fixtures, equipment, inventory, computer hardware and software, or comparable items related to establishing or operating your business under the Area Development Agreement or Multi-Unit Site Selection Agreement. However, you must give us information and materials we request concerning each site and Controlled Affiliate for a Freshii Restaurant so that we

can assess that site and Controlled Affiliate, which are subject to our approval. We also have the right to approve your Management Personnel.

**Item 9**  
**FRANCHISEE'S OBLIGATIONS**

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

<b>Obligation</b>	<b>Section in agreement</b>	<b>Item in Disclosure Document</b>
a. Site selection and acquisition/lease	Sections 2A, 2B and 2G and Exhibit C of Franchise Agreement; Section 5B of Area Development Agreement Section 3.1 of Multi-Unit Site Selection Agreement	Items 7, 8, 11, and 12
b. Pre-opening purchases/leases	Sections 2C to 2E, 5A, 5E and 5G of Franchise Agreement	Items 7, 8, and 11
c. Site development and other pre-opening requirements	Sections 2C to 2F, 4A to 4C, 5A, 5D, 5E, 5G, 5H and 7A of Franchise Agreement	Items 7, 8, and 11
d. Initial and ongoing training	Sections 4A to 4E of Franchise Agreement; Section 6 of Area Development Agreement	Items 6, 7, and 11
e. Opening	Section 2F of Franchise Agreement	Item 11
f. Fees	Sections 2D, 2E, 2G, 4D, 4G, 5E, 5G, 6, 7A, 7B, 9B, 13D, 14, 15C, 16A, 17D and 18C of Franchise Agreement; Sections 4, 6D, 7B, 7C, 11D, 14D and 15C and Exhibit A of Area Development Agreement Section 2 of Multi-Unit Site Selection Agreement	Items 5, 6, 7, 8, and 11
g. Compliance with standards and policies/operating manual	Sections 2C, 4G and 5 of Franchise Agreement	Items 8 and 11
h. Trademarks and proprietary information	Sections 10 and 11 and Exhibit D of Franchise Agreement; Sections 8 and 9 and Exhibit D of Area Development Agreement	Items 13 and 14
i. Restrictions on products/services offered	Sections 5B, 5C and 5H of Franchise Agreement	Items 11, 12, and 16
j. Warranty and customer service requirements	Section 5H of Franchise Agreement	Not applicable
k. Territorial development and sales quotas	Section 5 and Exhibit A of Area Development Agreement	Item 12

	Sections 1.2.4 and 3.2 and Exhibit A of Multi-Unit Site Selection Agreement	
l. On-going product/service purchases	Sections 2D, 2E, 5E and 5H of Franchise Agreement	Items 6 and 8
m. Maintenance, appearance, and remodeling requirements	Sections 2C, 5A and 5H of Franchise Agreement	Items 8, 11, 16, and 17
n. Insurance	Section 5G of Franchise Agreement	Items 6 and 7
o. Advertising	Section 7 of Franchise Agreement	Items 5, 6, 7, 8, and 11
p. Indemnification	Section 17D of Franchise Agreement; Section 14D of Area Development Agreement	Item 6
q. Owner's participation/management/staffing	Sections 1C, 1D, 4A to 4D, 5D and 5H of Franchise Agreement; Sections 1E, 7B and 7C of Area Development Agreement	Items 11 and 15
r. Records and reports	Section 8 of Franchise Agreement; Section 7D of Area Development Agreement	Not applicable
s. Inspections and audits	Section 9 of Franchise Agreement	Item 6
t. Transfer	Section 13 of Franchise Agreement; Section 11 of Area Development Agreement Section 6 of Multi-Unit Site Selection Agreement	Items 6 and 17
u. Renewal	Section 14 of Franchise Agreement; Section 2 of Area Development Agreement	Items 6 and 17
v. Post-termination obligations	Section 16 of Franchise Agreement; Section 13 of Area Development Agreement Section 5.3 of Multi-Unit Site Selection Agreement	Item 17
w. Non-competition covenants	Sections 12 and 16D of Franchise Agreement; Sections 10 and 13D of Area Development Agreement	Items 15 and 17
x. Dispute resolution	Sections 18C to 18F and 18L of Franchise Agreement; Sections 15C to 15F and 15L of Area Development Agreement Section 10.2 of Multi-Unit Site Selection Agreement	Item 17
y. Business plan	Section 7A of Area Development Agreement	Item 11
z. Catering service and delivery service	Section 5C of Franchise Agreement	Item 16



**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, Freshii Development, LLC is not required to provide you with any assistance.

**Obligations Under Area Development Agreement**

**Pre-Opening Assistance Under Area Development Agreement**

If you sign the Area Development Agreement, then before you begin operating under that Agreement, we will:

1. Determine the Development Area within which you will look for Freshii Restaurant sites. (Area Development Agreement – Section 1B)
2. Determine the mandatory development Schedule for your (or your Controlled Affiliates') Freshii Restaurants. (Area Development Agreement – Section 1B)
3. Approve your Operating Partner (defined in Item 15) if he or she meets our requirements. (Area Development Agreement – Section 1E)

**Ongoing Assistance Under Area Development Agreement**

If you sign the Area Development Agreement, then during your operation under that Agreement, we will:

1. Approve of your (or your Controlled Affiliate's) financial and operational ability and proposed site for a Freshii Restaurant if they meet our requirements. You must give us the franchise application package that we periodically specify (including a signed letter of intent with the site's landlord) and all other information and materials that we periodically request to assess (i) each proposed Freshii Restaurant site and market area, and (ii) your (or the applicable Controlled Affiliate's) financial and operational ability to develop and operate the proposed Freshii Restaurant. We will not unreasonably withhold approval of any site in the Development Area you propose that meets our then current criteria for population density and other demographic characteristics, visibility, traffic flow, competition, accessibility, parking, size, and other physical and commercial characteristics. We will not unreasonably withhold approval of you or a Controlled Affiliate as the franchisee of a Freshii Restaurant if you or the Controlled Affiliate meets our then current criteria for the financial and operational qualifications of Freshii Restaurant franchisees, including the operational criteria under the Franchise Agreement relating to the Freshii Restaurant's management. However, we have the absolute right to disapprove any site or franchisee that does not meet these criteria. Our site criteria might vary depending on the number of Freshii Restaurants that you and your Controlled Affiliates then operate in the Development Area in order to achieve a patterned and targeted development in the market.

We will use reasonable efforts to review and either approve or disapprove the sites and franchisees that you propose within 30 days after we receive all requested information and materials. If we approve a proposed site and your (or your Controlled Affiliate's) financial and operational ability to develop and operate the proposed Freshii Restaurant, then we will offer, and you or your approved Controlled Affiliate (and your owners and, if applicable, the Controlled Affiliate's owners) must sign, a separate franchise agreement for that Freshii Restaurant. If you or the Controlled Affiliate (and the applicable owners) do not do so within a reasonable time after we deliver the franchise agreement, or are unable to obtain lawful possession of the proposed site within a reasonable time after we approve of the proposed site, we may withdraw our approval.

In granting you the development rights under the Area Development Agreement, we are relying on your knowledge of the real estate market in the Development Area and your ability to locate and access sites. (Area Development Agreement – Sections 5B and 5E)

2. Grant you (or your approved Controlled Affiliate) franchises to operate Freshii Restaurants at approved sites in the Development Area. You or the approved Controlled Affiliate must sign our then current form of franchise agreement and related documents for each Freshii Restaurant (the "Updated Franchise Documents"), the terms of which may differ substantially from those in the Franchise Agreement attached to this disclosure document. However, the Updated Franchise Documents will reflect a \$30,000 initial franchise fee (to which we apply \$15,000 of the Development Fee) and a royalty of 6% of gross sales. (Area Development Agreement – Section 5C)
3. If determined by us to be necessary, provide a 1-day executive workshop for the Operating Partner and your other owners and ongoing training courses, programs and conventions that we choose to provide. We will provide or facilitate pre-opening training under the Franchise Agreement for your Operating Partner. We may charge reasonable fees for any such training or workshop that we (or our designees) administer, facilitate or provide. We describe the executive workshop and other training later in this Item. (Area Development Agreement – Sections 6A, 6B and 6D)
4. If determine by us to be necessary, approve one of your (or your Controlled Affiliate's) Freshii Restaurants as a Certified Training Restaurant or a Coach Store (as defined below), and that restaurant's general manager as a Certified Training Manager or Coach Store trainer, if the restaurant and manager meet our requirements. We describe aspects of our training program later in this Item. (Area Development Agreement – Section 6C)
5. Approve your business plan if it meets our requirements. Within 60 days after signing the Area Development Agreement, you must submit your proposed business plan covering your development plans and projected operations under that Agreement. The business plan must include detailed plans for locating sites in specific markets within the Development Area. You must incorporate our comments (if any) into a revised business plan. You also must update the business plan each year and submit the updated business plan to us for our review and comment within 30 days after the start of each Development Period (defined in Item 12). You must implement your business plan, as it is updated and revised. (Area Development Agreement – Section 7A)
6. Approve Management Personnel who meet our requirements. (Area Development Agreement – Sections 7B and 7C)

### **Obligations Under Multi-Unit Site Selection Agreement**

#### **Pre-Opening Assistance Under Multi-Unit Site Selection Agreement**

If you sign the Multi-Unit Site Selection Agreement, then before you begin operating under that Agreement, we will:

1. Determine the Site Selection Area in which you will look for Freshii Restaurant sites (Multi-Unit Site Selection Agreement – Section 1.1).
2. Determine the Minimum Performance Schedule for your (or your Controlled Affiliates') Freshii Restaurants (Multi-Unit Site Selection Agreement – Section 1.2.4, Exhibit A).

#### Ongoing Assistance Under Multi-Unit Site Selection Agreement

1. Approve or disapprove of your proposed sites for a Freshii Restaurant if they meet our requirements. You must give us the franchise application package that we periodically specify (including a signed letter of intent with the site's landlord) and all other information and materials that we periodically request to assess each proposed Freshii Restaurant Site and market area. We will not unreasonably withhold approval of any site in the Site Selection Area you propose that meets our then-current criteria for population density and other demographic characteristics, visibility, traffic flow, competition, accessibility, parking, size, and other physical and commercial characteristics. However, we have the absolute right to disapprove any site that does not meet these criteria. Our site criteria might vary depending on the number of Freshii Restaurants that you and your Controlled Affiliates then operate in the Site Selection Area in order to achieve a patterned and targeted development in the market. We will have a minimum of 15 days after we receive all requested information and materials to approve or disapprove any site that you propose (Multi-Unit Site Selection Agreement – Section 3.1).
2. Grant you (or your approved Controlled Affiliate(s)) franchises to operate Freshii Restaurants at your approved sites in the Site Selection Area. You or the approved Controlled Affiliate must sign our then-current form of franchise agreement related documents for each Freshii Restaurant, the terms of which may differ substantially from those in the Franchise Agreement attached to this Disclosure Document (Multi-Unit Site Selection Agreement – Section 3.1).

#### Obligations Under Franchise Agreement

##### Pre-Opening Assistance Under Franchise Agreement

Before you begin operating the Restaurant, we will:

1. Provide your personnel with initial training, which we describe in detail later in this Item. We may charge reasonable fees for any such training that we (or our designees) administer, facilitate or provide. (Franchise Agreement – Sections 4A to 4C)
2. Approve sites for Freshii Restaurants that meet our criteria. We describe our site approval criteria and process under the Area Development Agreement above, and we use essentially the same criteria and process for evaluating sites if you sign a Franchise Agreement that is not covered by an Area Development Agreement. If you did not sign an Area Development Agreement with us, then you will have 120 days after you sign the Franchise Agreement to locate a site that you believe is acceptable for a Freshii Restaurant and provide us with all information we require relating to the proposed site. We will have 30 days after we receive all of the information we require to notify you whether the site is approved. Unless we provide our specific approval, a proposed site is

deemed not approved. If we cannot agree on a proposed site, we may elect to terminate the Franchise Agreement and keep the entire initial franchise fee. Franchise Agreement – Section 2A)

3. Approve or disapprove the lease for the Restaurant. You must not sign any lease or sublease unless we and you have signed the Franchise Agreement and we have approved the lease or sublease. The lease must contain the terms and provisions that are reasonably acceptable to us. We may (but have no obligation to) provide you guidance or assistance relating to the lease and its negotiation. At our request, you must sign, and obtain the lessor's consent to, the Collateral Assignment of Lease attached to the Franchise Agreement under which you will collaterally assign the lease to us as security for your timely performance of all Franchise Agreement obligations. Our approval indicates only that we believe the lease's terms meet our then acceptable criteria. Neither we nor our affiliates generally own the premises for Freshii Restaurants and lease them to franchisees. (Franchise Agreement – Section 2B)
4. Provide you mandatory and suggested specifications and layouts for a Freshii Restaurant, including requirements or recommendations (as applicable) for a Freshii Restaurant's design, decor and Operating Assets, and service providers and/or project managers for developing the Restaurant. These specifications and layouts might not reflect the requirements of any federal, state or local law, code or regulation, including those arising under zoning regulations, environmental laws and regulations, other applicable ordinances, building codes or permit requirements, or any lease requirements or restrictions. It is your responsibility to prepare all required construction and remodeling plans and specifications to suit the Restaurant and to construct, remodel and decorate the Restaurant's premises. We may, but have no obligation to, periodically inspect the Restaurant's site during its development. (Franchise Agreement – Section 2C)
5. As discussed in Item 8, identify the Operating Assets, inventory, supplies and other products and services that you must use to develop and operate the Restaurant, the minimum standards and specifications that you must satisfy, and the designated and approved suppliers from whom you must or may buy or lease items and services. Neither we nor our affiliates currently provide items directly. We will provide names of approved suppliers for some items. Our confidential operations manual provides specifications for some items. We do not deliver or install any items. (Franchise Agreement – Sections 2D, 2E, 5A, 5E and 5H)
6. Provide you access to our confidential operating manual and other confidential technical manuals ("Operations Manual"). The Operations Manual may include audiotapes, videotapes, computer disks, compact disks, DVDs and/or other written or intangible materials that we may make available to you by various means, including access through the Internet. The Operations Manual contains System Standards and information on your other obligations under the Franchise Agreement. We may modify the Operations Manual periodically to reflect changes in System Standards, but these modifications will not alter your fundamental rights or status under the Franchise Agreement. You must keep your copy of the Operations Manual current and communicate all updates to your personnel in a timely manner. You must keep all parts of the Operations Manual in a secure location. If there is a dispute over its contents, our master copy of the Operations Manual controls. The Operations Manual's contents are confidential and you may not disclose any part of the Operations Manual to any person other than Restaurant personnel who need to know that part and who agree to maintain its confidentiality. You may not at any time copy, duplicate, record or otherwise reproduce any part of the Operations Manual. You must pay our then applicable charge for any replacement copy of the Operations Manual in tangible form.

The System Standards do not include any personnel policies or procedures or security-related policies or procedures that we (at our option) may make available to you in the Operations Manual

or otherwise for your optional use. You will determine to what extent, if any, these policies and procedures might apply to your operations at the Restaurant. We neither dictate nor control labor or employment matters for franchisees and their employees and we are not responsible for the safety and security of Restaurant employees or patrons.

The System Standards may regulate maximum, minimum or other pricing requirements for products and services that the Restaurant offers, including requirements for promotions, special offers and discounts in which some or all Freshii Restaurants participate, in each case to the maximum extent the allows. (Franchise Agreement – Section 5.H(3))

At our option, we may post the Operations Manual on a restricted website to which you will have password access. If we do so, you must periodically monitor the website for any updates to the Operations Manual or System Standards. Any passwords or other digital identifications necessary to access the Operations Manual on such a website are part of confidential information. The Operations Manual's current table of contents is Exhibit D. (Franchise Agreement – Section 4G)

7. Provided that we have received the applicable deposit, identify materials that we require or recommend that you to use for a grand opening marketing program, and, to the extent we determine necessary, consult with you to assist in the preparation of a written grand opening marketing program, if the Restaurant is the first Freshii Restaurant covered by the Area Development Agreement to open in the Development Area or if the Restaurant is not covered by an Area Development Agreement. You must implement the grand opening marketing program (as approved by us) according to our requirements within three (3) months of the Restaurant's opening and must provide use with not less than four (4) weeks' notice of your intention to do so. Provided that you meet the requirements set out in the Franchise Agreement, we will choose to either, (a) pay, on your behalf, approved providers of products and services according to the approved grand opening marketing program, up to a maximum amount not exceeding the Marketing Deposit, or (b) credit you for amounts paid to approved providers of products and services according to the approved grand opening marketing program, up to a maximum amount not exceeding the Marketing Deposit. Any such credit will be completed only if you provide us with copies of the applicable paid invoices and other documentation we reasonably request to show the applicable amounts. Even if we do not assist (as set out above) in the preparation of a grand opening marketing program (because the Restaurant is not the first Freshii Restaurant covered by the Area Development Agreement to open in the Development Area), you still must implement a grand opening marketing program for the Restaurant according to our requirements, including those in the Operations Manual and other System Standards. (Franchise Agreement – Section 7A)

#### Ongoing Assistance Under Franchise Agreement

During your operation of your Restaurant, we will:

1. Advise you regarding the Restaurant's operation based on your reports or our inspections. We will give you advice and written materials, including our Operations Manual, to guide you on standards, specifications, operating procedures and methods that Freshii Restaurants use; purchasing required or recommended Operating Assets and other products, supplies and materials; employee training methods and procedures (although you are responsible for hiring your employees and for the terms and conditions of their employment); and accounting, advertising, and marketing.
2. Give you, at your request and expense (and our option), additional or special guidance, assistance, and training. Any specific ongoing training, conventions, advice or assistance we provide does not

create an obligation to continue providing that specific training, convention, advice or assistance, all of which we may discontinue and modify at any time. (Franchise Agreement – Section 4F)

3. Continue to provide you access to our Operations Manual. (Franchise Agreement – Section 4G)
4. Issue and modify System Standards. Because of our periodic modification of the System Standards (including to accommodate changes to the required Computer System for Freshii Restaurants and the Marks), you might need to invest additional capital in and otherwise improve and develop the Restaurant and incur higher operating costs. You must comply with those obligations within the time period we specify. Although we may establish and periodically modify System Standards that you must follow, you retain the responsibility for the Restaurant's day-to-day management and operation and implementing and maintaining System Standards at the Restaurant. Because complete and detailed uniformity under many varying conditions might not be possible or practical, we may vary System Standards for any Freshii Restaurant or group of Freshii Restaurants based upon the peculiarities of any conditions or factors that we consider important to its operations. You have no right to require us to grant you a similar variation or accommodation. (Franchise Agreement – Sections 5H and 5I)
5. Let you use our Marks. (Franchise Agreement – Section 10)
6. Let you use our confidential information. (Franchise Agreement – Section 11)

### **Advertising and Marketing Programs**

#### **Marketing Fund**

Recognizing the value of advertising and marketing to the goodwill and public image of Freshii Restaurants, we have established a Marketing Fund. You must contribute the amount that we periodically specify to the Marketing Fund. Currently the specified Marketing Fund Contribution is 1.5% of Gross Sales. Freshii Restaurants that we and our affiliates own will contribute to the Marketing Fund on the same basis as franchisees.

We will direct all programs that the Marketing Fund finances, with sole control over the creative concepts, materials and endorsements used and their geographic, market and media placement and allocation. The Marketing Fund may pay for preparing and producing video, audio and written materials and electronic media; maintaining and administering one or more System Websites and otherwise establishing an online presence; administering regional and multi-regional marketing and advertising programs, including creating and/or purchasing trade journal, direct mail, radio and other media advertising and using advertising, promotion and marketing agencies and other advisors to provide assistance; and supporting public relations, market research and other advertising, promotion and marketing activities. The Marketing Fund may advertise locally, regionally, and/or nationally in printed materials, on radio or television, and/or on the Internet, whatever we think best. We and/or an outside national or regional advertising agency will produce all advertising and marketing. The Marketing Fund periodically will make available samples of advertising, marketing and promotional formats and materials at no cost and will offer for sale multiple copies of these materials at its direct cost of producing them, plus any related shipping, handling and storage charges. The Marketing Fund also may reimburse Freshii Restaurant operators (including us and/or our affiliates) for certain approved marketing expenditures that we periodically specify. We also may use Marketing Fund assets for advertising, marketing and promotional programs and materials that principally solicit the sale of Freshii Restaurant franchises, although we have no historical information on the percentage of assets used for those purposes.

We will account for the Marketing Fund separately from our other funds and not use the Marketing Fund for any of our general operating expenses. However, the Marketing Fund may reimburse us and our affiliates for the reasonable salaries and benefits of personnel who manage and administer the Marketing Fund or otherwise provide assistance or services to the Marketing Fund, the Marketing Fund's administrative costs, travel expenses of personnel while they are on Marketing Fund business, meeting costs, overhead relating to the Marketing Fund's business, and other expenses that we and they incur in administering or directing the Marketing Fund and its programs, including conducting market research, preparing advertising, promotional and marketing materials, and collecting and accounting for Marketing Fund contributions.

The Marketing Fund is not a trust, and we do not owe you fiduciary obligations because of our maintaining, directing or administering the Marketing Fund or any other reason. The Marketing Fund may spend in any fiscal year more or less than the total Marketing Fund contributions in that year, borrow from us or others (paying reasonable interest) to cover deficits, or invest any surplus for future use. We will use all interest earned on Marketing Fund contributions to pay costs before using the Marketing Fund's other assets. We will prepare an annual, unaudited statement of Marketing Fund collections and expenses and give you the statement upon written request. We may (but need not) have the Marketing Fund audited annually, at the Marketing Fund's expense, by a certified public accountant. We may incorporate the Marketing Fund or operate it through a separate entity whenever we deem appropriate. The successor entity will have all of the rights and duties specified here.

We intend the Marketing Fund to maximize recognition of the Marks and patronage of Freshii Restaurants. Although we will try to use the Marketing Fund in the aggregate to develop advertising and marketing materials and programs, and implement programs, that will benefit all Freshii Restaurants, we may use the Marketing Fund as we determine appropriate, in our discretion, and need not ensure that Marketing Fund expenditures in or affecting any geographic area are proportionate or equivalent to the Marketing Fund contributions by Freshii Restaurants operating in that geographic area or that any Freshii Restaurant benefits directly or in proportion to its Marketing Fund contribution from the development of advertising and marketing materials or implementation of programs. We may, but have no obligation to, use collection agents and institute legal proceedings to collect Marketing Fund contributions at the Marketing Fund's expense. We also may forgive, waive, settle and compromise all claims by or against the Marketing Fund. We assume no other direct or indirect liability or obligation to you for collecting amounts due to, maintaining, directing or administering the Marketing Fund.

We may at any time defer or reduce the Marketing Fund contributions of a Freshii Restaurant franchisee and, upon 30 days' prior written notice, reduce or suspend Marketing Fund contributions and operations for one or more periods of any length and terminate (and, if terminated, reinstate) the Marketing Fund. If we terminate the Marketing Fund, we will spend the remaining unspent funds contributed during the prior 12-month period on various marketing initiatives to benefit the System. (Franchise Agreement – Section 7B)

During the fiscal year ended December 26, 2021, the Marketing Fund had expenditures as follows: 92% was spent on creative, mobile and sponsorship and 8% was spent on marketing strategy and administration.

### Local Marketing

In addition to your Marketing Fund contributions and any amounts spent on the Restaurant's grand opening marketing program, you must conduct local marketing in your Designated Territory and you must spend at least 1.5% of Gross Sales each month on local marketing for your Restaurant. Any amounts spent for local promotions that we may periodically recommend or require, including any regional or local

marketing funds that may be established independent form the Marketing Fund, may be attributed to your local marketing expenditures. Within 30 days of our request, you must provide us with proof of your local marketing expenditures, including verification copies of the advertisements.

We must approve all marketing materials before you use them. Any marketing that you propose to use that has either not been prepared by us or has not been approved by us in the immediately preceding 6 month period must be submitted to us for our review not later than 10 days before you intend to use it. Unless we provide our specific disapproval of the proposed materials, the materials are deemed approved. Any materials you submit to us for our review will become our property, and there will be no restriction on our use or distribution of these materials.

You must not advertise or use our Marks in any fashion on the Internet, World Wide Web or via other means of advertising through telecommunication without our express written consent.

We reserve the right to require you to include certain language in your local marketing, such as “Franchises Available” and our website address and phone number.

There are currently no local or regional advertising cooperatives in the United States Freshii Restaurant network.

#### Advisory Council

We have formed an advisory council to work with us to improve the System, the products offered by Freshii Restaurants, advertising conducted by the Marketing Fund, and any other matters that we deem appropriate. The members of the council consists of franchisees that own or operate one or more Freshii Restaurants (including restaurants outside of the United States), and may include us and/or our affiliates. The advisory council acts solely in an advisory capacity, and will not have decision making authority. We will have the right to form, change, merge or dissolve this advisory council. If you participate in an advisory council, you must pay any costs you incur related to your participation, such as travel and living expenses related to attending advisory council meetings.

#### System Website and Electronic Advertising

We or one or more of our designees may establish the System Website. If we include information about the Restaurant on the System Website, you must give us the information and materials that we periodically request concerning the Restaurant and otherwise participate in the System Website in the manner that we periodically specify. By posting or submitting to us information or materials for the System Website, you are representing to us that the information and materials are accurate and not misleading and do not infringe any third party’s rights.

In addition to the System Website, we also maintain an internal site (currently known as “Communitii”) through which we facilitate communication and the dissemination of information and materials to our Franchise system. Communitii provides private and secure communications between us, our franchisees, and other persons and entities that we decide are appropriate. Also, we publish and maintain various forms and manuals there that you may use in the operation of your Restaurant, including the Operations Manual and System Standards. You must establish and maintain access to this website in the manner we designate.

We own all intellectual property and other rights in the System Website and Communitii and all information they contain, including the domain name or URL for the System Website, the log of “hits” by visitors, and any personal or business data that visitors (including you and your personnel) supply. We may



use the Marketing Fund's assets to develop, maintain and update the System Website. We may implement and periodically modify System Standards relating to the System Website and, at our option, may discontinue the System Website, or any services offered through the System Website, at any time.

All advertising, marketing and promotional materials that you develop for the Restaurant must contain notices of the System Website's URL in the manner we periodically designate. You may not develop, maintain or authorize any other website, other online presence or other electronic medium that mentions or describes the Restaurant or displays any of the Marks without our prior approval. You may not conduct commerce or directly or indirectly offer or sell any products or services using any website, another electronic means or medium, or otherwise over the Internet. Nothing limits our right to maintain websites other than the System Website or to offer and sell products and services under the Marks from the System Website, another website or otherwise over the Internet without payment or other obligation. (Franchise Agreement – Section 7E)

Any websites or other modes of electronic commerce that we establish or maintain, including but not limited to any mobile applications (“apps”) that we may introduce, may in addition to advertising and promoting the products, programs or services available at Freshii Restaurants, be devoted in part to offering Freshii franchises for sale and be used by us to exploit the electronic commerce rights which we alone reserve.

You are not permitted to promote the Restaurant or use any of the Marks in any manner on any social media (defined as all social media including, but not limited to, personal or professional blogs, common social networks (such as Facebook and Instagram), professional networks (such as LinkedIn), live-blogging tools (such as Twitter), virtual worlds, file-sharing websites (including audio-sharing and video-sharing), and other similar social networking or media sites or tools) without our prior written consent. We will control all social media activities and initiatives. When and if you are permitted by us to promote the Restaurant or use any of the Marks on social media, you must comply with the System Standards regarding the use of social media (including, without limitation, prohibitions on posting or blogging comments about the Restaurant or our franchise system, other than on a website established or authorized by us), and highest standards of honesty, integrity, fair dealing and ethical conduct. Where the foregoing applies, you must maintain the applicable social media pages, handles, and assets with accurate and current content approved by us and in accordance with our brand guidelines and instructions. We reserve the right to conduct collective/national campaigns via local social media on your behalf.

#### Approval of Advertising

All of your advertising, promotion and marketing must be completely clear, factual and not misleading and conform to the highest ethical standards and the advertising and marketing policies that we periodically specify. Before using them, you must send to us, for our approval, samples of all advertising, promotional and marketing materials that we have not prepared or previously approved during the past 6 months. If you do not receive written notice of disapproval from us within 15 days after we receive the materials, they are deemed approved. You may not use any advertising, promotional or marketing materials that we have disapproved. We assume no liability to you or any other party due to our approval or disapproval of any advertising, marketing or promotional materials or programs. You are responsible for ensuring that those materials and programs comply with all applicable laws, ordinances and regulations. (Franchise Agreement – Section 7D)

#### Computer System

Under the Franchise Agreement, you must obtain and use the point-of-sale system, back-office system, hardware and software that we periodically specify, including, software components (such as those

relating to inventory management, customer service, store audits and other operational requirements, dedicated telephone and power lines, modems, printers, and other computer-related accessories and peripheral equipment (the “Computer System”). The Computer System will provide you with multi-unit polling, daily sales reporting, labor reporting, void/comp/discount management, emails, comparative reports, management alerts and tracking sales trends and will collect, track and analyze sales, payment, labor reports, gift card, frequency program and other operations-related data. The Computer System will also function as the Restaurant’s point-of-sale cash register system.

We estimate that the initial cost of the Computer System will be between \$20,000 and \$30,000. You must purchase and use the below designated hardware software as part of your Computer System. The one-time fees or license fees listed below are included in the above \$20,000 and \$30,000 and in Item 7 in the “Your Estimated Initial Investment One Freshii Restaurant” table.

The designated point-of-sale program is provided by Oracle. You must purchase the applicable Oracle POS system designated by us directly from the manufacturer. You will pay a one-time hardware fee of \$7,286 (approx. excluding taxes and shipping), a software fee (cloud subscription) of \$2,496 (approx. excluding tax) (such payment divided into four equal quarterly payments of \$624 summing to \$2496 a year, based on a fixed one-year term). You may elect to purchase elevated service packages on certain pieces of hardware at varying fees (depending on the particular level of service and applicable/additional hardware).

You must use the First Data payment processing program. You will pay to the manufacturer an ongoing variable fee based on a percentage of the Restaurant’s sales and amount of credit card processing activity, as well as the following fees: (i) one-time store account set-up fee of \$99, (ii) one-time gift card set-up fee of \$99, (iii) one-time mobile application set-up fee of \$49, (iv) a monthly account fee of \$10, and (v) a monthly variable gift card fee (based on usage) with a maximum of \$15 per month. Additional amounts may be payable to Givex (through First Data) depending on your sales of gift cards.

Eigen must be used to post terminal transactions to the POS system, with associated initial set-up cost of \$135, initial purchase of connection equipment of \$45 per connector, and a recurring monthly cost of \$45. You must rent transaction terminals from Eigen at a rental cost of \$16 per month per terminal (other rental fees may be applicable for different transaction terminal models or functionality).

You must use the designated gift card program provided by Givex. You must purchase the gift card program directly from Givex and the amount you must pay for this program is based on your sales gift card sales.

You must use Pinnacle IP Solutions for your Internet service, phone service, fax service, security software and you must also use their remote onsite technical support. You will pay the manufacturer a one-time fee of approximately \$6,884 for on-site wiring and initial setup (such fee will vary depending on the size of the Restaurant) and an ongoing monthly fee of \$208.45 (such fee will vary depending on the term of contract, the maximum monthly fee, at this time, will be \$328.45). You will have the option to purchase security cameras, and associated support programs, Pinnacle IP Solutions, with an associated cost of installation depending on the quantity of cameras installed (\$800-\$1,300).

You must use UR Channel for digital menu boards and pay a monthly fee of \$36 per digital menu board zone configuration, which includes the base service fee. You may also need to pay a one-time installation fee of \$6,795.00 to procure monitor/displays, menu board media players, and to cover installation cost. We may designate an alternative supplier to these services and such supplier may charge different fees.

You must pay a monthly fee of \$43.65 to OLO for the Freshii mobile application platform fee (maintenance of Freshii mobile application), a per transaction fee of \$0.18 for any pickup and/or rails orders and a per transaction fee of \$0.68 for delivery orders. New locations must also pay an OLO location activation fee of \$250. Other than the delivery transaction fee, which is paid by you directly to OLO, each of these are paid to us and subsequently remitted to OLO.

You must pay a monthly fee of \$51.52 to Order House Loyalty, and Customer Relationship Management services, which includes setup and maintenance of loyalty offers, rewards and campaigns that are offered through our mobile application or website.

You must also subscribe to Maegan systems, which is primarily used for menu management, and at this time is paid by us, although you may be required to pay any required fees in the future.

You may be required to Franchisor's designated audio vendor, for your music services, however at this time it is not mandatory. It may become mandatory in the future. There is a monthly fee of approximately \$30 for this service.

You are recommended to use Restaurant365, our designated inventory management platform, for your food cost management. There is an initial setup fee of \$50 and a monthly fee of approximately \$55 for this service. If you elect not to use Restaurant365, you may be required to use an alternative inventory management platform, subject to our approval of such platform.

You must use the Freshii customer experience platform as part of your Computer System. There is currently no charge for this platform, although we reserve the right to charge a reasonable fee in the future.

We may require you to work with third-party delivery aggregators, many of which charge a variety of fees which may impact the pricing schedules or require you to pay fees directly for menu items ordered through such platforms.

The above software systems will provide ongoing maintenance, support, upgrades and updates for their respective software programs. We cannot estimate the cost of maintaining, updating and upgrading your computer hardware and software because it will depend on the make and model of your hardware, required upgrades to operate our current management and payment processing applications, repair history, usage, local cost of computer maintenance services in your area and technological advances that we cannot predict.

We may periodically modify specifications for, components of, and software comprising the Computer System. These modification and/or other technological developments or events may require you to purchase, lease and/or license new or modified computer hardware, software and other components and to obtain service and support for the Computer System. Although we cannot estimate the future costs of the Computer System or required service or support, you must incur the costs of obtaining the computer hardware, software and other components comprising the Computer System (and additions and modifications) and required service or support. Within sixty (60) days after we deliver notice to you, you must, as applicable, (i) sign up for such change in the Computer System, and within thirty (30) days of such changes becoming available, obtain the necessary components and services, and (ii) obtain the Computer System components and services that we designate and ensure that your Computer System, as modified, is functioning properly.

We and our affiliates may condition any license of required or recommended proprietary software to you, and/or your use of technology developed or maintained by or for us (including the System Website), on your signing a software license agreement or similar document, or otherwise agreeing to the terms (for

example, by acknowledging your consent to and accepting the terms of a click-through license agreement), that we and our affiliates periodically specify to regulate your use of, and our (or our affiliate's) and your respective rights and responsibilities concerning, the software or technology. We (and our affiliates) and providers of any component of the Computer System may charge you up-front and ongoing fees for any required or recommended proprietary software or technology that we or our affiliate's license to you and for other Computer System maintenance and support services provided during the Franchise Agreement's term and may charge such fees by any method we or our associates, as applicable, determine (such as by automatic debit).

Despite your obligation to buy, use, and maintain the Computer System according to our standards and specifications, you have responsibility for: (1) the acquisition, operation, maintenance, and upgrading of the Computer System; (2) the manner in which your Computer System interfaces with our and any third party's computer system; and (3) any and all consequences if the Computer System is not properly operated, maintained, and upgraded. You must have high speed internet service. The Computer System must permit 24 hours per day, 7 days per week electronic communications between us and you, including access to the Internet. We will have unlimited, independent access to all of the information and data in the Computer System. (Franchise Agreement - Section 2E).

### **Opening**

You will begin looking for sites and otherwise operating under the Area Development Agreement or Multi-Unit Site Selection Agreement as soon as you sign it. We estimate that it will be about twelve months after you sign the Franchise Agreement (which is when you first pay consideration for that franchise) before you begin operating your Restaurant. The specific timetable for opening depends on how quickly you finalize the Restaurant's lease; the Restaurant's condition and the extent to which you must upgrade or remodel it; the construction schedule; the delivery schedule for Operating Assets and supplies; schedule for completing training; and complying with local laws and regulations. You must have the Restaurant's lease signed within 6 months from when you sign the Franchise Agreement. The typical length of time between the signing of the Franchise Agreement and the opening of your Restaurant is the same as for an individual Franchisee.

You may not open and begin operating the Restaurant until: (1) you have properly developed and equipped the Restaurant according to our standards and specifications and in compliance with all applicable laws, rules and regulations; (2) all Restaurant personnel have completed all pre-opening training to our satisfaction; (3) you have paid all amounts that you then owe to us or our affiliate; (4) you have obtained all required licenses and permits to operate the Restaurant; (5) you have provided us copies of all required insurance policies or other evidence of insurance coverage and payment of premiums as we request; and (6) we have (at our option) conducted a pre-opening inspection and approved the Restaurant for opening. Our determination that you have met all of our pre-opening requirements will not constitute a representation or warranty, express or implied that the Restaurant complies with any laws or constitute a waiver of your non-compliance, or of our right to demand full compliance, with any provision of the Franchise Agreement. You must obtain our approval to open and open the Restaurant for business within twelve months after signing the Franchise Agreement. (Franchise Agreement – Section 2F)

### **Training**

We offer a multi-tiered approach to training for both new store openings, store transfers and continuing development. We use a variety of tools and formats to deliver training, which may include manuals, webinars, in-person teaching assessments and online courses. All training specified by us to be required must be completed in accordance with our standards.

The Freshii Training Team is an extension of the Operations Team and is comprised of Shannon Beyak (Senior Learning and Development Manager), Jeremy Snead (Manager, Training & Support), Julian Barrientos (Trainer, New Store Openings) and a team of franchise partner trainers. Shannon has spent the past 25 years in the hospitality industry in many different roles and training capacities. Shannon joined our team in 2021. In her current role as Senior Learning and Development Manager, Shannon oversees the training needs for new store openings, store transfers, and provides certain operational support at the store level, along with assistance in a variety of our other store-level support initiatives.

### Initial Training for Operating Partners and/or General Managers

***Hands On.*** Prior to the Restaurant opening, you, the Operating Partner (if applicable) and/or the General Manager (as determined by us) must attend and complete our initial training program regarding the operation of a Freshii Restaurant at least 4 weeks, or such other timeline as we may determine, prior to the opening of the Restaurant. Initial training may consist of or include the MIT program (described below), a cost of \$500 per person per week, as well as a mix of virtual training and assessments (which are provided at no additional cost). The exact nature of the initial training will differ depending on whether you are currently operating other Freshii Restaurants, whether you are opening a new Freshii Restaurant or acquired a Freshii Restaurant by way of transfer, and certain other factors determined by us. If you, the Operating Partner (if applicable), the General Manager or other Restaurant personnel required to attend any portion of the initial training does not complete that training to our satisfaction, we may elect to terminate the Franchise Agreement, Area Development Agreement and/or Multi-Unit Site Selection Agreement, as applicable. Corporate trainers play a role in a hands-on training with Franchise Partners, Managers, and Team Members. Corporate trainers have experience in Freshii restaurant operations and go through a shadow training process prior to independently training Franchise Partners, Managers, and Team Members.

If you are opening your first or second new store, in addition to virtual training, you, the Operating Partner and/or the General Manager (as determined by us) will be required to participate in and pay a fee per individual attending (currently charged weekly), in the Manager in Training (MIT) program. The program consists of you, the Operating Partner and/or the General Manager participating in hands-on learning of operating skills necessary to open and operate the Restaurant, such training to be conducted at our Freshii Corporate Store located in Toronto, Ontario, Canada (the “Corporate Store”). This means travel will be required by the Operating Partner and/or the General Manager to attend MIT training. We may require that you participate in additional or supplemental training, including training programs for a franchisee’s third and subsequent Freshii Restaurants, and we may charge a fee in connection with such programs. You are responsible for paying any and all travel, accommodation, living and other expenses, compensation and other charges incurred by yourself and your personnel while attending any training programs. (Area Development Agreement – Section 6 and Franchise Agreement – Sections 4A through 4E). Any incremental training requested by you that we provide, and any incremental training required by us, is subject to additional fees paid by you.

***Virtual.*** The Virtual Manager training program is a mixture of virtual classroom sessions, assessments (conducted by our team) and self-study programs available online at Freshii’s online learning portal, “Freshii University”. It typically consists of a one-week (approximately 20 hours) online training program, covering many operational components of a Freshii Restaurant, including information regarding the “Freshii brand”, the Restaurant menu, finance, marketing, training and development of team members, coaching and leadership, scheduling, business operations, guest experience, food safety and preparation,

and technology. Our Senior Training Manager oversees all content creation for Freshii University, utilizing the expertise from various departments to build comprehensive and informative course material.

<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
<b>Subject</b>	<b>Hours of Virtual Training</b>	<b>Location of Virtual Training</b>
Freshii Basics (Team Member Training)	40	Corporate Store
Freshii Operations (Manager Training)	40	Corporate Store
Food Safety	2	Online/Webcast <sup>(1)</sup>
Guest Experience and Cash Management	2	Online/Webcast <sup>(1)</sup>
Talent: Hiring, Training and Development	2	Online/Webcast <sup>(1)</sup>
Building Culture: Coaching and Leadership	2	Online/Webcast <sup>(1)</sup>
Labor, Scheduling, Business Finance	6	Online/Webcast <sup>(1)</sup>
Food Cost & Inventory	20	Corporate Store /Online/Webcast <sup>(1)</sup>
Food Prep & Service	2	Online/Webcast <sup>(1)</sup>
Technology, New Store Opening Roles	1	Online/Webcast <sup>(1)</sup>
Marketing	2	Online/Webcast <sup>(1)</sup>
<b>Total Hours</b>	<b>119</b>	

**Explanatory Notes:**

1. All virtual courses, while accessible online, are hosted from Freshii HQ in Toronto, Ontario, Canada.
2. Hours are based on a three week MIT training program. Additional hours may be necessary in the event that we determine that a longer training program is required.

**In-Store Training**

If the Restaurant is your first or second Freshii Restaurant, a trainer from an applicable Coach Store will lead in-person training for you and your staff at the Corporate Store. On-site training is substantially directed at teaching you and your staff how to perform the day-to-day operations of a typical Freshii Restaurant. This trainer may also support your store opening at your Restaurant for a period of time deemed necessary by us. If we chose to provide such support at your first and/or second Freshii Restaurant locations, it will be at no additional cost to you. We will charge reasonable fees for any additional training (whether requested by your or mandated by us). .

### Ongoing Training for Operating Partners, General Managers and Team Members

We often provide ongoing training, development courses, assessments and materials pertaining to new operations and menu launches. These ongoing programs are be made available to you and your staff online, including through Communitii and Freshii University, or by other means we determine appropriate. We may require participation in ongoing training and such training must be completed to our satisfaction. The Senior Learning & Development Manager will oversee ongoing and new initiative training. Various subject matter experts from the Operations Team will occasionally conduct training to the Franchise system with signoff from the Senior Training Manager.

### Self-Study

The self-study program is available online at Freshii University. Courses included in Freshii University coincide with, and in some cases supplement, the materials presented in the other components of the initial training program. We also use Freshii University to introduce new lessons and provide ongoing training. In addition to the Operating Partner (if applicable), the General Manager, and each other salaried manager, all Restaurant staff, including staff hired after the Restaurant is opened, are required to participate in the self-study program.

## **Item 12** **TERRITORY**

### **Area Development Agreement**

If you sign the Area Development Agreement, you (and your Controlled Affiliates) will develop a specified number of Freshii Restaurants within the Development Area. We and you will work together to identify and negotiate the Development Area in the Area Development Agreement before signing it. Sizes and boundaries for Development Areas will vary widely depending on factors like economic conditions in the market you are developing, the number of Freshii Restaurants that you agree to develop, demographics, and site availability. There is no minimum size for Development Areas. Once the Development Area has been determined, it will be described using streets or other natural boundaries or, in some markets, city or county boundaries. We and you will negotiate the Schedule describing the number of Freshii Restaurants that you must develop to keep your development rights and the dates by which you must develop them. We and you then will complete the Schedule in the Area Development Agreement before signing it. You may not develop or operate Freshii Restaurants outside the Development Area.

If you and your Controlled Affiliates are in full compliance with the Area Development Agreement and other agreements (including franchise agreements), then, during the Area Development Agreement's term, neither we nor our affiliates will operate, or authorize any other party to operate, a Freshii Restaurant the physical premises of which are located within the Development Area, except for Freshii Restaurants located at Non-Traditional Locations within the Development Area. "Non-Traditional Locations" means: (1) airports, amusement parks, sports stadiums, college and university buildings, hospitals and other medical centers, and other venues to which the general public customarily does not have unlimited access; and (2) department stores, grocery stores, gas station, convenience stores and other retail locations that operate under a separate brand identity and within which a Freshii Restaurant or kiosk might operate as a department located within the premises of the host retailer. After the Area Development Agreement expires or is terminated, regardless of the reason, we and our affiliates may engage, and allow others to engage, in any activities we desire within and outside the Development Area without any restrictions, subject only to your (or any Controlled Affiliate's) rights under franchise agreements with us then in effect.

Except as described above, your rights under the Area Development Agreement are non-exclusive and we (and our affiliates) retain the right during the Area Development Agreement's term to engage in all activities that we (and they) desire, at any time or place. This includes the right to:

- (1) establish and operate, and authorize other parties to establish and operate, Freshii Restaurants the physical premises of which are located at Non-Traditional Locations, whether within or outside the Development Area, on any terms and conditions we deem appropriate;
- (2) establish and operate, and authorize other parties to establish and operate, Freshii Restaurants the physical premises of which are located outside the Development Area on any terms and conditions we deem appropriate;
- (3) offer and provide, and grant rights to others to offer and provide, products and services, whether identified by the Marks or any other trademarks or service marks, to any customers we desire (wherever located or operating, including within the Development Area) and through any distribution channels we desire (wherever located or operating, including within the Development Area), including by selling products identified by the Marks through grocery stores, gas station, convenience stores, mail order and the Internet. We do not have to pay you if we solicit or accept orders from inside the Development Area. Any orders placed through our Website will be fulfilled by us and you will not receive any portion of our revenue from these sales, even if the order is delivered to a customer within your Development Area; and
- (4) engage in all other activities that the Area Development Agreement does not expressly prohibit.

Because we and others may establish and operate Freshii Restaurants at Non-Traditional Locations in the Development Area, you will not receive an exclusive territory. You may face competition from other franchisees, from outlets we own, or from other channels of distribution or competitive brands that we control.

Your failure to comply with the Schedule as of the end of any Development Period is a "Development Default." A "Development Period" is the 12-month period beginning on the date, or the anniversary of the date, upon which you sign the Area Development Agreement. Following a Development Default, and whether or not we provide you written notice of that Development Default, you must cure that Development Default by complying with the Schedule within 60 days after the end of the Development Period in which the Development Default occurred. This cure period does not reduce the Schedule for the next Development Period or extend the time for you to comply with the Schedule for the next Development Period. If you commit 2 Development Defaults in successive Development Periods or 3 Development Defaults at any time during the term of the Area Development Agreement, then we may (but need not):

- (a) terminate the Area Development Agreement (but not franchise agreements with you or your Controlled Affiliates);
- (b) extend the time of any Development Period (and extend the time for all future Development Periods) for any period of time that we determine; and/or
- (c) reduce the size of the Development Area to a lesser area that we determine.

Except as described above, continuation of your territorial rights in the Development Area does not depend on your achieving a certain sales volume, market penetration, or other contingency, and we may not alter



your Development Area or your territorial rights. You have no options, rights of first refusal or similar rights for other areas.

### **Multi-Unit Site Selection Agreement**

If you sign the Multi-Unit Site Selection Agreement, you will locate and develop a specified number of Freshii Restaurants within the Site Selection Area. We and you will work together to identify and negotiate the Site Selection Area and the Multi-Unit Site Selection Agreement before signing it. Sizes and boundaries for the Site Selection Areas will vary widely depending on factors like economic conditions in the market you are developing, the number of Freshii Restaurants that you agree for which you agree to locate a site and subsequently develop, demographics, and site availability. There is no minimum size for Site Selection Areas. The final Site Selection Area will be subject to confirmation by our Chief Operating officer in his/her sole discretion. Once the Site Selection Area has been determined as set out above, it will be described using streets or other natural boundaries or, in some markets, city or county boundaries. We and you will negotiate the Site Selection Schedule describing the number of Freshii Restaurants for which you must locate a site and develop to keep your rights and the dates by which you must locate each site. We and you will then complete the Site Selection Schedule in the Multi-Unit Site Selection Agreement before signing it. You may not search for site locations outside the Site Selection Area.

Your rights under the Multi-Unit Site Selection Agreement are non-exclusive and we (and our affiliates) retain the right during the Multi-Unit Site Selection's term to engage in all activities that we (and they) desire, at any time or place. This includes the right to:

- (1) continue to construct and operate other Freshii Restaurants and to use the System and the Marks at any location, and to license others to do so; develop, use and franchise the rights to any trade names, trademarks, service marks, trade symbols, emblems, signs, slogans, insignia or copyrights not designated by us as Marks for use with different franchise systems for the sale of the different products or services not in connection with the System at any location, on such terms and conditions as we may deem advisable and without granting you any rights therein
- (2) develop, use and franchise the rights to any trade names, trademarks, service marks, trade symbols, emblems, signs, slogans, insignia or copyrights not designated by us as Marks for use with different franchise systems for the sale of the different products or services not in connection with the System at any location, on such terms and conditions as we may deem advisable and without granting you any rights therein; and
- (3) develop, merchandise, sell and license others to sell any products, proprietary or otherwise, presently existing or to be developed in the future, to the public through supermarkets, groceries and other non-Restaurant outlets and to use the Marks in connection therewith.

Because we and others may establish and operate Freshii Restaurants within your Site Selection Area, you will not receive an exclusive territory. You may face competition from other franchisees, from outlets we own, or from other channels of distribution or competitive brands that we control.

Your failure to comply with the Minimum Performance Schedule is a default of the Multi-Unit Site Selection Agreement, and may result in, among other things, the termination of the Multi-Unit Site Selection Agreement (but not any franchise agreements with you or your Controlled Affiliates).

Except as described above, continuation of your territorial rights in the Site Selection Area does not depend on your achieving a certain sales volume, market penetration or other contingency. You have no options, rights of first refusal or similar rights for other area.

## **Franchise Agreement**

You will operate the Restaurant only at an approved site. If the Restaurant's lease expires or is terminated without your fault, or if the Restaurant is destroyed, condemned, or otherwise rendered unusable, we will allow you to relocate the Restaurant to a new site acceptable to us at your sole expense.

We and you will work together to identify and negotiate the "Designated Territory" for the Restaurant in the Franchise Agreement before signing it, provided that we will not be required to grant the Designated Territory you request. Sizes and boundaries for Designated Territories will vary widely depending on the demographics and other market factors concerning the Restaurant's site, but we expect that Designated Territories minimum area to be granted will be the area within a radius of 5 city blocks around the location approved for the Restaurant and for locations in suburban areas the Territory may be up to a 2 mile radius of the Restaurant. Once we and you have determined the Designated Territory, we will describe it using maps, streets and/or other natural boundaries.

If you are complying with the Franchise Agreement and all other agreements, during the Franchise Agreement's term, neither we nor our affiliates will operate, or authorize any other party to operate, a Freshii Restaurant, the physical premises of which are located within the Designated Territory, except for Freshii Restaurants located at Non-Traditional Locations within the Designated Territory. Otherwise your rights under the Franchise Agreement are non-exclusive and we (and our affiliates) retain the right during the Franchise Agreement's term to engage in all activities that we (and they) desire, at any time or place. This includes our right to:

- (1) establish and operate, and authorize other parties to establish and operate, Freshii Restaurants the physical premises of which are located at Non-Traditional Locations, whether within or outside the Territory, on any terms and conditions we deem appropriate;
- (2) establish and operate, and authorize other parties to establish and operate, Freshii Restaurants the physical premises of which are located outside the Territory on any terms and conditions we deem appropriate;
- (3) offer and provide, and grant rights to others to offer and provide, products and services, whether identified by the Marks or any other trademarks or service marks, to any customers we desire (wherever located or operating, including within the Territory) and through any distribution channels we desire (wherever located or operating, including within the Territory), including by selling products identified by the Marks through grocery stores, mail order, gas station, convenience stores and the Internet; and
- (4) engage in all other activities that the Franchise Agreement does not expressly prohibit.

Because we and others may establish and operate Freshii Restaurants at Non-Traditional Locations in the Designated Territory, you will not receive an exclusive territory. You may face competition from other franchisees, from outlets we own, or from other channels of distribution or competitive brands that we control.

We do not have to pay you if we solicit or accept orders from inside your territory. We and our affiliates may use other channels of distribution, such as the Internet, catalog sales, telemarketing or other direct marketing, to make sales in your Designated Territory under the Marks and other trademarks. You are not restricted from soliciting or accepting orders from consumers outside of the Designated Territory (if we approve the solicitation materials and programs). You may not use other channels of distribution,

such as the Internet, catalog sales, telemarketing, or other direct marketing, to make sales (as opposed to advertising and marketing) outside of the Designated Territory, because you may only make sales at the Restaurant and provide Catering Service and Delivery Service within the Designated Territory.

You have no options, rights of first refusal, or similar rights to acquire additional franchises under the Franchise Agreement. Continuation of your territorial rights does not depend on your achieving a certain sales volume, market penetration or other contingency. We may not alter your Designated Territory or your territorial rights. There are no minimum sales conditions.

### **Item 13** **TRADEMARKS**

You may use the Marks to operate under the Area Development Agreement and operate the Restaurant. Freshii ONE, LLC (“Freshii One”), our affiliate, has applied for registration or have registered the following principal Marks on the Principal Register of the United States Patent and Trademark Office (the “PTO”):

<b>Mark</b>	<b>Serial No.</b>	<b>Filing Date</b>	<b>Registration No.</b>	<b>Registration Date</b>	<b>Register</b>
FRESHII (standard characters)	77552352	August 21, 2008	3601823	April 7, 2009	Principal
freshii (and design)	86848415	December 14, 2015	5094069	December 6, 2016	Principal
EAT. ENERGIZE.	86848346	December 14, 2015	5094068	December 6, 2016	Principal
ENERGII BITES	87443027	May 9, 2017	6138215	August 25, 2020	Supplemental
ii	87669590	November 2, 2017	6153632	September 15, 2020	Principal
II	90455547	January 8, 2021	Pending	Pending	Principal
freshii (stylized)	90455365	January 8, 2021	Pending	Pending	Principal
FRESHII (standard characters)	90455209	January 8, 2021	Pending	Pending	Principal

Freshii One owns the Marks and has granted an exclusive license in the Marks to Freshii Canada Corporate Stores, Inc. (“FCC”) pursuant to an International Trademark License Agreement effective January 1, 2014 (“Exclusive License”). FCC licenses us to use the Marks and related intellectual property, and to sublicense them to developers and franchisees to use in developing and operating Freshii Restaurants, under a Worldwide Trademark Sublicense Agreement dated effective January 1, 2014 (the “Sublicense Agreement”). The Exclusive License and the Sublicense both continue indefinitely unless terminated in accordance with their respective terms. Freshii One and FCC have the right to approve all proposed uses of the Marks. No other agreement limits our right to use or sublicense the Marks. Freshii One intends to file, or permit FCC to file on its behalf, all affidavits and other documents required to maintain its interest in and to the Marks.

Other than completing the registrations of the pending applications noted above, there are no other currently effective material determinations of the PTO, nor are there any material determinations of the Trademark Trial and Appeal Board, or any state trademark administrator or court, and no pending infringement, opposition, or cancellation proceedings or material federal or state court litigation, involving the principal Marks. We do not know of either superior prior rights or infringing uses that could materially affect your use of the Marks in any state.

You must follow our rules and other System Standards when using the Marks. If we believe at any time that it is advisable for us and/or you to modify, discontinue using and/or replace any Mark, and/or use one or more additional or substitute trademarks or service marks, you must comply with our directions within a reasonable time after receiving notice. We need not reimburse you for your expenses in complying with these directions (such as costs that you incur in changing the signs or replacing supplies for the Restaurant), for any loss of revenue due to any modified or discontinued Mark, or for your expenses of promoting a modified or substitute trademark or service mark.

You must notify us immediately of any actual or apparent infringement of or challenge to your use of any Mark or of any person's claim of any rights in any Mark (or any identical or confusingly similar trademark) or claim of unfair competition relating to any Mark. You may not communicate with any person other than us and Freshii One, our and its attorneys, and your attorneys, regarding any infringement, challenge or claim. We and Freshii One may take the action that we or Freshii One deems appropriate (including no action) and control exclusively any litigation, PTO proceeding or other administrative proceeding arising from any infringement, challenge or claim or otherwise concerning any Mark. You must sign any documents and take any other reasonable actions that, in our or Freshii One's attorneys' opinion, are necessary or advisable to protect and maintain our and Freshii One's interests in any litigation or PTO or other proceeding or otherwise to protect and maintain our and Freshii One's interests in the Marks.

We need not protect your right to use the Marks nor protect you against claims of infringement or unfair competition arising from your use of the Marks. We need not participate in your defense nor indemnify you for expenses or damages if you are a party to an administrative or judicial proceeding involving a Mark or if the proceeding is resolved unfavorably to you.

#### **Item 14**

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

No patents are material to the franchise. We and Freshii One (and, if applicable, our other affiliates) claim copyrights in various copyrighted or copyrightable materials that we approve and license for use in the operation of Freshii Restaurants, including the Operations Manual, training materials, and advertising and promotional materials. We have not registered these copyrighted works with the United States Copyright Office. You may use these copyrighted works only to operate the Restaurant.

There currently are no effective adverse determinations of, or pending material proceedings before, the PTO, the United States Copyright Office, or any court regarding the copyrighted works. No agreement limits our right to use or allow others to use the copyrighted materials. We do not know of any copyright infringement that could materially affect you.

You must follow our rules and other System Standards when using the copyrighted works. If we believe at any time that it is advisable for us and/or you to modify, discontinue using and/or replace any of the copyrighted works, and/or use one or more additional or substitute copyrighted or copyrightable items, you must comply with our directions within a reasonable time after receiving notice. We need not reimburse you for your expenses in complying with these directions.

We need not protect your right to use the copyrighted works or protect you against claims arising from your use of the copyrighted works. None of the Area Development Agreement, the Multi-Unit Site Selection Agreement, or the Franchise Agreement requires you to notify us of any infringement claims. We need not take any affirmative action to protect the copyrighted works, although we have the right to control any litigation relating to the copyrighted works. We need not participate in your defense nor indemnify you for expenses or damages if you are a party to an administrative or judicial proceeding involving a copyrighted work or if the proceeding is resolved unfavorably to you.

Our Operations Manual and other materials contain our confidential information, some of which constitutes trade secrets under applicable law. Our confidential information includes things like site selection and market development plans, standards and criteria; layouts, designs, and other plans and specifications for Freshii Restaurants; methods, formats, specifications, standards, systems, procedures, sales and marketing techniques, and knowledge and experience used in developing and operating Freshii Restaurants; marketing research and promotional, marketing and advertising programs for Freshii Restaurants; knowledge of specifications for and suppliers of, and methods of ordering, certain Operating Assets, products, materials and supplies that Freshii Restaurants use and sell; knowledge of the operating results and financial performance of Freshii Restaurants other than the Restaurant; customer solicitation, communication and retention programs, along with data and information used or generated in those programs; all data and all other information generated by, or used or developed in, the operation of Freshii Restaurants, including customer names, contact information and related information (“Customer Data”); and any other information that we reasonably designate as confidential or proprietary.

You may use our confidential information under the Area Development Agreement and Franchise Agreement, provided that such use is in compliance with those agreements. You must:

- (1) not use any confidential information (including the Customer Data) in any other business or capacity and keep the Confidential Information absolutely confidential, both during and after the term of the Area Development Agreement and Franchise Agreement (afterward for as long as the information is not generally known in the restaurant industry);
- (2) not make unauthorized copies of any confidential information disclosed via electronic medium or in written or other tangible form;
- (3) adopt and implement all reasonable procedures that we periodically specify to prevent unauthorized use or disclosure of confidential information, including disclosing it only to Restaurant personnel and others needing to know that confidential information to operate your business, and requiring the managers and other employees we periodically designate who will have access to that information to sign the non-competition and confidentiality agreement in the form attached to the Area Development Agreement and Franchise Agreement (the “Confidentiality and Non-Competition Agreement”). You must give us, at our request, signed originals of each Confidentiality and Non-Competition Agreement; and
- (4) not sell, trade or otherwise profit in any way from the confidential information, except during the term of the Area Development Agreement or Franchise Agreement using methods that we have approved.

You must promptly disclose to us all ideas, concepts, techniques or materials relating to a Freshii Restaurant (“Innovations”), whether or not protectable intellectual property and whether created by or for you or your owners, employees or contractors. Innovations are our property and works made-for-hire for us. If any Innovation does not qualify as a “work made-for-hire” for us, then you assign ownership of that item, and all related rights to that item, to us and must sign (and cause your owners, employees and

contractors to sign) whatever assignment or other documents that we periodically request to evidence our ownership and to help us obtain intellectual property rights in the item. You may not use any Innovation in operating your business or otherwise without our prior approval.

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

**Area Development Agreement**

We expect only companies to sign the Area Development Agreement. You must propose and obtain our approval of the “Operating Partner” for the business you will operate under the Area Development Agreement. We and you will insert the name of your approved Operating Partner in the Area Development Agreement before signing it. Your Operating Partner must at all times directly or indirectly own at least 5% of the ownership interests in you and must devote all of his or her business time and efforts (i.e. at least 40 hours per week) to the operation of, and to promote and enhance, your business as a Freshii Restaurant developer. The Operating Partner also must attend and satisfactorily complete our training programs.

On or before the 4th Freshii Restaurant covered by the Area Development Agreement first opens for business, you must hire an approved multi-unit manager who will oversee and control the day-to-day operations at a number of your (and your Controlled Affiliates’) Freshii Restaurants (a “Multi-Unit Manager”). You must hire an additional approved Multi-Unit Manager on or before the 10th Freshii Restaurant covered by the Area Development Agreement opens for business, and another additional Multi-Unit Manager on or before each successive 10th Freshii Restaurant covered by the Area Development Agreement opens for business (subject to your rights under the Schedule). Before engaging any Multi-Unit Manager, you must submit to us the identity and qualifications of the proposed Multi-Unit Manager, including resume, work history, experience, references, background verifications and other information that we reasonably request. We may interview your proposed Multi-Unit Managers, and you must not engage any Multi-Unit Manager unless we have approved him or her. The Multi-Unit Managers need not have an equity interest in your business nor attend our training program. Your Operating Partner and Multi-Unit Managers are collectively called the “Management Personnel.” The Management Personnel must sign our Confidentiality and Non-Competition Agreement.

If any of the Management Personnel dies, becomes disabled, or otherwise ceases devoting all of his or her business time and efforts to the operation of your business in the capacity of his or her position, you must immediately notify us. You then have 30 days to submit to us the identity and qualifications of the proposed replacement Management Personnel member, including resume, work history, experience, references, background verifications and other information that we reasonably request. We may conduct an in-person interview of the proposed Management Personnel member. You must not engage any replacement Management Personnel member unless we have approved him or her. You must have an approved Management Personnel member who meets these qualifications within 60 days after the previous Management Personnel member ceased holding that position. However, you are solely responsible for the hiring, firing and personnel decisions, and the terms and conditions of employment, relating to the Management Personnel and your other personnel.

We will grant Freshii Restaurant franchises under the Area Development Agreement or Multi-Unit Site Selection Agreement only to you or your approved Controlled Affiliates. “Controlled Affiliate” means a corporation, limited liability company or partnership that you form for the sole purpose of developing and operating a Freshii Restaurant under the Updated Franchise Documents, but only if:

(1) you, together with your direct and indirect owners, collectively own and control at least 90% of that entity's ownership interests;

(2) you have the authority under the governing documents, and at least the percentage of voting power required under applicable law, to authorize a merger, liquidation, dissolution or transfer of substantially all of the assets of that entity and, if the Controlled Affiliate is a partnership, you are the managing partner, or if the Controlled Affiliate is a limited liability company, you are the manager or managing member;

(3) you, your direct and indirect owners, and all direct and indirect owners of the Controlled Affiliate sign an agreement, in a form acceptable to us, under which they guarantee the Controlled Affiliate's performance of, and assume full and unconditional liability for and agree to perform, all of the Controlled Affiliate's obligations contained in the Updated Franchise Documents; and

(4) all owners of the Controlled Affiliate are of good character and otherwise meet our then current standards for owners of Freshii Restaurant franchisees.

Franchises that we grant to your Controlled Affiliates will count toward your Schedule.

Each owner of any direct or indirect ownership interest in you must personally guarantee all of your obligations under the Area Development Agreement and agree to be bound personally by every contractual provision, whether containing monetary or non-monetary obligations, including the covenant not to compete. This "Guaranty and Assumption of Obligations" is at the end of the Area Development Agreement.

### **Franchise Agreement**

We expect only companies to sign our Franchise Agreement. Only you are authorized to operate the Restaurant. Except for approved transfers, you may not delegate or assign any of your rights or obligations under the Franchise Agreement or any aspect of the Restaurant's management or operation. You must at all times faithfully, honestly and diligently perform your obligations and fully exploit the rights granted under the Franchise Agreement.

The Restaurant must, at all times, have a fully-qualified general manager who meets our then current standards for Freshii Restaurant general managers and who has satisfactorily completed our then current training curriculum (the "General Manager"). The General Manager must devote all of his or her business time and efforts (at least 40 hours per week and at least 5 days per week) to the on-premises supervision of the Restaurant. If the General Manager ceases holding his or her position at the Restaurant for any reason, you must appoint a fully-qualified permanent replacement who meets our then current standards for Freshii Restaurant general managers, and who satisfactorily completes our then current training curriculum, within 30 days. All salaried managers at the Restaurant who are hired after we provide initial training must satisfactorily complete our then current training curriculum within 30 days after their hiring. Neither the General Manager nor any salaried managers at the Restaurant need to have an equity interest in the Restaurant, but they must sign our Confidentiality and Non-Competition Agreement.

Each owner of any direct or indirect ownership interest in you, and, if the Franchise Agreement is covered by an Area Development Agreement, the developer under that Area Development Agreement and each owner of any direct or indirect ownership interest in that developer, must personally guarantee all of your obligations under the Franchise Agreement and agree to be bound personally by every contractual provision, whether containing monetary or non-monetary obligations, including the covenant not to

compete. This “Guaranty and Assumption of Obligations” is at the end of the Franchise Agreement. Your spouse may be required to sign if they have any direct or indirect ownership in you.

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

The Restaurant must offer for sale all products and services that we periodically specify, including all products intended for off-premises consumption. You may not offer, sell or otherwise distribute at the Restaurant or any other location any products or services that we have not authorized. You may not offer or sell any products at wholesale without our prior written consent. There are no limits on any of our rights to modify the products and services that your Restaurant may or must provide. System Standards may regulate, among other things, sales, marketing, advertising and promotional programs and materials for the Restaurant (which might include providing food to consumers free or at a reduced price) and media used in these programs; maximum, minimum or other pricing requirements for products and services that the Restaurant offers; all aspects of the offer, sale, display and marketing of products intended for off-premises consumption or use; and participation in market research and test programs that we require or approve concerning various aspects of the Freshii Restaurant franchise system.

Unless we specify otherwise, you must provide Catering Service and/or Delivery Service from the Restaurant according to the Franchise Agreement and all System Standards. “Catering Service” means the delivery of food and beverage products that you prepare or partially prepare at the Restaurant and deliver to customers at locations other than the Restaurant’s site, where, in addition to delivering the products, you provide ancillary services (such as setting up for, serving or otherwise distributing the food and beverage products) at those locations. “Delivery Service” means the delivery of food and beverage products that you fully prepare at the Restaurant and provide ready-for-consumption to customers at locations other than the Restaurant’s site, where you deliver the food and beverage products but provide no ancillary services (such as setting up for, serving or otherwise distributing the food and beverage products) at those locations. You may not establish another outlet or property (other than the Restaurant’s site) for use with Catering Service or Delivery Service.

You may determine the geographic area within which you will offer Catering Service or Delivery Service, but (1) you must ensure that your customers receive at all times high quality food and beverage products that you prepare and maintain according to our specifications, and (2) you may not provide Catering Service or Delivery Service to any location outside the Territory. You must maintain the condition and appearance of, and perform maintenance on, vehicles, serveware and equipment used in providing Catering Services and/or Delivery Services according to our standards, specifications and procedures, and consistent with the image of Freshii Restaurants as first class, clean, sanitary, attractive and efficiently-operated foodservice businesses. You must ensure that all catering and delivery drivers strictly comply with all applicable laws and maintain adequate motor vehicle liability insurance in the amounts that we periodically specify.

If you do not comply with any provision of the Franchise Agreement, including any System Standard, pertaining to Catering Service or Delivery Service, then in addition to our other rights, we may, among other things, temporarily suspend or permanently terminate your right to provide Catering Service and/or Delivery Service or restrict the geographic area within which you may provide Catering Service and/or Delivery Service.



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

**THE FRANCHISE RELATIONSHIP**

These tables list certain important provisions of the franchise and related agreements. You should read these provisions in the agreements attached to this disclosure document.

**Area Development Agreement**

PROVISION		SECTION IN AREA DEVELOPMENT AGREEMENT	SUMMARY
a.	Length of the franchise term	Section 2	Expires on date when last Freshii Restaurant under Schedule opens.
b.	Renewal or extension of the term	Section 2	You have no right to renew or extend.
c.	Requirements for franchisee to renew or extend	Not applicable	Not applicable.
e.	Termination by franchisor without cause	Not applicable	We may not terminate without cause.
f.	Termination by franchisor with cause	Section 12A	We may terminate if you commit one of several violations.
g.	“Cause” defined – curable defaults	Section 12A	60 days to cure single Development Default and 30 days to cure defaults not listed in (h) below.
h.	“Cause” defined – non-curable defaults	Section 12A	Material misrepresentations or omissions, failing to complete mandatory training satisfactorily, 2 Development Defaults in successive periods or 3 Development Defaults during term, conviction of or pleading no contest to a felony, dishonest, unethical or illegal conduct, unauthorized transfer, termination of another agreement with us or our affiliate, breach of non-compete, unauthorized use or disclosure of confidential information, repeated defaults (even if cured), and bankruptcy-related events.
i.	Franchisee’s obligations on termination/nonrenewal	Section 13	Pay outstanding amounts, stop further development, stop using Marks and our other intellectual property, deliver advertising material and other proprietary items to us, stop using and maintain confidentiality of all confidential information, and return

			confidential materials (also see (r) below).
j.	Assignment of contract by franchisor	Section 11A	No restriction on our right to assign or transfer ownership interests without your approval.
k.	“Transfer” by franchisee – defined	Section 11B	Includes transfer of interest in Area Development Agreement, ownership interest in Controlled Affiliate, all or substantially all of your assets, any rights to receive any related profits or losses or capital appreciation, or any ownership interest in you or any holder of direct or indirect controlling interest in you.
l.	Franchisor approval of transfer by franchisee	Section 11C	No transfers without our prior written consent.
m.	Conditions for franchisor approval of transfer	Sections 11C and 11D	We will not unreasonably withhold approval of transfer of non-controlling interest in you. We will approve control transfer if transferee (and each owner) qualifies; transferee, its owners and affiliates are not in a competitive business; transferee signs (at our option) either assignment of existing area development agreement or our then current area development agreement and other documents; transfer fee paid; new Operating Partner is acceptable and completes training; you (and transferring owners) sign general release (if state law allows); we determine that sale terms will not adversely affect business’ operation; and you subordinate amounts due to you (also see (r) below). All direct and indirect owners of transferee must sign guarantees. Transfer of Franchise Agreements and ownership in Controlled Affiliates must accompany transfer of Area Development Agreement.
n.	Franchisor’s right of first refusal to acquire franchisee’s business	Section 11G	We may match any offer for your business or controlling ownership interest in you.
o.	Franchisor’s option to purchase franchisee’s business	Not applicable	We do not have this right.
p.	Death or disability of franchisee	Section 11E	Must transfer to approved party within 9 months.

q.	Non-competition covenants during the term of the franchise	Section 10	No owning interest in, performing services for, or loaning money or guaranteeing loan to competitive business anywhere and no interference with our, our affiliates' or franchisees' general managers.
r.	Non-competition covenants after the franchise is terminated or expires	Section 13D	For 2 years no owning interest in or performing services for competitive business within Development Area or 3 miles of any other Freshii Restaurant (same restrictions apply after transfer).
s.	Modification of the agreement	Section 15K	No modifications without signed writing.
t.	Integration/merger clause	Section 15M	Only the terms of the Area Development Agreement and other related written agreements are binding (subject to applicable state law.) Any representations or promises outside of the disclosure document and Area Development Agreement may not be enforceable.
u.	Dispute resolution by arbitration or mediation	Section 15F	We and you must arbitrate all disputes in Ontario, Canada (subject to applicable state law).
v.	Choice of forum	Section 15H	Subject to arbitration requirements, litigation will be in Ontario, Canada (subject to state law). Required language
w.	Choice of law	Section 15G of Area Development Agreement	Except for Federal Arbitration Act and other federal law, Ontario laws governs (subject to applicable state law).

### **Multi-Unit Site Selection Agreement**

PROVISION		SECTION IN MULTI-UNIT SITE SELECTION AGREEMENT	SUMMARY
a.	Length of the franchise term	Section 4	Expires on date when last Freshii Restaurant under Minimum Performance Schedule opens.
b.	Renewal or extension of the term	Section 4	You have no right to renew or extend.
c.	Requirements for franchisee to renew or extend	Not applicable	Not applicable.
d.	Termination by franchisee	Not applicable	You may seek termination upon any grounds available by state law.
e.	Termination by franchisor without cause	Not applicable	We may not terminate without cause.

f.	Termination by franchisor with cause	Section 5	We may terminate if you commit one of several violations.
g.	“Cause” defined – curable defaults	Not applicable	Not applicable.
h.	“Cause” defined – non-curable defaults	Section 5.1	Failure to meet the Minimum Performance Schedule; Use of System or Marks except pursuant to and in accordance with a valid and effective Franchise Agreement; Material misrepresentations or omissions; conviction of an indictable offense punishable by a term of imprisonment in excess of 1 year; unauthorized transfer; termination of another agreement with us or our affiliate; breach of non-compete; failure to remit payments when due; beginning work on any unapproved site or where no franchise agreement has been signed for such location; failure to obtain approval of any site; ceasing operations of all Restaurants opened pursuant to the Agreement; and bankruptcy-related events.
i.	Franchisee’s obligations on termination/nonrenewal	Section 5.4	Cease any attempts to select sites on which to establish Restaurants; cease holding yourself out in any way as a franchisee or to do anything which would indicate a relationship with us.
j.	Assignment of contract by franchisor	Section 6.2	No restriction on our right to assign or transfer ownership interests without your approval.
k.	“Transfer” by franchisee – defined	Section 6.1	Includes any direct, indirect or contingent sale, transfer, assignment or encumbrance of interest in Multi-Unit Site Selection Agreement.
l.	Franchisor approval of transfer by franchisee	Section 6.1	No transfers without our prior written consent.
m.	Conditions for franchisor approval of transfer	Section 6.1	Our approval of any transfer is within our sole discretion.
n.	Franchisor’s right of first refusal to acquire franchisee’s business	Not applicable	We do not have this right.
o.	Franchisor’s option to purchase franchisee’s business	Not applicable	We do not have this right.
p.	Death or disability of franchisee	Section 5.3	Must transfer to approved party within 60 days.
q.	Non-competition covenants during the term of the franchise	Section 5.1.3	It is a default of the Multi-Unit Site Selection Agreement if you, or persons controlling, controlled by or

			under common control with you, have any direct or indirect interest in the ownership or operation of any business engaged in the sale of products similar to those permitted to be sold by you are any Restaurant operated pursuant to a Franchise Agreement, or in any restaurant which is likely to cause confusion with the System.
r.	Non-competition covenants after the franchise is terminated or expires	Not applicable	Not applicable.
s.	Modification of the agreement	Section 10.1	No modifications without signed writing.
t.	Integration/merger clause	Section 10.1	Only the terms of the Multi-Unit Site Selection Agreement and other related written agreements are binding (subject to applicable state law.) Any representations or promises outside of the disclosure document and Multi-Unit Site Selection Agreement may not be enforceable.
u.	Dispute resolution by arbitration or mediation	Not applicable	Not applicable
v.	Choice of forum	Section 10.2	Litigation will be in Ontario, Canada (subject to state law).
w.	Choice of law	Section 10.2	The Multi-Unit Site Selection Agreement will be governed by the laws of the state in which the first Restaurant under your Minimum Performance Schedule is located (or is to be located).

### **Franchise Agreement**

PROVISION		SECTION IN FRANCHISE AGREEMENT	SUMMARY
a.	Length of the franchise term	Section 1B	10 years.
b.	Renewal or extension of the term	Section 14	If you give timely notice, have complied with obligations during the Franchise Agreement's term, and (at your option) either remodel/upgrade or relocate Restaurant, you may acquire a successor franchise for 10-year term.
c.	Requirements for franchisee to renew or extend	Section 14	Sign then current franchise agreement and releases (if state law allows) and pay successor franchise fee.

		<p>“Renewal” means signing our then current franchise agreement for the 10-year successor franchise term, which could contain materially different terms (including fees and territory), and paying our then standard initial franchise fee.</p> <p>The term “renewal” means to continue your rights granted under the Franchise Agreement to operate the franchised business for an additional consecutive term.</p> <p><b>You may be asked to sign a contract with materially different terms and conditions than your original contract, but the boundaries of your territory will remain the same, and the fees on renewal will not be greater than the fees that we then impose on similarly situated renewing franchisees.</b></p>	
e.	Termination by franchisor without cause	Not applicable	We may not terminate without cause.
f.	Termination by franchisor with cause	Section 15A	We may terminate if you commit one of several violations.
g.	“Cause” defined – curable defaults	Sections 15A and 15C	48 hours to cure health, safety or sanitation law violations or operating unsafely; 10 days to cure monetary defaults and failure to maintain insurance; and 30 days to cure other defaults not listed in (h) below. We also may assume Restaurant’s management if you default.
h.	“Cause” defined – non-curable defaults	Section 15A	Material misrepresentations or omissions, failing to complete mandatory training satisfactorily, failing to open on time, abandonment or failing to operate for 3 or more consecutive days, losing rights to Restaurant, conviction of or pleading no contest to a felony, interference with inspections, dishonest, unethical or illegal conduct, unauthorized transfer, default of another agreement with us, our affiliate(s) (other than Area Development Agreement) or any third party, breach of non-

		<p>compete, unauthorized use or disclosure of the Operations Manual or confidential information, failure to pay taxes, suppliers or lenders, understating Gross Sales, repeated defaults (even if cured), and bankruptcy-related events.</p>
i. Franchisee's obligations on termination/nonrenewal	Sections 15C and 16	<p>Pay outstanding amounts, stop using Marks and our other intellectual property, deliver advertising material, signs and other proprietary items to us, de-identify, stop using and maintain confidentiality of all confidential information and data, and return Operations Manual and other confidential materials (also see (o) and (r) below). We also may assume Restaurant's management.</p>
j. Assignment of contract by franchisor	Section 13A	<p>No restriction on our right to assign or transfer ownership interests without your approval.</p>
k. "Transfer" by franchisee – defined	Section 13B	<p>Includes transfer of interest in Franchise Agreement, the Restaurant or its profits or losses or capital appreciation, all or substantially all of the Operating Assets, or any ownership interest in you or any holder of direct or indirect controlling interest in you.</p>
l. Franchisor approval of transfer by franchisee	Section 13C	<p>No transfers without our prior written consent.</p>
m. Conditions for franchisor approval of transfer	Sections 13C and 13D	<p>We will not unreasonably withhold approval of transfer of non-controlling interest in you. We will approve control transfer if transferee (and each owner) qualifies; you have paid us and our affiliates all amounts due and submitted all reports and are otherwise not in violation of any provision; transferee, its owners and affiliates are not in a competitive business; training completed; transferee signs (at our option) either assignment of existing franchise agreement or our then current franchise agreement and other documents; transfer fee paid; transferee agrees to upgrade and remodel; you (and transferring owners) sign general release (if state</p>

		law allows); we determine that sale terms will not adversely affect Restaurant's operation; you subordinate amounts due to you; and you stop using Marks and our other intellectual property (also see (r) below). All direct and indirect owners of transferee must sign guarantees.
n.	Franchisor's right of first refusal to acquire franchisee's business	Section 13G We may match any offer for your Restaurant or Operating Assets or controlling ownership interest in you.
o.	Franchisor's option to purchase franchisee's business	Section 16E We may buy Restaurant's assets at fair market value after Franchise Agreement is terminated or expires.
p.	Death or disability of franchisee	Section 13E Must transfer to approved party within 9 months.
q.	Non-competition covenants during the term of the franchise	Section 12 No owning interest in, performing services for, loaning money or guaranteeing loan to, or diverting business or customers to competitive business anywhere.
r.	Non-competition covenants after the franchise is terminated or expires	Section 16D For 2 years no owning interest in or performing services for competitive business within Territory or 3 miles of any other Freshii Restaurant (same restrictions apply after transfer).
s.	Modification of the agreement	Section 18K No modifications without signed writing, but we may change Operations Manual and System Standards.
t.	Integration/merger clause	Section 18M Only the terms of the Franchise Agreement and other related written agreements are binding (subject to applicable state law.) Any representations or promises outside of the disclosure document and Franchise Agreement may not be enforceable.
u.	Dispute resolution by arbitration or mediation	Section 18F We and you must arbitrate all disputes in Ontario, Canada (subject to applicable state law).
v.	Choice of forum	Section 18H Subject to arbitration requirements, litigation will be in Ontario, Canada (subject to state law). Required language
w.	Choice of law	Section 18G Except for Federal Arbitration Act and other federal law, Ontario laws governs (subject to applicable state law).



**Item 18**  
**PUBLIC FIGURES**

We do not use any public figure to promote our franchise in the United States.

**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 Shawn Saraga, our VP Development, at 27 North Wacker Drive, Suite 426, Chicago, Illinois 60606 and +1 (416) 712-5526, the Federal Trade Commission, and the appropriate state regulatory agencies.

**Item 20**  
**OUTLETS AND FRANCHISEE INFORMATION**

**Table No. 1**  
**Systemwide Outlet Summary**  
**For years 2020, 2021, 2022**

<b>Column 1 Outlet Type</b>	<b>Column 2 Year</b>	<b>Column 3 Outlets at the Start of the Year</b>	<b>Column 4 Outlets at the End of the Year</b>	<b>Column 5 Net Change</b>
Franchised <sup>^</sup>	2020	121	87	-34
	2021	87	63	-24
	2022	63	52	-11
*Company-Owned	2020	0	0	0
	2021	0	0	0
	2022	0	0	0
<b>Total Outlets</b>	2020	<b>121</b>	<b>87</b>	<b>-34</b>
	2021	<b>87</b>	<b>63</b>	<b>-24</b>
	<b>2022</b>	<b>63</b>	<b>52</b>	<b>-11</b>

\* The company-owned outlets in the above table were owned and operated by our affiliates.

**Table No. 2**  
**Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)**  
**For years 2020, 2021, 2022**

<b>Column 1</b> <b>State</b>	<b>Column 2</b> <b>Year</b>	<b>Column 3</b> <b>Number of Transfers</b>
Florida	2020	0
	2021	0
	2022	0
Illinois	2020	0
	2021	0
	2022	0
Michigan	2020	0
	2021	0
	2022	0
Oregon	2020	0
	2021	0
	2022	0
Texas	2020	0
	2021	0
	2022	0
Washington	2020	0
	2021	0
	2022	0
<b>Total</b>	<b>2020</b>	<b>0</b>
	<b>2021</b>	<b>0</b>
	<b>2022</b>	<b>0</b>

**Table No. 3**  
**Status of Franchised Outlets**  
**For years 2020, 2021, 2022**

<b>Col 1</b> <b>State</b>	<b>Col 2</b> <b>Year</b>	<b>Col 3</b> <b>Outlets at Start of Year</b>	<b>Col 4</b> <b>Outlets Opened</b>	<b>Col 5</b> <b>Terminations</b>	<b>Col 6</b> <b>Non-Renewals</b>	<b>Col 7</b> <b>Reacquired by Franchisor</b>	<b>Col 8</b> <b>Ceased Operations – Other Reasons</b>	<b>Col 9</b> <b>Outlets at End of the Year</b>
Arkansas	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0

	2022	0	0	0	0	0	0	0
Arizona	2020	2	0	1	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
California	2020	6	0	0	0	0	1	5
	2021	5	0	1	0	0	2	2
	2022	2	0	0	0	0	0	2
Connecticut	2020	5	0	0	0	0	2	3
	2021	3	0	1	0	0	0	2
	2022	2	0	1	0	0	1	0
Florida	2020	12	0	1	0	0	4	7
	2021	7	0	3	0	0	0	4
	2022	4	0	1	0	0	0	3
Georgia	2020	3	0	0	0	0	0	3
	2021	3	0	0	0	0	0	3
	2022	3	0	0	0	0	1	2
Idaho	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
Illinois	2020	18	0	0	0	0	7	11
	2021	11	0	1	0	0	0	10
	2022	10	0	4	0	0	0	6
Indiana	2020	3	0	0	0	0	0	3
	2021	3	0	2	0	0	0	1
	2022	1	0	1	0	0	0	0
Iowa	2020	2	0	0	0	0	0	2
	2021	2	0	2	0	0	0	0
	2022	0	0	0	0	0	0	0
Kentucky	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
Maryland	2020	2	0	0	0	0	0	2
	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
Massachusetts	2020	2	0	0	0	0	0	2
	2021	2	0	0	0	0	1	1

	2022	1	0	0	0	0	0	1
Michigan	2020	8	0	0	0	0	4	4
	2021	4	0	0	0	0	0	4
	2022	4	0	0	0	0	0	4
Minnesota	2020	3	0	0	0	0	0	3
	2021	3	0	0	0	0	0	3
	2023	3	0	0	0	0	0	3
Mississippi	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Nebraska	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
Nevada	2020	1	0	0	0	0	1	0
	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
New Jersey	2020	4	0	1	0	0	0	3
	2021	3	0	0	0	0	0	3
	2022	3	0	0	0	0	0	3
New York	2020	1	0	0	0	0	0	1
	2021	1	0	1	0	0	0	0
	2022	0	0	0	0	0	0	0
North Carolina	2020	4	0	0	0	0	2	2
	2021	2	0	0	0	0	1	1
	2022	1	0	0	0	0	0	1
Ohio	2020	3	0	0	0	0	1	2
	2021	2	0	0	0	0	1	1
	2022	1	0	0	0	0	0	1
Oregon	2020	3	0	0	0	0	2	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
Pennsylvania	2020	5	0	0	0	0	1	4
	2021	4	0	0	0	0	1	3
	2022	3	0	0	0	0	0	3
Puerto Rico	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1

	2022	1	0	0	0	0	0	1
South Carolina	2020	1	0	0	0	0	1	0
	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
Texas	2020	18	0	0	0	0	5	13
	2021	13	0	2	0	0	2	9
	2022	9	1	0	0	0	0	10
Virginia	2020	3	0	0	0	0	1	2
	2021	2	0	0	0	0	1	1
	2022	1	0	0	0	0	1	0
Washington	2020	5	0	0	0	0	0	5
	2021	5	0	0	0	0	0	6
	2022	6	0	1	0	0	0	5
Washington DC	2020	2	0	0	0	0	0	2
	2021	2	0	0	0	0	2	0
	2022	0	0	0	0	0	0	0
Wisconsin	2020	2	0	0	0	0	0	2
	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	1	1
<b>TOTAL</b>	<b>2020</b>	<b>121</b>	<b>1</b>	<b>3</b>	<b>0</b>	<b>0</b>	<b>32</b>	<b>87</b>
	<b>2021</b>	<b>87</b>	<b>0</b>	<b>13</b>	<b>0</b>	<b>0</b>	<b>11</b>	<b>63</b>
	<b>2023</b>	<b>63</b>	<b>1</b>	<b>8</b>	<b>0</b>	<b>0</b>	<b>4</b>	<b>52</b>

\* The COVID-19 pandemic and the reactions to it, including economic impacts and government restrictions may be a contributing factor to 2020 and 2021 store closures.

**Table No. 4**  
**\*Status of Company-Owned Outlets**  
**For years 2020, 2021, 2022**

Col 1 State	Col 2 Year	Col 3 Outlets at Start of Year	Col 4 Outlets Opened	Col 5 Outlets Reacquired from Franchisee	Col 6 Outlets Closed	Col 7 Outlets Sold to Franchisee	Col 8 Outlets at End of the Year
Florida	2020	0	0	0	0	0	0
	2021	0	0	0	0	0	0
	2022	0	0	0	0	0	0
Illinois	2020	0	0	0	0	0	0
	2021	0	0	0	0	0	0

	2022	0	0	0	0	0	0
<b>Total</b>	<b>2020</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>2021</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>2022</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

\* The company-owned outlets in the above table are owned and operated by our affiliates.

**Table No. 5**  
**Projected Openings as of December 25, 2022**

Column 1 State	Column 2 Franchise Agreements Signed but Outlet Not Opened	Column 3 Projected New Franchised Outlets in the Next Fiscal Year	Column 4 Projected New Company- Owned Outlets in the Next Fiscal Year
New York	1	1	0
Texas	1	1	0
<b>Totals</b>	<b>2</b>	<b>2</b>	<b>0</b>

A list of the names of all franchisees and the addresses and telephone numbers of their businesses are provided in Exhibit H to this Disclosure Document.

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

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

There are no trademark-specific organizations formed by our franchisees that are associated with the Freshii Restaurant System.

## **Item 21** **FINANCIAL STATEMENTS**

Exhibit F contains our audited financial statements for the fiscal years ended, December 27, 2020, December 26, 2021 and December 25, 2022.

Our fiscal year is a 52 or 53-week period ending on the last Sunday of December.

## **Item 22** **CONTRACTS**

The following agreements are exhibits:

Area Development Agreement — Exhibit B  
Multi-Unit Site Selection Agreement – Exhibit C  
Franchise Agreement — Exhibit D

Renewal/Assignment of Franchise Documents – Exhibit J  
Sample Letter of Intent – Exhibit K

**Item 23**  
**RECEIPTS**

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

## EXHIBIT A

### LIST OF STATE ADMINISTRATORS/AGENTS FOR SERVICE OF PROCESS

This list includes the names, addresses and telephone numbers of state agencies having responsibility for franchising disclosure/registration laws, and serving as our agents for service of process (to the extent that we are registered in their states). This list also includes the names, addresses and telephone numbers of other agencies, companies or entities serving as our agents for service of process.

State	State Agency	Agent for Service of Process
CALIFORNIA	Commissioner of the Department of Financial Protection and Innovation Department of Financial Protection and Innovation 320 West 4 <sup>th</sup> Street, Suite 750 Los Angeles, CA 90013 (213) 576-7505 Toll-free (866-275-2677)	Commissioner of the Department of Financial Protection and Innovation
CONNECTICUT	State of Connecticut Department of Banking Securities & Business Investments Division 260 Constitution Plaza Hartford, CT 06103-1800 (860) 240-8230	Banking Commissioner
HAWAII	Business Registration Division Department of Commerce and Consumer Affairs 335 Merchant Street, Room 203 Honolulu, HI 96813 (808) 586-2722	Commissioner of Securities of the State of Hawaii
ILLINOIS	Office of Attorney General Franchise Division 500 South Second Street Springfield, IL 62706 (217) 782-4465	Illinois Attorney General
INDIANA	Indiana Secretary of State Securities Division 302 West Washington St., Room E-111 Indianapolis, IN 46204 (317) 232-6681	Indiana Secretary of State 201 State House Indianapolis, IN 46204
MARYLAND	Office of the Attorney General Division of Securities 200 St. Paul Place Baltimore, MD 21202-2020 (410) 576-6360	Maryland Securities Commissioner 200 St. Paul Place Baltimore, MD 21202-2020 (410) 576-6360



<b>State</b>	<b>State Agency</b>	<b>Agent for Service of Process</b>
MICHIGAN	Michigan Department of Attorney General Consumer Protection Division Antitrust and Franchise Unit 670 Law Building Lansing, MI 48913 (517) 373-7117	Michigan Department of Commerce, Corporations and Securities Bureau
MINNESOTA	Minnesota Department of Commerce 85 7 <sup>th</sup> Place East, Suite 280 St. Paul, MN 55101-2198 (651) 539-1500	Minnesota Commissioner of Commerce
NEW YORK	Office of the New York State Attorney General Investor Protection Bureau, Franchise Section 28 Liberty Street, 21 <sup>st</sup> Floor New York, NY 10005 (212) 416-8211 Phone (212) 416-6042 Fax	Attention: New York Secretary of State New York Department of State One Commerce Plaza 99 Washington Avenue, 6 <sup>th</sup> Floor Albany, NY 11231-0001 (518) 473-2492
NORTH DAKOTA	North Dakota Securities Department 600 East Boulevard, 5 <sup>th</sup> Floor Bismarck, ND 58505-0510 (701) 328-4712	North Dakota Securities Commissioner
OREGON	Department of Consumer and Business Services Division of Finance and Corporate Labor and Industries Building Salem, Oregon 97310 (503) 378-4387	Director of the Department of Consumer and Business Services
RHODE ISLAND	Department of Business Regulation Division of Securities 1511 Pontiac Avenue, Building 69-1 Cranston, RI 02920 (401) 462-9585	Director of Rhode Island Department of Business Regulation
SOUTH DAKOTA	Division of Insurance Securities Regulation 124 South Euclid, Suite 104 Pierre, SD 57501 (605) 773-3563	Director of Insurance- Securities Regulation
VIRGINIA	State Corporation Commission Division of Securities and Retail Franchising 1300 East Main Street, 9 <sup>th</sup> Floor Richmond, VA 23219 (804) 371-9051	Clerk of State Corporation Commission 1300 East Main Street, 1 <sup>st</sup> Floor Richmond, VA 23219 (804) 371-9733
WASHINGTON	Department of Financial Institutions Securities Division P.O. Box 9033 Olympia, WA 98507-9033 (360) 902-8760	Director of Washington Financial Institutions Securities Division 150 Israel Road, SW Tumwater, WA 98501

State	State Agency	Agent for Service of Process
WISCONSIN	Wisconsin Securities Commissioner Securities and Franchise Registration 345 W. Washington Avenue Madison, WI 53703 (608) 266-8559	Commissioner of Securities of Wisconsin

**EXHIBIT B**

**AREA DEVELOPMENT AGREEMENT**

**EXHIBIT C**

**MULTI-UNIT SITE SELECTION AGREEMENT**

**EXHIBIT D**  
**FRANCHISE AGREEMENT**

**EXHIBIT E**

**OPERATIONS MANUAL TABLE OF CONTENTS**



**FRESHII DEVELOPMENT, LLC  
CONFIDENTIAL OPERATIONS MANUAL CONTENTS**

1. General Information	5 Pages
a. Communitii	
b. Partner Communication	
c. Partner Support	
2. Operations	279 Pages
a. Daily Checklists	
b. Line Set Up	
c. Cogs & Inventory	
d. Menu Execution	
e. Catering	
f. Brand Standards	
g. Labour	
h. School Lunch Program	
i. Guest Experience	
j. Tools & Equipment	
k. Hours Signage	
3. Technology	147 Pages
a. Technical Support	
b. POS Guides	
c. APP Guides	
d. Gift Card Guides	
e. Freshii Delivery	
f. Stingray	
g. Menu Boards	

h. Pinnacle	
i. Email	
4. Marketing	171 Pages
a. Brand Guidelines	
b. Creative Library	
c. Social Media	
d. Third Party Vendors	
e. Print Company	
f. Partnerships	
5. People & Training	207 Pages
a. Recruiting	
b. Interviewing	
c. Role Descriptions	
d. Growth & Development	
e. Reward & Recognition	
f. Counseling & Termination	
6. Supply Chain	21 Pages
a. Deliveries & Receiving	
b. Credit Request & Quality Issue Reporting	
c. Product Recall	
d. Depot Groups	
7. Menu	147 Pages
a. Standard Menu, Limited Menu, Freshii Favourites Menu	
b. Cheat Sheets	
c. Recipe Guides	
d. SLP Recipe Guides	
e. Nutrition & Allergen Guides	
f. LTO Materials	
8. Health & Safety	
a. Ecosure	
b. Incident Reports	

- c. Food Safety
- d. Pest Control
- e. Temperature Logs
- f. Safety Data Sheets
- g. Safety Procedures

**Total pages in the Manual if printed: 977 pages**



**EXHIBIT F**  
**FINANCIAL STATEMENTS**

### Unaudited Financial Statements

These financial statements have been prepared without an audit. Prospective franchisees or sellers of franchises should be advised that no independent certified public accountant has audited these figures or expressed an opinion with regard to their content or form.

Audited Financial Statements

**EXHIBIT G**  
**STATE-SPECIFIC ADDENDUM**

**EXHIBIT G TO THE DISCLOSURE DOCUMENT**  
**DISCLOSURE REQUIRED BY THE STATE OF CALIFORNIA**

1. The following paragraph is added at the end of Item 3 of the Disclosure Document:

Except as disclosed above, neither we nor any person identified in Item 2 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, 15 U.S.C.A. Section 78a et seq., suspending or expelling such person from membership in such association or exchange.

2. THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE DISCLOSURE DOCUMENT.

3. OUR WEBSITE, [www.freshiiifood.com](http://www.freshiiifood.com), HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT. ANY COMPLAINTS CONCERNING THE CONTENT OF THE WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT AT [www.dbo.ca.gov](http://www.dbo.ca.gov).

4. The following paragraphs are added at the end of Item 17 of the Disclosure Document:

California Law Regarding Termination and Nonrenewal. California Business and Professions Code Sections 20000 through 20043 provide rights to franchisees concerning termination or nonrenewal of the franchise. If the Franchise Agreement contains any provision that is inconsistent with the law, and the law applies, then the law will control.

Termination Upon Bankruptcy. The Franchise Agreement and Area Development Agreement provide for termination upon bankruptcy. This provision might not be enforceable under federal bankruptcy law (11 U.S.C.A. Sec. 101 et seq.)

Covenant not to Compete. The Area Development Agreement and Franchise Agreement contain covenants not to compete which extend beyond the termination of the franchise. This provision may not be enforceable under California law.

Applicable Law. The Area Development Agreement, Multi-Unit Site Selection Agreement and Franchise Agreement require application of the laws of Ontario, Canada, with certain exceptions. These provisions might not be enforceable under California law.

Arbitration. The Area Development Agreement and Franchise Agreement require binding arbitration. The arbitration will occur at a suitable site that the arbitrator chooses in Ontario, Canada, with the costs being borne as the arbitrator determines. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provision of the Area Development Agreement and Franchise Agreement restricting venue to a forum outside the State of California.

Material Modification. California Corporations Code, Section 31125 requires the franchisor to give the franchisee a disclosure document, approved by the Department of

Corporations, prior to a solicitation of a proposed material modification of an existing franchise.

Releases. The Franchise Agreement requires you to sign a general release of claims upon renewal or transfer of the Franchise Agreement. California Corporations Code Section 31512 provides that any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of that law or any rule or order thereunder is void. Section 31512 might void a waiver of your rights under the Franchise Investment Law (California Corporations Code Section 31000 – 31516). Business and Professions Code Section 20010 might void a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000 – 20043).

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this Addendum dated this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

ATTEST

FRESHII DEVELOPMENT, LLC

\_\_\_\_\_  
Witness

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

FRANCHISEE:

\_\_\_\_\_  
Witness

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

**EXHIBIT G TO THE DISCLOSURE DOCUMENT**

**ADDENDUM TO THE FRESHII DEVELOPMENT, LLC DISCLOSURE DOCUMENT,  
FRANCHISE AGREEMENT, MULTI-UNIT SITE SELECTION AGREEMENT AND AREA  
DEVELOPMENT AGREEMENT**

**REQUIRED BY THE STATE OF ILLINOIS**

Illinois law governs the agreements between the parties to this franchise.

Section 4 of the Illinois Franchise Disclosure Act provides that any provision in the franchise agreement which designates jurisdiction or venue outside of the State of Illinois is void. However, a franchise agreement may provide for arbitration outside of Illinois.

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

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

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this Addendum dated this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

ATTEST

FRESHII DEVELOPMENT, LLC

\_\_\_\_\_  
Witness

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

FRANCHISEE:

\_\_\_\_\_  
Witness

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

**EXHIBIT G TO THE DISCLOSURE DOCUMENT**

**STATE ADDENDUM TO THE FRESHII DEVELOPMENT, LLC  
DISCLOSURE DOCUMENT, FRANCHISE AGREEMENT AND  
AREA DEVELOPMENT AGREEMENT FOR THE STATE OF INDIANA**

1. To be added to Item 3 of the Disclosure Document, is the following statement:

There are presently no arbitration proceedings to which the Franchisor is a party.

2. Item 17 of the Disclosure Document is amended to reflect the requirement under Indiana Code 23-2-2.7-1 (9), which states that any post term non-compete covenant must not extend beyond the franchisee's exclusive territory.
3. Item 17 is amended to state that this is subject to Indiana Code 23-2-2.7-1 (10).
4. Under Indiana Code 23-2-2.7-1 (10), jurisdiction and venue must be in Indiana if the franchisee so requests. This amends Article 18 of the Franchise Agreement and Section 15 of the Area Development Agreement.
5. Under Indiana Code 23-2-2.7-1 (10), franchisee may not agree to waive any claims or rights.

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this Addendum dated this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

ATTEST

FRESHII DEVELOPMENT, LLC

\_\_\_\_\_  
Witness

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

FRANCHISEE:

\_\_\_\_\_  
Witness

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



**EXHIBIT G TO THE DISCLOSURE DOCUMENT**  
**DISCLOSURE REQUIRED BY THE STATE OF MARYLAND**

1. **The following language is added to the beginning of Item 4 of the Area Development Agreement, Article 2 of the Multi-Unit Site Selection Agreement, Article 6.A. of the Franchise Agreement, and Item 5 of the Disclosure Document:**

**Based upon the franchisor's financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement. In addition, all development fees and initial payments by area developer or a multi-unit site selection franchisee shall be deferred until the first franchise under the area development agreement opens.**

2. The "Summary" sections of Items 17(c) and 17(m) of the Area Development Agreement and Franchise Agreement charts in the Disclosure Document are amended by adding the following:

Any general releases you sign as a condition of renewal and/or assignment/transfer will not apply to claims arising under the Maryland Franchise Registration and Disclosure Law.

3. The "Summary" sections of Item 17(h) of the Area Development Agreement and Franchise Agreement charts in the Disclosure Document are amended by adding the following:

The agreement provides for termination upon bankruptcy. This provision might not be enforceable under federal bankruptcy law (11 U.S.C. Sections 101 et seq.), but we and you agree to enforce it to the extent the law allows.

4. The "Summary" sections of Item 17(v) of the Area Development Agreement and Franchise Agreement charts in the Disclosure Document are deleted and replaced with the following:

Subject to arbitration requirements, litigation generally must be in Ontario, Canada, although you may, subject to your arbitration obligation, bring an action in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

5. The "Summary" sections of Item 17(w) of the Area Development Agreement and Franchise Agreement charts in the Disclosure Document are deleted and replaced with the following:

Except for Federal Arbitration Act, other federal law, and as otherwise required by applicable law for claims arising under the Maryland Franchise Registration and Disclosure Law, Illinois law governs.

6. The following language is added to the end of Item 17 of the Disclosure Document:

Despite any contradicting provision in the Area Development Agreement or Franchise Agreement, you have 3 years from the date on which we grant you the franchise to bring a claim under the Maryland Franchise Registration and Disclosure Law.

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this Addendum dated this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

ATTEST

FRESHII DEVELOPMENT, LLC

\_\_\_\_\_  
Witness

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

FRANCHISEE:

\_\_\_\_\_  
Witness

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

**EXHIBIT G TO THE DISCLOSURE DOCUMENT**  
**DISCLOSURE REQUIRED BY 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 franchises.
- (b) A requirement that a franchisee assent to a release, assignment, novation, waiver or estoppel which deprives a franchisee of rights and protections provided in this act. This shall not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims.
- (c) A provision that permits a franchisor to terminate a franchise prior to the expiration of its term except for good cause. Good cause shall include the failure of the franchisee to comply with any lawful provision of the franchise agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than thirty (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 franchise business are not subject to compensation. This subsection applies only if: (i) the term of the franchise is less than five (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 six (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) Failure of the proposed transferee to meet the franchisor's then-current reasonable qualifications or standards.
  - (ii) The fact that the proposed transferee is a competitor of the franchisor or subfranchisor.
  - (iii) The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.

(iv) The failure of the franchisee or proposed transferee to pay any sums owing to the franchisor or to cure any default in the franchise agreement existing at the time of the proposed transfer.

(h) A provision that requires the franchisee to resell to the franchisor items that are not uniquely identified with the franchisor. This subdivision does not prohibit a provision that grants to a franchisor a right of first refusal to purchase the assets of a franchise on the same terms and conditions as a bona fide third party willing and able to purchase those assets, nor does this subdivision prohibit a provision that grants the franchisor the right to acquire the assets of a franchise for the market or appraised value of such assets if the franchisee has breached the lawful provisions of the franchise agreement and has failed to cure the breach in the manner provided in subdivision (c).

(i) A provision which permits the franchisor to directly or indirectly convey, assign or otherwise transfer its obligations to fulfill contractual obligations to the franchisee unless provision has been made for providing the required contractual services.

**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, franchisee has the right to request an escrow arrangement.

Any questions regarding this notice should be directed to:

Consumer Protection Division  
Attn: Katharyn Barron  
Michigan Department of Attorney General  
525 W. Ottawa Street, 1st Floor  
Lansing, Michigan 48933  
(517) 335-7567

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this Addendum dated this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

ATTEST

FRESHII DEVELOPMENT, LLC

\_\_\_\_\_  
Witness

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

FRANCHISEE:

\_\_\_\_\_  
Witness

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

**EXHIBIT G TO THE DISCLOSURE DOCUMENT**  
**DISCLOSURE REQUIRED BY THE STATE OF MINNESOTA**

1. The last paragraph of Item 13 of the Disclosure Document is deleted and replaced with the following:

If you have complied with all of our requirements that apply to the Marks, we will protect your right to use the principal Mark and indemnify you from any loss, costs, or expenses arising out of any claims, suits, or demands regarding your use of the principal Mark, in accordance with and to the extent required by Minn. Stat. Sec. 80C.12. Subd. 1(g).

2. The following paragraphs are added at the end of Item 17 of the Disclosure Document:

For franchises governed by the Minnesota Franchises Law, we will comply with Minn. Stat. Sec. 80C.14, Subds. 3, 4, and 5 which require, except in certain specified cases, that you be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the franchise agreement.

Minn. Stat. Sec. 80C.21 and Minn. Rule 2860.4400J prohibit us in certain cases from requiring litigation to be conducted outside Minnesota. Those provisions also provide that no condition, stipulations or provision in the franchise agreement shall in any way abrogate or reduce any rights you have under the Minnesota Franchises Law, including (if applicable, and subject to your arbitration obligations) the right to submit matters to the jurisdiction of the courts of Minnesota and the right to any procedure, forum or remedies that the laws of the jurisdiction provide.

Any release as a condition of renewal and/or assignment/transfer will not apply to the extent prohibited by applicable law for claims arising under Minn. Rule 2860.4400D.

Minnesota Rule Part 2860.4400J prohibits a franchisee in certain cases from waiving rights to a jury trial; waiving 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. However, we and you will enforce these provisions in the agreements to the extent the law allows.

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this Addendum dated this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

ATTEST

FRESHII DEVELOPMENT, LLC

\_\_\_\_\_  
Witness

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

FRANCHISEE:

\_\_\_\_\_  
Witness

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

## EXHIBIT G TO THE DISCLOSURE DOCUMENT

### **ADDENDUM REQUIRED BY THE DEPARTMENT OF LAW OF THE STATE OF NEW YORK**

1. The following information is added to the cover page of the Franchise Disclosure Document:

**INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR SOURCES OF INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THE FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND NEW YORK STATE DEPARTMENT OF LAW, INVESTOR PROTECTION BUREAU, 28 LIBERTY STREET, 21<sup>ST</sup> FLOOR, NEW YORK, NEW YORK 10005. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.**

2. The following is added at the end of Item 3:

Except as provided above, with regard to the franchisor, its predecessor, a person identified in Item 2, or an affiliate offering franchises under the franchisor's principal trademark:

- A. No such party has an administrative, criminal or civil action pending against that person alleging: a felony, a violation of a franchise, antitrust, or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices, or comparable civil or misdemeanor allegations.
- B. No such party has pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchisees and the size, nature or financial condition of the franchise system or its business operations.
- C. No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the 10 year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud, or securities law; fraud; embezzlement; fraudulent conversion or misappropriation of property; or unfair or deceptive practices or comparable allegations.
- D. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State, or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive

or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

3. The following is added to the end of Item 4:

Neither the franchisor, its affiliate, its predecessor, officers, or general partner during the 10-year period immediately before the date of the offering circular: (a) filed as debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code; (b) obtained a discharge of its debts under the bankruptcy code; or (c) was a principal officer of a company or a general partner in a partnership that either filed as a debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code or that obtained a discharge of its debts under the U.S. Bankruptcy Code during or within 1 year after that officer or general partner of the franchisor held this position in the company or partnership.

4. The following is added to the end of Item 5:

The initial franchise fee constitutes part of our general operating funds and will be used as such in our discretion.

5. The following is added to the end of the “Summary” sections of Item 17(c), titled “Requirements for franchisee to renew or extend,” and Item 17(m), entitled “Conditions for franchisor approval of transfer”:

However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of General Business Law Sections 687.4 and 687.5 be satisfied.

6. The following language replaces the “Summary” section of Item 17(d), titled **“Termination by franchisee”**:

You may terminate the agreement on any grounds available by law.

7. The following is added to the end of the “Summary” section of Item 17(j), titled **“Assignment of contract by franchisor”**:

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.

8. The following is added to the end of the “Summary” sections of Item 17(v), titled **“Choice of forum”**, and Item 17(w), titled **“Choice of law”**:

The foregoing choice of law should not be considered a waiver of any right conferred upon the franchisor or upon the franchisee by Article 33 of the General Business Law of the State of New York.

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this Addendum dated this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

ATTEST

FRESHII DEVELOPMENT, LLC

\_\_\_\_\_  
Witness

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

FRANCHISEE:

\_\_\_\_\_  
Witness

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



**EXHIBIT G TO THE DISCLOSURE DOCUMENT**  
**DISCLOSURE DOCUMENT REQUIRED BY THE STATE OF NORTH DAKOTA**

This addendum to the Disclosure Document, Franchise Agreement, Multi-Unit Site Selection Agreement and Area Development Agreement effectively amends and revises said documents as follows:

1. Item 17I of the Disclosure Document and Sections 13.D.(8), 14(iii) and 16.E.(3) of the Franchise Agreement are hereby amended to indicate that a franchisee shall not be required to sign a general release.

2. Covenants not to compete are generally considered unenforceable in the State of North Dakota, in accordance with Section 51-19-09 of the North Dakota Franchise Investment Law. Item 17(r) of the Disclosure Document, 16.D of the Franchise Agreement and Article 13.D of the Area Development Agreement are amended accordingly.

3. Item 6 and Item 17(i) of the Disclosure Document, Section 16.A of the Franchise Agreement requires the franchisee to consent to termination or liquidated damages. Since the Commissioner has determined this to be unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law, these provisions are hereby deleted in each place they appear in the Disclosure Document and Franchise Agreement used in North Dakota.

4. Item 17(u) of the Disclosure Document, Article 18 of the Franchise Agreement and Article 15 of the Area Development Agreement are amended to provide that arbitration shall be held at a site that is agreeable to all parties.

5. Item 17(v) of the Disclosure Document and the provisions of Article 18.G of the Franchise Agreement, Article 10.2 of the Multi-Unit Site Selection Agreement and Article 15.G of the Area Development Agreement which require jurisdiction of courts in Ontario, Canada are deleted.

6. Item 17(w) of the Disclosure Document, Article 18.H of the Franchise Agreement and Article 15.H of the Area Development Agreement are amended to indicate that the agreements are to be construed according to the laws of the State of North Dakota.

7. Apart from civil liability as set forth in Section 51-19-12 N.D.C.C., which is limited to violations of the North Dakota Franchise Investment Law (registration and fraud), the liability of the franchisor to a franchisee is based largely on contract law. Despite the fact that those provisions are not contained in the franchise investment law, those provisions contain substantive rights intended to be afforded to North Dakota residents. Therefore, North Dakota franchisees will not be required to waive their rights under North Dakota law.

8. The provisions of Article 18.I of the Franchise Agreement and Article 15.I of the Area Development Agreement which require a franchisee to consent to (1) a waiver of trial by jury and (2) a waiver of exemplary and punitive damages are contrary to Section 51-19-09 of the North Dakota Franchise Investment Law and are hereby deleted.

9. The provisions of Article 18.L of the Franchise Agreement and Article 15.L of the Area Development Agreement which require a franchisee to consent to a limitation of claims are hereby amended to state that the statute of limitations under North Dakota law applies.

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this Addendum dated this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

ATTEST

FRESHII DEVELOPMENT, LLC

\_\_\_\_\_  
Witness

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

FRANCHISEE:

\_\_\_\_\_  
Witness

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

**EXHIBIT G TO THE DISCLOSURE DOCUMENT**  
**DISCLOSURE REQUIRED BY THE STATE OF RHODE ISLAND**

The following amends Item 17 and is required to be included within the Disclosure Document and shall be deemed to supersede the language in the Disclosure Document itself:

Section 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 of this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act.”

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this Addendum dated this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

ATTEST

FRESHII DEVELOPMENT, LLC

\_\_\_\_\_  
Witness

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

FRANCHISEE:

\_\_\_\_\_  
Witness

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

**EXHIBIT G TO THE DISCLOSURE DOCUMENT**  
**DISCLOSURE REQUIRED BY THE COMMONWEALTH OF VIRGINIA**

1. The following is added to the State Cover Page of the Franchise Disclosure Document:

THE FRANCHISOR HAS BEEN INEXISTENCE FOR A SHORT PERIOD OF TIME SINCE FEBRUARY 2008. THEREFORE, THERE IS ONLY A BRIEF OPERATING HISTORY TO ASSIST YOU IN JUDGING WHETHER OR NOT TO MAKE THIS INVESTMENT.

2. The "Summary" section of Item 17(h) of Area Development Agreement, Multi-Unit Site Selection Agreement and Franchise Agreement charts in the Disclosure Document are amended by adding the following:

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 area development agreement does not constitute "reasonable cause," as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable. Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to use undue influence to induce a franchisee to surrender any given right to him under the franchise. If any provision of the franchise agreement or area development agreement involves the use of undue influence by the franchisor to induce a franchisee to surrender any rights given to him under the franchise, that provision may not be enforceable.

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this Addendum dated this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

ATTEST

FRESHII DEVELOPMENT, LLC

\_\_\_\_\_  
Witness

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

FRANCHISEE:

\_\_\_\_\_  
Witness

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

**EXHIBIT G TO THE DISCLOSURE DOCUMENT**  
**WASHINGTON ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT,**

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail.

RCW 19.100.180 may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

A release or waiver of rights executed by a franchisee may not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

Transfer fees are collectable to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed \$100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed \$250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the franchise agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

To resolve an investigation by the Washington Attorney General and without admitting any liability, the franchisor has entered into an Assurance of Discontinuance ("AOD") with the State of Washington, where the franchisor affirmed that it already removed from its form franchise agreement a provision which restricted a franchisee from soliciting and/or hiring employees of other franchisees, which the Attorney General alleges violated Washington state and federal antitrust and unfair practices laws. The franchisor has agreed, as part of the AOD, to not enforce any such provisions in any existing franchise agreement, to not include any such provisions in future franchise agreements, to request that its Washington franchisees amend their existing franchise agreements to remove such provisions, and to notify its franchisees about

the entry of the AOD. The franchisor has complied with all such requirements. In addition, the State of Washington did not assess any fines or other monetary penalties against the franchisor

The State of Washington has imposed a financial condition under which the initial franchise fees due will be deferred until the franchisor has fulfilled its initial pre-opening obligations with respect to each franchised business the Franchisee opens under the Area Development Agreement, the State of Washington will require that the franchise fees be released proportionally with respect to each franchised business.

The undersigned does hereby acknowledge receipt of this addendum. Dated this \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_.

\_\_\_\_\_  
Franchisor

\_\_\_\_\_  
Franchisee

**EXHIBIT H**  
**LIST OF FRANCHISEES**  
(As of December 31, 2022)

<b>ARIZONA</b>	
<b>Franchisee</b>	<b>Location</b>
Aramark Food and Support Services Group, Inc. Aramark Tower 1101 Market St, 24 Floor Philadelphia, Pennsylvania 19107	1290 S. Normal Ave Tempe, Arizona 85281
<b>CALIFORNIA</b>	
<b>Franchisee</b>	<b>Location</b>
SSP America, 19465 Deerfield Ave, Ste 105 Lansdowne, Virginia 20176	Sacramento Airport 6850 Airport Blvd Ste 5 Sacramento, California 95837
VIGOUR ENTERPRISES, INC. Alex Black, Chris Allen, John Christensen 1544 Avolencia Drive Fullerton, California 92835 (503) 320-0703	1253 University Avenue, Suite B San Diego, California 92103 (858) 564-3447
<b>FLORIDA</b>	
<b>Franchisee</b>	<b>Location</b>
Jomari Foods LLC Alexandre M. Bittencourt, Luciana B de A Bittencourt 14631 Heathermere Lane Orlando, Florida 32837	7600 Dr Philips Boulevard #10 Orlando, Florida 32819 407-203-8862
Green Candy, LLC 846 Addison Drive NE St. Petersburg, Florida 33716	10328 Roosevelt Boulevard North St. Petersburg, Florida 33716
EAT IQ INC 327 S. CO. HWY 393, Suite A Santa Rosa Beach, Florida, 32459	12805 US HWY 98 East Inlet Beach, Florida 32413
GCC Healthy Fast Casual Corporation Greg Cole & Jamie Cole 1436 Via Verdi Drive Palm Harbor, Florida 34683 (678) 488-0376	1737 Main Street Dunedin, Florida, 34698 (727) 325-1730

GEORGIA	
Franchisee	Location
Cast Enterprise, LLC Troy Matthews 12657 Lecom Trace Milton, Georgia 30004 (404) 680-2623	12460 Crabapple Road Alpharetta, Georgia 30004 (470) 233-7036
Cast Enterprises, LLC Troy Matthews 12657 Lecom Trace Milton, Georgia 30004 404-680-2623	231 Peachtree Street NE B29 Atlanta, Georgia 30303
ILLINOIS	
Franchisee	Location
Fresh Food Management, LLC 35 Shenandoah Deerfield, Illinois 60015	Walgreens 410 N. Michigan Avenue Chicago, Illinois
350 North Investors, LLC 35 Shenandoah Rd Deerfield, Illinois 60015	350 North LaSalle Boulevard Chicago, Illinois 60606 312-836-0160
Ritus LLC Rocco Armocida 1590 West Algonquin Road #225 Hoffman Estates, Illinois 60192	5220 Fashion Outlets Way Rosemont, Illinois 60018 847-678-9373
Compass Group USA Inc 2400 Yorkmont Road Charlotte, North Carolina 28217	University of Illinois in Chicago 828 South Wolcott Avenue Chicago, Illinois 60612 312-996-4540
Energized Foods LLC 1910 South James Court North Lake Forest, Illinois 60045	600 East Grand Avenue Chicago, Illinois 60611
Queen Green LLC Carolyn Michaels 3013 Iroquois Road Wilmette, Illinois, 60091 312-233-3399	1 Oakbrook Center Chicago, Illinois, 60523 630-974-6969
KENTUCKY	
Franchisee	Location
Aramark Food and Support Services Group, Inc. 1101 Market Street, 24th Floor Philadelphia, Pennsylvania 19107	University of Kentucky 680 Rose Street Lexington, Kentucky 40505
MARYLAND	



Franchisee	Location
Bootmata LLC 100 Havencrest Street Rockville, Maryland 20850	9613 East Medical Center Drive, #4 Rockville, Maryland 20850 240-328-1037
Sodexo Operations LLC 9801 Washingtonian Boulevard Gaithersburg, Maryland, 20878 301-987-4000	6701 North Charles Street Baltimore, Maryland, 21204 443-849-2716
MASSACHUSETTS	
Franchisee	Location
Aramark Food and Support Services Group, Inc. Aramark Tower 1101 Market St, 24 Floor Philadelphia, Pennsylvania 19107	UMASS 71 Wilder Street Lowell, Massachusetts 01850
MICHIGAN	
Franchisee	Location
Freshcraft LLC Nathan and Dan Ashcraft 576 Hillview Place Rockford, Michigan 49341	160-146 Monroe Center NW Grand Rapids, Michigan 49503 616-551-1449
Freshcraft LLC Nathan and Dan Ashcraft 576 Hillview Place Rockford, Michigan 49341	Knapps' Crossing 2002 E. Beltline Avenue NE Grand Rapids, Michigan 49503
MINNESOTA	
Franchisee	Location
Southdale Fresh LLC 225 W Washington Street Indianapolis, Indiana 46204	10 Southdale Circle #2305 Edina, Minnesota 55435 925-314-8253
Aramark Food and Support Services Group, Inc. Aramark Tower 1101 Market St, 24 Floor Philadelphia, Pennsylvania 19107	University of Minnesota Phillips Wagensteen Building 516 Delaware Street SE Minneapolis, Minnesota 55455
Fresh Food Twin Cities 23321 Woodland Ridge Drive Lakeville, Minnesota 55044	Gaviidae Common 651 Nicollet Mall Suite 239 Minneapolis, Minnesota 56601

MISSISSIPPI	
Franchisee	Location
Aramark Food and Support Services Group, Inc. Aramark Tower 1101 Market St, 24 Floor Philadelphia, Pennsylvania 19107	University of Mississippi 218 Dormitory Row West University, Mississippi 38677 601-940-9123
NEW JERSEY	
Franchisee	Location
Eat Fresh NJ LLC Kevin O'Hear 25 Norwood Avenue Avon-By-The-Sea, New Jersey 07717	838 State Route 35 Middletown, New Jersey 07748
FMS Enterprises, LLC Frank Stuto, Michael Sanders, Ron Stuto 225 Fernhead Avenue Monroe Township, New Jersey 08831 712-451-0200	131 Neilson Street New Brunswick, New Jersey 08901 732-427-8283
GCS Fresh One, LLC Greg Lahr, Kymberly Lahr 120 Park Avenue Berkeley Heights, New Jersey 07972 212-451-2933	1767 New Jersey 10 Morris Plains, New Jersey 07950 862-325-9109
NORTH CAROLINA	
Franchisee	Location
Aramark Food and Support Services Group, Inc. Aramark Tower 1101 Market Street, 24 <sup>th</sup> Floor Philadelphia, Pennsylvania 19107	100 Campus Drive Elon, North Carolina 27244
OHIO	
Franchisee	Location
Sapp Restaurant Enterprises Inc. Kasey Kist and Becca Kist 7187 Fodor Road New Albany, Ohio 43054 (614) 312-0647	6745 Avery-Muirfield Drive Dublin, Ohio 43016 (614) 401-5574
SAPP RESTAURANT ENTERPRISES, INC. James H. Sapp and Patricia Sapp 7187 Fodor Road New Albany, Ohio 43054 (614) 741-8115	160 West Main Street New Albany, Ohio 43054 (614) 741-8115
SAPP RESTAURANT ENTERPRISES, INC. James H. Sapp and Patricia Sapp	2510 East Main Street Bexley, Ohio 43209

7187 Fodor Road New Albany, Ohio 43054 (614) 741-8115	(614) 591-0055
<b>OREGON</b>	
<b>Franchisee</b>	<b>Location</b>
Columbia Fresh Holdings, LLC 20411 NE 159 <sup>th</sup> Avenue Battle Ground, Washington 98604 503-908-8124	100 SW Main Street, #130 Portland, Oregon 97205 971-337-3489
Columbia Fresh Holdings, LLC 20411 NE 159 <sup>th</sup> Avenue Battle Ground, Washington 98604 503-908-8124	4811 Meadows Road, Suite 111 Lake Oswego, Oregon 97035
LUDIS & RIGHTKICK COMPANY Mustafa Afshari 13895 SW Meridian Street, #314 Beaverton, Oregon 97005 (503) 583-7615	11727 SW Beaverton Hillsdale Highway Portland, Oregon 97005 (971) 256-9319
<b>PENNSYLVANIA</b>	
<b>Franchisee</b>	<b>Location</b>
Sodexo, Inc. 9801 Washington Boulevard Gaithersburg, Maryland 20878	Penn Presbyterian Hospital 51 North 39 <sup>th</sup> Street Philadelphia, Pennsylvania 19104
NORTH FORK LAKE INC. Laurie Waller, Jeff Waller 1337 Princeton Place Wexford, Pennsylvania 15090 (412) 760-9873	501 Grant Street Pittsburgh, Pennsylvania 15219 (412) 430-0318
NORTH FORK LAKE INC. Laurie Waller, Jeff Waller 1337 Princeton Place Wexford, Pennsylvania 15090 (412) 760-9873	1713 PA-228 Cranberry Township, Pennsylvania 16066 412-230-3356
Aramark Food and Support Services Group, Inc. 1101 Market Street, 24 <sup>th</sup> Floor Philadelphia, Pennsylvania 19107	907-937A Market Street Philadelphia, Pennsylvania 19107 215-475-7944
<b>PUERTO RICO</b>	
<b>Franchisee</b>	<b>Location</b>
RSD Food Corporation La Villa Garden, Carretera 833, Apt. 1229 Guaynabo, Puerto Rico 00871 787-923-0743	670 Ponce de Leon Avenue Miramar, Puerto Rico 00907 787-520-8516

TEXAS	
Franchisee	Location
STE Food One LLC 5700 Thackery Drive Plano, Texas 75093	1412 Main Street, #101 Dallas, Texas 75202 214-748-6000
Aramark Food and Support Services Group, Inc. Aramark Tower 1101 Market Street, 24 <sup>th</sup> Floor Philadelphia, Pennsylvania 19107	1311 South 5 <sup>th</sup> Street Waco, Texas 76706
STE Food Two LLC 5700 Thackery Drive Plano, Texas 75093	700 North Pearl Street, Suite A100 Dallas, Texas 75201 214-748-6000
Aramark Food and Support Services Group, Inc. 1101 Market Street, 24 <sup>th</sup> Floor Philadelphia, Pennsylvania 19107	University of Houston 4790 Calhoun Road Houston, Texas 77004
NKK LLC Roshan Bastola, Taj Nath Bastola, Utpalendu Mjumdar 10516 Love Court McKinney, Texas 75070 773-742-7201	930 East Campbell Road, #104 Richardson, Texas 74081 972-497-2268
Aramark Food and Support Services Group, Inc. 1101 Market Street, 24 <sup>th</sup> Floor Philadelphia, Pennsylvania 19107	Trinity University, US Coates University Center, The Commons San Antonio, Texas 78212-7200
STE Food Five LLC 5700 Thackery Drive Plano, Texas 75093	2414 Victory Park Lane Dallas, Texas 75219
STE Food Three LLC Sonia Elhence 5700 Thackery Drive Plano, Texas 75093	Baylor Medical Center 3600 Gaston Avenue, Suite 107 Dallas, Texas 75246
STE Food Four, LLC 2200 Victory Avenue, #1805 Dallas, Texas 75219 972-342-4322	310 West Las Colinas Boulevard Dallas, Texas, 75039 469-351-7516
I & I Restaurant Group, LLC Ifraan & Ibrahim Bhaidani 2047 Three Forks San Antonio, Texas 78258 210-274-4214	22026 North US Highway San Antonio, Texas 78258 210-714-3783
STE Food Six, LLC 2200 Victory Avenue, #1805 Dallas, Texas 75219 (972) 342-4322	105-6635 Cowboys Way Frisco, Texas 75034 (972) 370-5796

SSP America 19465 Deerfield Avenue, Suite 105 Lansdowne, Virginia 20176	3100 Terminal Road (Terminal B) Houston, Texas 77032
49 Millennial Eats, LLC Viralkumar Patel, Minaben Jalandhara 2901 Highgrove Court Colleyville, Texas 76034 682-249-9199	354 West 5 <sup>th</sup> Street Fort Worth, Texas 76102 817-203-1035
49 Millennial Eats, LLC Viralkumar Patel, Minaben Jalandhara 2901 Highgrove Court Colleyville, Texas 76034 682-249-9199	8704 Cypress Waters Boulevard, Suite 180 Irving, Texas 75063 469-351-5991
<b>WASHINGTON</b>	
<b>Franchisee</b>	<b>Location</b>
TJM VENTURES, LLC Marcia Tunheim 4210 79 <sup>th</sup> Avenue NW Olympia, Washington 98502 (360) 791-1117	575 Bellevue Way NE Bellevue, Washington 98004
Columbia Fresh Holdings, LLC Michael Norcup, Whitney Norcup, Scott Mukensnabl, Tracy Mukensnabl 20411 NE 159 <sup>th</sup> Avenue Battle Ground, Washington 98604 360-718-2246	910 NE Tenney Road, #103 Vancouver, Washington 98685
Columbia Fresh Holdings, LLC Michael Norcup, Whitney Norcup, Scott Mukensnabl, Tracy Mukensnabl 20411 NE 159 <sup>th</sup> Avenue Battle Ground, Washington 98604 360-314-6418	18919 SE Mill Plain Boulevard, Suite 200 Vancouver, Washington 98683
TJM VENTURES LLC Marcia Tenheim 4210 79 <sup>th</sup> Avenue NW Olympia, Washington 98502 (360) 791-1117	1200 Cooper Point Road SW Olympia, Washington 98502 (360) 350-6538
740 Ventures, LLC Brian Whiteaker 6250 151 <sup>st</sup> Avenue NE Lake Stevens, Washington 98258	2184 NE Woodinville Duvall Road Woodinville, Washington 98072 (425) 209-1604
<b>WISCONSIN</b>	
<b>Franchisee</b>	<b>Location</b>
MKE CATERING, LLC	250 East Wisconsin Avenue

Andy Tran 882 Tallgrass Drive Grafton, Wisconsin 53024 (720) 951-1599	Milwaukee, Wisconsin, 53202 (414) 921-0819
--	---

*Franchisees who had signed an agreement, but whose outlet had not yet opened as of December 25, 2022:*

**NEW YORK**

Franchisee business entity name: LaGuardia Hospitality Group, LLC  
Individual names: Salmaan Himani, Vaughn McKoy  
Business Entity Address: 11 Evan Drive, Morganville, New Jersey 07751  
State the unit is projected to open in: NEW YORK  
Locations not yet opened: 1

**TEXAS**

Franchisee business entity name: Level Hospitality, LLC  
Individual names: Nathan Leitner, Al-Hussain Velji  
Business Entity Address: 335 Queen St West Toronto ON M5V 2A4, Canada  
State the unit is projected to open in: TEXAS  
Locations not yet opened: 1

## EXHIBIT I

### **LIST OF FRANCHISEES WHO HAVE LEFT THE SYSTEM**

(As of December 31, 2022)

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

#### **FRANCHISEES:**

<b>CALIFORNIA</b>	
<b>Franchisee</b>	<b>Location</b>
CANADA ENTERPRISES, Inc Darrin Little 18761 Hawkhill Avenue Perris, California, 92570 951-233-9709	3434 Arlington Avenue Riverside, California 92506 (951) 228-9303
VIGOUR ENTERPRISES, INC. Alex Black, Chris Allen, John Christensen 1544 Avolencia Drive, Fullerton, CA 92835 (50) 320-0703	1380 Garnet Avenue San Diego, California 92109 (619) 323-0732
VIGOUR ENTERPRISES, INC. Alex Black, Chris Allen, John Christensen 1544 Avolencia Drive Fullerton, California 92835 (503) 320-0703	119 Broadway San Diego, California 92101 (479) 321-3404
<b>CONNECTICUT</b>	
<b>Franchisee</b>	<b>Location</b>
JLS of Farmington LLC Frank Williams 4 Stratford Road Farmington, Connecticut 06032 443-845-5323	54 LaSalle Road West Hartford, Connecticut 06107 860-616-0957
<b>FLORIDA</b>	
<b>Franchisee</b>	<b>Location</b>
FINGERLINCOLNGOOD, LLC Derek Lincoln 112900 Legacy Avenue, Suite K110 Palm Beach Gardens, Florida 33410 615-995-1566	201 U.S. 1 Jupiter, Florida 33477 561-529-9777
EATIQ INC. Caleb Smith 327 S. CO. HWY 393, Suite A Santa Rosa Beach, Florida 32459 (914) 500-7972	145-101 Bluefish Drive Panama City Beach, Florida 32413 (850) 708-3239

Green Candy, LLC Chitra Naidu 846 Addison Drive NE St. Petersburg, Florida 33716	12913 Dale Mabry Hwy Tampa, Florida, 33618
<b>ILLINOIS</b>	
<b>Franchisee</b>	<b>Location</b>
Queen Green LLC Carolyn Michaels 3013 Iroquois Road Wilmette, Illinois, 60091 312-233-3399	1 Oakbrook Center Chicago, Illinois, 60523 630-974-6969
<b>INDIANA</b>	
<b>Franchisee</b>	<b>Location</b>
Fresh Hay Inc 10515 Wadsworth Court Fort Wayne, Indiana 46845	The Harrison 301 West Jefferson Street Fort Wayne, Indiana 46845
RebNnea Fresh Foods LLC Regina Vaughn 3600 Cavendish Court West Lafayette, Indiana 47906 765-421-1416	102 North Chauncey Avenue West Lafayette, Indiana 47906 (765) 250-9182
<b>IOWA</b>	
<b>Franchisee</b>	<b>Location</b>
MOCA Inc. Trevis Adair & Tony Vieth 6419 Nordic Drive Cedar Falls, Iowa, 50613 319-550-2125	4505 Algonquin Drive Cedar Falls, Iowa, 50613 (319) 243-1528
Eikenberry LLC Jacob Eikenberry, Courtney Eikenberry 4029 West Columbia Avenue Davenport, Iowa 52804 563-370-1605	5009 Competition Drive Bettendorf, Iowa 52722 563-232-8054
<b>MASSACHUSETTES</b>	
<b>Franchisee</b>	<b>Location</b>
Sodexo Operations LLC 9801 Washingtonian Boulevard Gaithersburg, Maryland 20878 (301) 987-4000	Beth Israel Deaconess Medical Centre 330 Brookline Avenue Boston, Massachusetts, 02215 (617) 667-3690
<b>NEW YORK</b>	
<b>Franchisee</b>	<b>Location</b>
Johnathan Blob	240 Main Street



919-225-5363	White Plains, NY 10601, United States
<b>NORTH CAROLINA</b>	
<b>Franchisee</b>	<b>Location</b>
The Hutchens Group, Inc. James Hutches, John Hutchens 5010 Sentinel Post Road Charlotte, North Carolina 28226	BB&T Center, 200 S College St #312 Charlotte, NC 28202
<b>PENNSYLVANIA</b>	
<b>Franchisee</b>	<b>Location</b>
Aramark Food and Support Services Group, Inc. 1101 Market Street, 24 <sup>th</sup> Floor Philadelphia, Pennsylvania 19107	907-937A Market Street Philadelphia, Pennsylvania 19107 215-475-7944
<b>TEXAS</b>	
<b>Franchisee</b>	<b>Location</b>
I & I Restaurant Group, LLC Ifraan & Ibrahim Bhaidani 2047 Three Forks San Antonio, Texas 78258 210-274-4214	22026 North US Highway San Antonio, Texas 78258 210-714-3783
49 Millennial Eats, LLC Viralkumar Patel, Minaben Jalandhara 2901 Highgrove Court Colleyville, Texas 76034 682-249-9199	8704 Cypress Waters Boulevard, Suite 180 Irving, Texas 75063 469-351-5991
SH Food Group, LLC Sebastian Santos and Natalie Herman 3821 S Buckner Boulevard Dallas, Texas 75227	105-6635 Cowboys Way Frisco, Texas 75034 (972) 370-5796
Aramark Food and Support Services Group, Inc. 1101 Market Street, 24th Floor Philadelphia, Pennsylvania 19107	University of Houston 4790 Calhoun Road Houston, Texas 77004
<b>VIRGINIA</b>	
<b>Franchisee</b>	<b>Location</b>
Cast Enterprises, LLC Troy Matthews 12657 Lecomma Trace Milton, Georgia 30004 404-680-2623	111-1700 Willow Lawn Drive Richmond, Virginia 23230 (804) 223-8027

WASHINGTON DC	
Franchisee	Location
Melissa Barnes 575 Bellevue Way NE Bellevue, Washington 98004	575 Bellevue Way NE Bellevue, Washington 98004
Aramark Food and Support Services Group, Inc. Aramark Tower 1101 Market Street, 24 <sup>th</sup> Floor Philadelphia, Pennsylvania 19107	4400 Massachusetts Avenue NW Washington, DC 20016

**EXHIBIT J**  
**FRESHII DEVELOPMENT, LLC**  
**RENEWAL/ASSIGNMENT OF FRANCHISE DOCUMENTS**  
**RELEASE**

**THIS CONSENT TO RENEWAL/ASSIGNMENT OF FRANCHISE DOCUMENTS** (the "Release") is effective this \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_ (the "Effective Date"), by and among **FRESHII DEVELOPMENT, LLC** a Delaware limited liability company (the "Company"), and \_\_\_\_\_, a \_\_\_\_\_ ("Franchisee/Transferor").

**RECITALS:**

**WHEREAS**, Franchisee/Transferor and the Company entered into a certain Franchise Agreement dated as of \_\_\_\_\_, 20\_\_\_\_ (the "Franchise Agreement" and, together with all related documents and agreements, the "Franchise Documents") granting Franchisee/Transferor the right to operate a Freshii Restaurant at \_\_\_\_\_ (the "Restaurant") according to the terms of the Franchise Documents (all initial capitalized terms used but not defined in this Release shall have the meanings set forth in the Franchise Agreement); and

**WHEREAS**, Franchisee/Transferor wishes to renew or assign its interest in the Franchise Documents and the Restaurant, and all related rights; and

**WHEREAS**, the Franchise Agreement contains Franchisee's/Transferor's obligation to sign a release of claims in connection with any renewal of or transfer under the Franchise Documents; and

**WHEREAS**, the Company is willing to approve the renewal of or transfer under the Franchise Documents, as applicable (the "Transaction"), if, among other things, Franchisee/Transferor and its related parties agree to the terms of this Release; and

**WHEREAS**, Franchisee/Transferor and its related parties are willing to agree to the terms of this Release in order to obtain the Company's consent to the Transaction.

**NOW, THEREFORE**, in consideration of the mutual covenants and agreements contained in this Release and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. **Release of the Company Parties and Covenant Not to Sue.** Franchisee/Transferor, for itself and its affiliates, each of their respective owners (including, without limitation, each person listed under "Owners" on the signature page of this Release) (collectively, the "Owners"), officers, directors, partners, managers, employees, representatives and agents, and all of their respective successors, heirs, executors, administrators, personal representatives and assigns (collectively, the "Renewing/Transferring Parties"), hereby forever releases and discharges the Company, its predecessors, its and their affiliates, and all of their respective managers, officers, directors, owners, employees, agents, heirs, representatives, successors and assigns (collectively, the "Company Parties"), from any and all claims, damages, demands, causes of action, debts, costs, suits, duties, obligations, liabilities and agreements of any nature and kind whatsoever (collectively, "Claims") which any of the Renewing/Transferring Parties now has, ever had, or, but for this Release, hereafter would or could have against any of the Company Parties relating to or arising directly or indirectly in connection with any of the Renewing/Transferring Parties' rights or any of the Company Parties' obligations under the Franchise Documents, or otherwise relating to or arising directly or indirectly in connection with the relationship between any of the Renewing/Transferring Parties and any of Company Parties, at any time prior to the Effective Date, excepting only Claims arising under the Maryland Franchise Registration and Disclosure Law.

Franchisee/Transferor and the Owners, for themselves and the other Renewing/Transferring Parties, further covenant not to sue any of the Company Parties on any of the Claims released by this Section 1. Franchisee/Transferor and each of the Owners, jointly and severally, hereby represent and warrant to the Company Parties that: (a) each has full power and authority to sign this Release and bind all of the Renewing/Transferring Parties to its provisions; (b) none of the Renewing/Transferring Parties has assigned any of the Claims released by this Section 1 to any individual or entity who is not bound by this Section 1; and (c) the Owners collectively own all of the issued and outstanding shares of capital stock or other ownership interests in Franchisee/Transferor.

Franchisee/Transferor and the Owners acknowledge a familiarity with Section 1542 of the Civil Code of the State of California, which provides as follows:

**“A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release which, if known by him, must have materially affected the settlement with the debtor.”**

Each of the Renewing/Transferring Parties hereby waives and relinquishes every right or benefit which he, she, or it has under Section 1542 of the Civil Code of the State of California, and any similar statute under any other state or federal law, to the fullest extent that he, she, or it may lawfully waive such right or benefit. In connection with this waiver and relinquishment, with respect to the Claims released under this Release, each of the Renewing/Transferring Parties acknowledges that he, she, or it may hereafter discover facts in addition to or different from those which he, she, or it now knows or believes to be true with respect to the subject matter of this release, but that it is the parties' intention, subject to the terms and conditions of this Release, fully, finally and forever to settle and release all such Claims, known or unknown, suspected or unsuspected, which now exist, may exist or did exist, and, in furtherance of such intention, the releases given under this Release shall be and remain in effect as full and complete releases, notwithstanding the discovery or existence of any such additional or different facts

2. **Miscellaneous.**

(a) This Release, together with the other documents and agreements signed simultaneously with this Release in order to effect the Transaction, represents the entire agreement of the parties pertaining to the subject matter of this Release and supersedes all prior agreements, understandings and representations, whether oral or written.

(b) The Sections in the Franchise Agreement relating to enforcement of the Agreement, including, without limitation, the provisions relating to Arbitration, Governing Law and Consent to Jurisdiction, are incorporated in this Release by this reference as if fully stated here.

(c) The captions and headings are only for convenience of reference, are not a part of this Release, and will not limit or construe the provisions to which they apply. All references in this Release to the singular usage will be construed to include the plural and the masculine and neuter usages to include the other and the feminine. The obligations and liabilities of the Owners and Franchisee/Transferor to the Company shall be joint and several.

(d) This Release is binding upon and inures to the benefit of the Company, Franchisee/Transferor, the Owners and their respective successors, permitted assigns and legal representatives. This Release may be executed in multiple copies, each of which will be deemed an original.

(e) Each of the Company Parties will be deemed to be a third party beneficiary of this Release with an independent right to enforce it.

**IN WITNESS WHEREOF**, the parties have duly executed this Release on the day stated on page one.

**FRESHII DEVELOPMENT, LLC**

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

**FRANCHISEE/TRANSFEROR**

\_\_\_\_\_  
[Name]

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

**OWNERS**

\_\_\_\_\_  
[Name]

\_\_\_\_\_  
[Signature]

\_\_\_\_\_  
Name

\_\_\_\_\_  
Signature

**EXHIBIT K**  
**FRESHII DEVELOPMENT, LLC**  
**SAMPLE LETTER OF INTENT**



DATE

NAME

ADDRESS 1

ADDRESS 2

CITY, STATE, ZIP CODE

TELEPHONE: (XXX.XXX.XXX)

Dear NAME(S)]:

Thank you very much for your interest in becoming a franchisee partner with Freshii. Below, please find the business points to your franchise agreement with us. Please read this document and acknowledge below that you are in agreement to these business terms and conditions.

Franchisee: INDIVIDUAL NAME(S) (CORPORATION TO BE FORMED AT A LATER DATE)

Development Area: [MARKET AREA].

The specific trade area will be determined within forty-five (45) days of completion of the Franchise Agreement.

Number of Units: [NUMBER OF UNITS]

Fees Due Upon Signing: \$[FEE AMOUNT], plus applicable taxes will be applied.

Development Schedule: \_\_\_\_\_ ( ) months from date of Franchise Agreement.

Closing/Expiration Date: [EXPIRATION DATE]\_\_\_\_\_ (initial to accept date)

You recognize and acknowledge that you may have access to certain confidential information not generally known to the public relating to the products, sales or business of Freshii (“Confidential Information”). You recognize and acknowledge that this Confidential Information constitutes a valuable, special and unique asset of Freshii Development, LLC. You acknowledge and agree that all such Confidential Information is and shall remain the exclusive property the Freshii Development, LLC. Additionally you agree that, except as directed by Freshii Development, LLC, that you will not at any time use or disclose to any person for any purpose any Confidential Information, or permit any person to use, examine and/or make copies of any documents, files, data or other information sources which contain or are derived from Confidential Information, whether prepared by or otherwise coming into the Franchisee’s possession or control, without the prior written permission of Franchisor.

This document is created exclusively to demonstrate your intent to develop Freshii restaurants. Upon signing this document and paying a non-refundable \$5,000 fee (“LOI Fee”), we are setting forth the framework of your deal and reserving your place in order to select your markets. However, after the agreed upon expiration date, all offers regarding this matter shall be rescinded and the territory shall be released.

AGREED AND ACCEPTED:

**FRESHII DEVELOPMENT, LLC**

**FRANCHISEE**

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

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

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

### State Effective Dates

The following states have franchise laws that require that the Franchise Disclosure Document be registered or filed with the states, or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin.

This document is effective and may be used in the following states, where the document is filed, registered, or exempt from registration, as of the Effective Date stated below:

State	Effective Date
California	Pending
Illinois	Pending (exempt)
Indiana	(exempt)
Maryland	<i>Pending</i>
Michigan	<i>Pending</i>
Minnesota	<i>Pending</i>
New York	June 6, 2018 (exempt)
North Dakota	July 21, 2023
Rhode Island	June 22, 2023
South Dakota	June 20, 2023
Virginia	Pending
Washington	Pending
Wisconsin	Pending

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.



**ITEM 23**  
**RECEIPT**

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If Freshii Development, LLC offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale. New York requires that we give you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. Michigan requires that we give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If Freshii Development, LLC does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the appropriate state agency identified on Exhibit A.

The franchisor is Freshii Development, LLC, located at 27 North Wacker Drive, Suite 426, Chicago, Illinois 60606. Its telephone number is (312) 863-2151.

Issuance date: **May 19, 2023**

The name, principal business address, and telephone number of each franchise seller offering the franchise are as follows:

Shawn Saraga, 27 North Wacker Drive, Suite 426; Chicago, Illinois 60606, +1 (416) 712-5526

Freshii Development, LLC authorizes the respective parties identified on Exhibit A to receive service of process for us in the particular state.

I received a disclosure document from Freshii Development, LLC dated as of \_\_\_\_\_, that included the following Exhibits:

- A. List of State Agencies/Agents for Service of Process
- B. Area Development Agreement
- C. Multi-Unit Site Selection Agreement
- D. Franchise Agreement
- E. Operations Manual Table of Contents
- F. Financial Statements
- G. State-Specific Additional Disclosures and Riders
- H. List of Franchisees
- I. List of Franchisees Who Have Left the System
- J. Renewal/Assignment of Franchise Documents Release
- K. Sample Letter of Intent

\_\_\_\_\_  
Date

\_\_\_\_\_  
Prospective Franchisee [Print Name]

(Date, Sign, and Return to Us)

\_\_\_\_\_  
Prospective Franchisee [Signature]

You may return the signed receipt by signing, dating and mailing it to Freshii Development, LLC at 27 North Wacker Drive, Suite 426, Chicago, Illinois 60606.

**ITEM 23**  
**RECEIPT**

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If Freshii Development, LLC offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale. New York requires that we give you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. Michigan requires that we give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If Freshii Development, LLC does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the appropriate state agency identified on Exhibit A.

The franchisor is Freshii Development, LLC, located at 27 North Wacker Drive, Suite 426, Chicago, Illinois 60606. Its telephone number is (312) 863-2151.

Issuance date: **May 19, 2023**

The name, principal business address, and telephone number of each franchise seller offering the franchise are as follows:

Shawn Saraga, 27 North Wacker Drive, Suite 426; Chicago, Illinois 60606, +1 (416) 712-5526

Freshii Development, LLC authorizes the respective parties identified on Exhibit A to receive service of process for us in the particular state.

I received a disclosure document from Freshii Development, LLC dated as of \_\_\_\_\_, that included the following Exhibits:

- A. List of State Agencies/Agents for Service of Process
- B. Area Development Agreement
- C. Multi-Unit Site Selection Agreement
- D. Franchise Agreement
- E. Operations Manual Table of Contents
- F. Financial Statements
- G. State-Specific Additional Disclosures and Riders
- H. List of Franchisees
- I. List of Franchisees Who Have Left the System
- J. Renewal/Assignment of Franchise Documents Release
- K. Sample Letter of Intent

\_\_\_\_\_  
Date

\_\_\_\_\_  
Prospective Franchisee [Print Name]

\_\_\_\_\_  
(Date, Sign, and Return to Us)

\_\_\_\_\_  
Prospective Franchisee [Signature]

You may return the signed receipt by signing, dating and mailing it to Freshii Development, LLC at 27 North Wacker Drive, Suite 426, Chicago, Illinois 60606.