Form A – Uniform Franchise Registration Application

UNIFORM FRANCHISE REGISTRATION APPLICATION

File No. ____________________
(Insert file number of immediately preceding filing of Applicant)

State: Wisconsin

Fee: $400.00

APPLICATION FOR (Check only one):

X **INITIAL REGISTRATION OF AN OFFER AND SALE OF FRANCHISES**

____ **RENEWAL APPLICATION OR ANNUAL REPORT**

____ **PRE-EFFECTIVE AMENDMENT**

____ **POST-EFFECTIVE MATERIAL AMENDMENT**

1. **Full legal name of Franchisor:** Project Lean Nation Franchising, Inc.

2. **Name of the franchise offering:** Project LeanNation

3. **Franchisor's principal business address:** 14 Franklin Street, Suite 1403
Rochester, New York 14604

4. **Name and address of Franchisor's agent in this State authorized to receive service of process:** Department of Financial Institutions
Division of Securities
345 West Washington Avenue
4th Floor
Madison, WI 53703
(608) 266-3364

5. **The states in which this application is or will be shortly on file:**

New York, Utah, Connecticut, Texas, Hawaii, Kentucky, Michigan, Maryland, Maine, Nebraska, Florida, Georgia, Minnesota, Illinois, California, Wisconsin, Indiana, North Dakota, South Dakota, Washington, North Carolina, South Carolina, Rhode Island, and Virginia.

6. **Name, address, telephone and facsimile numbers, and e-mail address of person to whom communications regarding this application should be directed:**

Brett E. Dawson, Esq.
1844 Penfield Road
Penfield, New York 14526
P: (585) 381-8240
F: (585) 348-9052
bdawson@dlfpc.com

Certification

I certify and swear under penalty of law that I have read and know the contents of this application, including the Franchise Disclosure Document with an issuance date of January 24, 2025 **attached as an exhibit, and that all material facts stated in all those documents are accurate and those documents do not contain any material omissions. I further certify that I am duly authorized to make this certification on behalf of the Franchisor and that I do so upon my personal knowledge.**

Signed at Penfield, New York, February 18, 20 25

Franchisor:

Project Lean Nation Franchising, Inc.

By: ______________________

Name: Tim Dougherty

Title: President

LINDA M BREWER
NOTARY PUBLIC, STATE OF NEW YORK
Registration No. 01BR6387926
Qualified in Ontario County
Commission Expires February 25, 2027

Form C – Uniform Franchise Consent to Service of Process

UNIFORM FRANCHISE CONSENT TO SERVICE OF PROCESS

Project Lean Nation Franchising, Inc., a corporation organized under the laws of New York "Franchisor"), irrevocably appoints the officers of the States designated below and their successors in those offices, its attorney in those States for service of notice, process or pleading in an action or proceeding against it arising out of or in connection with the sale of franchises, or a violation of the franchise laws of that State, and consents that an action or proceeding against it may be commenced in a court of competent jurisdiction and proper venue within that State by service of process upon this officer with the same effect as if the undersigned was organized or created under the laws of that State and had lawfully been served with process in that State. We have checked below each state in which this application is or will be shortly on file, and provided a duplicate original bearing an original signature to each state.

______ California: Commissioner of Corporations

______ Hawaii: Commissioner of Securities

______ Illinois: Attorney General

______ Indiana: Secretary of State

______ Maryland: Securities Commissioner

______ Minnesota: Commissioner of Commerce

______ New York: Secretary of State

______ North Dakota: Securities Commissioner

______ Rhode Island: Director, Department of Business Regulation

______ South Dakota: Director of the Division of Securities

______ Virginia: Clerk, Virginia State Corporation Commission

______ Washington: Director of Financial Institutions

X Wisconsin: Administrator, Division of Securities, Department of Financial Institutions

Please mail or send a copy of any notice, process or pleading served under this consent to:

Project Lean Nation Franchising, Inc.
14 Franklin Street, Suite 1403
Rochester, New York 14604

Dated: February 18, 2025.

Franchisor:

Project Lean Nation Franchising, Inc.

By: ______________________

Name: Tim Dougherty

Title: President

LINDA M BREWER
NOTARY PUBLIC, STATE OF NEW YORK
Registration No. 01BR6387926
Qualified in Ontario County
Commission Expires February 25, 2027

FRANCHISE DISCLOSURE DOCUMENT

Project Lean Nation Franchising, Inc.
14 Franklin Street, Suite 1403, Rochester, New York 14604
Phone number: (585) 705-8887
E-Mail: **tim@projectleannation.com**
Website: www.projectleannation.com

Project Lean Nation Franchising, Inc. offers franchises for the operation of a Project LeanNation business that is the establishment, development and operation of facilities offering innovative healthy prepared meals that focus on the principles of advanced nutrition available for retail and subscription and business methods. The total investment necessary to begin operation of a single Project LeanNation franchise ranges from $237,500 - $354,000**.** This includes an initial Franchise Fee in the amount of $60,000 that must be paid to us.

If you have been granted the right to open multiple franchises and entered into an Area Development Agreement with the Franchisor then the total investment necessary to begin operation of your Project LeanNation franchise will range from $312,500 - $711,500 per location, and will include an initial Franchise Fee in the amount of $135,000 for three (3) franchise locations.

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 government agency has verified the information contained in this document**.

You may wish to receive your Disclosure Document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact the franchisor at 14 Franklin Street, Suite 1403, Rochester, New York 14604 or by phone at (585) 705-8887.

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 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 (the "FTC"). You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, DC 20580. You can also visit the FTC's home page at *www.ftc.gov* for additional information. Call your state agency or visit your public library for other sources of information on franchising.

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

Issuance Date: January 24, 2025.

How to Use This Franchise Disclosure Document

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

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

What You Need To Know About Franchising *Generally*

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

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

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

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

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

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

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

Some States Require Registration

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

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

Special Risks to Consider About *This* Franchise

1. Out-of-State Dispute Resolution. The franchise agreement requires you to resolve disputes with the franchisor by mediation, arbitration, and/or litigation only in New York. Out-of-State mediation, arbitration and/or litigation may force you to accept a less favorable settlement for disputes. It may also cost you more to mediate, arbitrate, or litigate with the franchisor in New York than your own.

2. You must make minimum advertising, and other payments, regardless of your sales levels. Your inability to make the payments may result in termination of your franchise and loss of your investment.

3. The Franchisor's financial condition, as reflected in its financial statements (see item 21), may call into question the Franchisor's financial ability to provide services and support to you.

4. The Franchisor is at an early stage of development and has a limited operating history. This franchise could be a riskier investment than a franchise in a system with a longer operating history.

5. There is a Minimum Monthly Gross Sales Quota that the franchisee must meet (as set forth in Section 8.11 of the Franchise Agreement), failure to meet the Minimum Monthly Gross Sales Quota may result in the termination of the Franchise Agreement.

6. There may be other risks concerning the franchise.

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THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS AND AFFILIATES

To simplify the language in this Disclosure Document, "we", "us" and "the Company" mean Project Lean Nation Franchising, Inc. - the franchisor. "You" means the person who buys a Project LeanNation - the franchisee, and includes your partners if you are a partnership, your shareholders if you are a corporation, and your members if you are a limited liability company. Your "Location" means the location that you will operate if we grant you a Project LeanNation franchise.

Corporate Information - Franchisor

Project LeanNation Franchising, Inc. is a New York corporation formed on October 15, 2020. We maintain our principal place of business at 14 Franklin Street, Suite 1403, Rochester, New York 14604. We do not do business under any name other than "Project LeanNation Franchising, Inc." and our trade name, "Project LeanNation". Our agent for service of process is disclosed in Exhibit "B" to this Disclosure Document. If you purchase a Project LeanNation franchise, you will execute a franchise agreement with us (the "Franchise Agreement"), the form of which is attached to this Disclosure Document as Exhibit "C."

Business History

We began offering Project LeanNation franchises in 2021. We are not engaged in any business other than the offering of Project LeanNation franchises, except for operating company stores for same. We have never offered franchises in any other line of business.

Our Parents, Affiliates and Predecessors

We do not have any parent companies, affiliates or predecessors other than the following:

(1) Lean Life Manufacturing, Inc. – Lean Life Manufacturing, Inc. is a New York corporation partially owned by Tim Dougherty (Our sole shareholder) and is used as the manufacturer of our prepackaged meals.

(2) Project LeanNation, Inc. – Project Lean Nation, Inc. is a New York corporation owned in the majority by Tim Dougherty (Our sole shareholder) and currently operates a Project LeanNation location in Rochester, New York, and licenses the tradename Project LeanNation to us.

Description of Franchised Business

We grant franchises to operate locations offering health consultations and healthy prepared meals both retail and as a subscription service under the "Project LeanNation" name (the "System"). We offer franchises to franchisees that operate preexisting healthy prepared meals businesses as well as franchisees that have no prior experience in operating a healthy prepared meal business. We will show you how to operate a healthy prepared meal business that provides a variety of goods, such as health consultations, a variety of plans for prepared foods, protein bars, protein shakes and apparel for use in the Location utilizing the System (your "Franchised Business"). Some of this information will be provided by us during the initial training program. We will grant you a sublicense to use certain trademarks, service marks, logos and trade names, including the Project LeanNation name (collectively, the "Marks") in connection with the operation of your Franchised Business. The operational aspects of a Project LeanNation franchise are contained within the confidential Operating Manual (the "Manual"). You will operate your Project LeanNation franchise as an independent business using the Marks, the System, the Project LeanNation name, as well as the support, guidance and other methods and materials provided or developed by us. You will offer and provide Project

LeanNation goods/services to the general public under the terms and conditions contained within the Franchise Agreement and the Manual. You may offer no other goods or services in conjunction with the System or the Marks without our prior written approval.

Market and Competition

The market for healthy prepared meals currently exists. If you operate a Project LeanNation franchise, your competition will primarily consist of other local and national brands that offer the same or similar goods and services, including healthy prepared meals that are affiliated with other national franchise systems. You will also compete with independent retail locations or subscription services that offer healthy prepared meals and individuals that operate retail locations or subscription services for healthy prepared meals on their own behalf.

Laws and Regulations

You must comply with all federal, state and local laws and regulations relating to the operation of your Franchised Business. Most states have a regulatory agency that regulates the activities of restaurants, and you must comply with any rules or regulations issued by such regulatory agencies. There may be other federal, state and/or local laws or regulations pertaining to your Franchised Business, including, but not limited to food safety laws, with which you must comply. You may wish to investigate these laws before buying a Project LeanNation franchise.

ITEM 2. BUSINESS EXPERIENCE

Franchisor – Project Lean Nation Franchising, Inc.

Tim Dougherty: President and Chief Executive Officer and Director

Tim Dougherty has been the President and sole shareholder in Project Lean Nation Franchising, Inc. since October 15, 2020. Mr. Dougherty has been the President and majority shareholder in Project Lean Nation, Inc. since July 3, 2012. Mr. Dougherty has been the Treasurer and a shareholder in Lean Life Manufacturing, Inc. since August 5, 2016.

Chris Kennedy: Vice President of Operations

Chris Kennedy has been the Vice President of Operations from February 2023 until present. He is committed to driving the operational success and growth of Project LeanNation franchises in current markets. As Vice President of Operations, Chris focuses on critically evaluating and improving the business model to enhance profitability and efficiency across the network. He strengthens training and support systems to ensure franchisees are well-prepared for success while maintaining compliance with franchise standards. His efforts center on leveraging PLN's mission to create growth and consistency across all locations. From 2022 – Present Chris has also been a principal at CK Consulting Strategies, and from 2019 to 2022 he worked at Subway World Headquarters as a Sr. Director of Non-Traditional Business / New Business Development.

Leslie Dougherty: Director of Unit Operations

Leslie Dougherty was an Operations Manager for Project LeanNation from May 2016 until October 15, 2020 and a Director of Unit Operations from October 15, 2020 until present. Leslie provides operational support and business coaching to facilitate business management and planning, measurement of key performance indicators, annual goal setting, and problem remediation.

Brandon Hudson: Director of Growth Technology

Brandon Hudson has served as the Director of Growth Technology from January 2022 until present. He focuses on leveraging innovative technological solutions to promote superior client and franchise partner experiences. His role involves leading, managing, and advancing systems that drive efficiency, enhance engagement, and support growth for both partners and clients. Brandon is committed to implementing cutting-edge tools and platforms that align with Project LeanNation's mission to streamline operations and uphold the brand's standards of excellence. From February 2021 to February 2023 Brandon was an Engineering Lead, for GrowthCloud at Emerging 1, Inc. D/B/A Emerge, and from March 2020 to February 2021 he was Head of Product at CurAegis Technologies.

Pete Eodice: Marketing Coordinator

Pete Eodice has served as the Marketing Coordinator from December 2023 until present. He is responsible for the development and execution of marketing strategies and campaign distribution to the Project LeanNation community and franchise partners. Pete's unique role involves further developing the aspirational voice of the PLN brand, crafting communications that inspire and inform. His goal is to deliver messages that reflect PLN's values and emphasize the commitment to helping members achieve their goals, creating a meaningful impact across the network. Prior to working at Project LeanNation Pete worked as a marketing coordinator for Tango Charlie Apparel from 2020 to 2023.

Matthew Noto: Director of Finance & Compliance

Matthew Noto has been the Director of Finance and Compliance from January 2022 until present. He specializes in providing individualized financial clarity to franchise partners while aiming to enhance profitability and sustainability across the Project LeanNation system. His expertise lies in analyzing system economics, generating valuable reports, and supporting decision-making processes. Matthew ensures compliance with the Franchise Disclosure Document (FDD) and Franchise Agreement (FA), striving to create long-term financial stability for franchisees and the communities they serve. Prior to working at Project LeanNation Matt worked at Project LeanNation Rochester, Inc as a key lead from August 2021 to August 2023. Prior to that Matthew worked at Bryant Accounting Services as a CPA from May 2019 until August 2021.

Jake Torcello: Director of Product Innovation

Jake Torcello has been the Director of Product Innovation from October 2020 until present. He leads innovation, development, and execution for all Project LeanNation products. As the Director of Product Innovation, Jake oversees meal ideation, manufacturing, sourcing, packaging, client services, and the national supply chain and logistics. His role focuses on delivering exceptional products that empower franchise partners and their teams to serve clients confidently. Jake's dedication ensures that PLN's meals—its core offering—are consistently of the highest quality to drive member success. Jake is also an owner of one of our approved suppliers Lean Life Manufacturing, Inc.

Franchise Broker - Limitless Franchise Growth, LLC

Limitless Franchise Growth, LLC is an Arizona limited liability company that started providing franchise broker and consulting services to Franchisor in December 2024. Limitless provides sales, promotional, marketing and advertising services to franchisor

ITEM 3. LITIGATION

Litigation - Franchisor

No litigation is required to be disclosed in this Disclosure Document.

ITEM 4. BANKRUPTCY

Bankruptcy - Franchisor

No person previously identified in Items 1 or 2 of this Disclosure Document (who is associated with us) has been involved as a debtor in proceedings under the U. S. Bankruptcy Code required to be disclosed in this Item.

ITEM 5. INITIAL FEES

Franchise Fee. Under the Franchise Agreement, you will pay a nonrefundable Initial Franchise Fee to Project Lean Nation Franchising, Inc. of $60,000 for your first Project LeanNation Location. The Initial Franchise Fee is payable in a lump sum when the Franchise Agreement is signed. The Initial Franchise Fee shall be used by us for general operating expenses. The Initial Franchise Fee is uniform for all Franchisees purchasing a single Franchise through this Franchise Disclosure Document. We have no intention, now or in the future, of reducing the Initial Franchise Fee for any prospective Franchisee, except through participation in our Area Development Program, although we reserve the right to do so in our sole discretion on a case-by-case basis. We reserve the right to reduce the Initial Franchise Fee for our affiliates. Except as provided for below, the Initial Franchise Fee is not refundable under any circumstances.

You must open the location for business no later than nine (9) months after the Franchise Agreement is signed. If you fail to open a location within the required time period, we may terminate the Franchise Agreement or, at our election, may eliminate any designated Territory protection afforded in the Franchise Agreement.

Franchise Fee for Area Development Programs. The minimum number of franchise rights for franchise locations you can obtain as part of our Area Development Program is three (3).Your Franchise Fee for the Franchised Locations under the Area Development program will depend on the number of Locations you commit to develop and open within the Development Area, and is calculated as follows: (i) $45,000 per Location if you agree to open and operate between three and five Locations; (ii) $40,000 per Location if you agree to open and operate between six and nine Locations; and (iii) $35,000 per Location if you agree to open and operate 10 or more Locations. The full Franchise Fee for the Franchised Locations under the Area Development Program is due at the time of signing the Area Development Agreement.

Estimated Initial Inventory Amount. Pursuant to Section 8.3 of the Franchise Agreement, you are required to maintain a certain minimum level of inventory at your Location. We estimate that you will spend between $2,000 - $3,000 on initial supplies of forms, corporate identification materials, and uniforms that you will purchase from Project Lean Nation Franchising, Inc. or other approved sources.

We also estimate that you will spend between $6,000 - $8,000 to cover the opening inventory needs for the first month of operation. Opening inventory reflects the cost of consumable inventory items such as food products, paper goods, etc… necessary on opening day. At the time your Franchised Business opens, you must stock and display where applicable the initial inventory of products, accessories, equipment, and supplies required by us in the Operations Manual(s) or otherwise in writing. You must then stock and maintain all types of products in quantities sufficient to meet reasonably anticipated customer demand.

ITEM 6. OTHER FEES

The table below describes fees and payments that are payable to us, or imposed by us on behalf of a third party, relating to the operation of your business, after you pay the initial franchise fee:

TYPE OF FEE (Note 1)	AMOUNT	DUE DATE	REMARKS
Royalty Fees	7% of Gross Sales	Due on the 5th of the month by Electronic Funds Transfer for the preceding month.	See Franchise Agreement for complete definition of Royalty Fee.
Local Advertising and Advertising Fund Fee	Local: 1% of gross sales per year. Advertising Fund: 2% of gross sales per month	As incurred Advertising Fund: Due on the 5th of the month by Electronic Funds Transfer for the preceding month.	You are required to make local advertising expenditures as required by Article 13.3 of the Franchise Agreement. You determine the form and media, subject to our prior approval. You are required to pay a contribution required by Article 6.3 of the Franchise Agreement.
Technology Fee	$350	Due on the 1st of the month by Electronic Funds Transfer for the preceding month, beginning on the 1st of the month following your opening date.	

(1) All royalties and fees are due by the 5th of the month following the close of the month.

(2) All fees are imposed by and are payable to Project Lean Nation Franchising, Inc. All fees are non-refundable.

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Name of Fee	Amount	Due Date	Remarks
Advertising Deficiency	Amount of Local Advertising Deficiency	Immediately upon demand	If you fail to make local advertising expenditures, we may spend the minimum required amount on your behalf and you will reimburse us for those expenditures.
Payments for supplies or inventory	Varies depending upon need	As and when due. Paid to us or approved third party approved suppliers.	All payments to us are made by EFT.
Renewal Fee	20% of the then current Initial Franchise Fee (but not to exceed $15,000)	Prior to renewal	Payable when, and if, you renew your Franchise Agreement. There other conditions to renew (see item 17(c) of this Disclosure Document).
Transfer/ Assignment Fee	25% of the then current Initial Franchise Fee (but not to exceed $15,000)	Prior to consummation of the transfer or sale	Payable when, and if, you transfer or sell your Franchise. There other conditions to transfer (see item 17(l)-17(n) of this Disclosure Document).
Late Payment Fees	Up to the highest rate permitted by law but no more than 26.82% per annum plus $50 per occurrence	Immediately on demand	Payable if any of your payments to us are late.
Insufficient Funds Fee	$100 per occurrence	Immediately on demand	Payable if any of your payments to us are not honored by your financial institution.
Late Report Fee	$100 per occurrence	Immediately on demand	We may require you to pay us $100 each time you fail to submit to us any required reports or information.
Audit Expenses	Will vary with circumstances. Payable only if our audit shows an understatement of at least 5% of Gross Sales.	Immediately on demand	If you understate Gross Sales by 5% or more, you must reimburse us for our actual costs incurred in conducting the audit, including, without limitation, attorney's fees, accountant's fees, travel expenses, and compensation for our employees.
Training Fees for additional employees, managers and general managers	$200 per day	As and when due. Paid to us or approved third party approved suppliers.	You are responsible for all travel, room and board, and salary expense.
Optional on-going training for self or other employees	Reasonable Training Fee and expenses	As and when due. Paid to us or approved third party approved suppliers.	You are responsible for all travel, room and board, and salary expense.
Annual Conference or Conferences (if any)	Cost of the conferences	A minimum of thirty days prior to the annual conference.	You are responsible for all travel, room and board, and salary expense. If we require you to attend a conference or other meeting, you may have to pay a fee.

Annual Inspection fee	$450-$1,000	Once per year as invoiced	See Note 3
Additional Training and inspections due to Failure to Maintain Standards	Will vary depending on the circumstances	As incurred	See Note 3
Counseling and Advisory Services	Will vary depending on the circumstances	As incurred	See Note 4
Indemnification and Defense	Will vary under the circumstances	As incurred	You must reimburse us if we are held liable for damages or other relief related to the operation of your business
Replacement of Operations Manual(s)	$500.00 plus shipping costs	Within 15 days of invoice.	Franchisee must pay Franchisor a fee of $500.00 plus all shipping expenses, or such lesser amount as Franchisor may charge in Franchisor's sole and absolute discretion. If the loss, in Franchisor's reasonable opinion, is attributable to the Franchisee's breach of the Franchise Agreement, Franchisor may also elect to terminate the Franchise Agreement.
Payments for supplies, menu management updates, inventory or product purchases	Will vary under the circumstances	As incurred	All payments to us are made by EFT.

The following notes, accompany the Item 6 Disclosures

Except as we indicate in the item six chart, you make all payments to us, and payments are not refundable.

NOTE 1. Unless this Franchise Disclosure Document specifically provides otherwise, all fees are imposed by and payable to us and are non-refundable. See Item 8 of this Franchise Disclosure Document for information concerning your obligation to purchase products from our affiliates, or us or under our specifications or standards. See Item 9 of this Franchise Disclosure Document for information concerning your principal obligations under the Franchise Agreement.

NOTE 2. "Gross Sales" for any period means the entire amount of sales or revenue whether for cash, credit, charge, barter, time basis or otherwise, with respect to the operation of the Franchised Business and all other receipts whatsoever from all business conducted upon or originating from within or outside the Territory.

The performance of services or the sale of goods is considered "revenue" when services have been completed or goods provided to entitle the Franchisee to payment for those services or goods. Gross Sales will not include:

i) any government tax, provided the amount of the tax is added to the selling price, the amount is expressly charged to the customer, a specific record is made at the time of each sale of the amount of the tax, and the tax is paid over to the appropriate taxing authority;

ii) receipts which arise from the disposition of damaged, obsolete or otherwise unusable fixed assets;

iii) the amount of refunds, allowances or discounts to customers (including coupon sales) up to 5% of the Gross Sales, provided the related sales have previously been included in Gross Sales; and

iv) uncollectible or uncollected receivables.

NOTE 3. We have a right to inspect your store for compliance, and if we notify you in writing that you have failed to maintain standards at the store and fail to cure the failure within 10 days, we have the right to assign trainers to your store, and you have to reimburse us for the trainer's salaries, travel, living expenses, and other related expenses. You will pay an annual inspection fee, and a reasonable fee for any additional inspections required as a result of your failure to comply to standards at the original inspection.

NOTE 4. Normally, there is no fee for these services, which are provided by telephone or at our offices, unless you require unusual, extensive, or extraordinary assistance. If so, we have the right to charge you a reasonable fee.

NOTE 5. Other Charges and Service Fees. The Project LeanNation System is developing and there may be other charges and service fees that may be assessed to you by either us or vendors in connection with the existing components of the Project LeanNation System or the addition of modified or new components to the Project LeanNation system. You must pay all other charges and service fees in a timely manner.

NOTE 6. Insurance Policies. We define the types and minimum insurance coverage that you must carry. We make no representation that the coverage will be sufficient for your business or purposes. You need to evaluate if your business requires greater coverage or other types of insurance. Our minimum, mandatory insurance requirements are:

a. employer's liability and workers' compensation insurance as designated by law;

b. comprehensive general liability insurance covering the operation of the Franchised Business in an amount not less than $1,000,000.00;

c. property coverage to the amount of the full insurable value of all of the Franchisee's property of every kind on an "all risks" basis, including coverage for conventional loss due an insured peril;

d. errors and omissions insurance;

e. business interruption insurance;

f. liability insurance covering malicious acts of the Franchisee and the agents and employees of the Franchisee, including acts of sexual harassment or assault, and other forms of abusive or improper conduct;

g. owned and non-owned motor vehicle coverage;

h. personal injury coverage in an amount not less than $1,000,000.

i. Workers' compensation insurance, or a similar policy if the Franchisees business is located in a non-subscriber state, covering all of its employees as is required by law; and

j. Comprehensive crime and blanket employee dishonesty insurance in an amount of not less than $25,000.

In the event that the Franchisor has arranged for the provision of any such insurance through a carrier common to franchisees of the System, then the Franchisee will procure all required coverage from that carrier or like insurance coverage from an insurance company with an A or better rating from A.M. Best.

Franchisee agrees that Franchisor shall be named as an additional insured under each of the foregoing insurance policies. Prior to the opening of the retail store location and, thereafter, at least 30 days prior to the expiration of any such policy or policies, Franchisee shall deliver to Franchisor certificates of insurance evidencing the proper coverage with limits not less than those required hereunder, and all such certificates shall expressly contain endorsements requiring the insurance company to give Franchisor at least 30 days written notice in the event of material alteration to termination, non-renewal, or cancellation of, the coverage's evidenced by such certificates.

Franchisee is to give Franchisor notice of any claim filed under such policy within 30 days after the filing of such claim where it may reasonably in the best interest of the Franchisor to be aware of such claim.

We may periodically modify, all minimum amounts to reflect inflation, general industry standards or our future experience with claims. For additional conditions applicable to mandatory insurance, see Article 14 of the Franchise Agreement.

ITEM 7. ESTIMATED INITIAL INVESTMENT

ESTIMATED INITIAL INVESTMENT FOR A SINGLE LOCATION

Item Description	Estimated Cost	Method of Payment	When Due	To Whom Payment Is To Be Made
Initial Franchise Fee for single location (see Note 1)	$60,000	Lump Sum	Upon signing the Franchise Agreement	Us
Real Estate Rent – 1ST Month	$3,000 - $5,000 (See Note 2)	As arranged	As arranged	Landlord
Security Deposit(s) (See Note 4)	$0 - $5,000	As arranged	As arranged	Landlord, utilities, govt. agencies
Leasehold Improvements (See Note 3)	$50,000-$100,000	As Arranged	Prior to Opening	Landlord, Contractors

Real Estate Project Management Fee (See Note 13)	$10,000	As Arranged	Prior to Opening	Approved Supplier/Contractor
Construction Project Management Fee (See Note 14)	$0 - $10,000	As Arranged	Prior to Opening	Approved Supplier/Contractor
Furnishings, Fixtures, and Decorating (See Note 5)	$4,000 - $6,000	As Arranged	Prior to Opening	Us, Suppliers or Contractors
Signage (See Note 6)	$5,000 - $10,000	As Arranged	Prior to Opening	Us or Suppliers
Training (See Note 7)	$1,000 - $2,000	As arranged	As Arranged	Hotel, Restaurant Airlines (Service Providers)
Equipment and supplies acquired locally (See Note 8)	$47,000- $67,000	As arranged with supplier	As per terms of purchase	Approved Supplier
Computer System/POS	$2,000-$3,000	As arranged with supplier	As per terms of purchase	Approved Supplier
Initial Inventory, supplies, packaging, uniforms and corporate identity materials (See Note 9)	$2,000- $3,000	Lump Sum	As per terms of invoice	Us and/or Approved Supplier
Initial inventory of products for resale (see Note 10)	$6,000-$8,000	Lump sum	As per terms of invoice	Us and/or Approved Supplier
SBA fees and other financing costs (See note 11)	$0 - $10,000	Lump sum	As per terms of Agreement	Bank or financing source
Additional Operating funds – 3 months (See Note 15)	$25,000	Lump sums	As needed	Various
Professional Fees	$4,000- $10,000	As Arranged	Prior to Opening and Ongoing	Your Accountants, Lawyers, Real Estate Broker, Architect
Pre-Opening Marketing	$15,000	As Arranged	As Incurred	Us and/or Approved Supplier
Business Licenses	$500-$1,000	As Required	As Incurred	Required Agencies
Insurance (See Note 12)	$3,000 - $4,000	As Arranged	As Incurred	Insurance Providers
Total Estimated Initial Investment (See Notes)	**$237,500 - $354,000**			

ESTIMATED INITIAL INVESTMENT PER LOCATION UNDER FRANCHISE DEVELOPMENT AGREEMENT:

Item Description	Estimated Cost	Method of Payment	When Due	To Whom Payment Is To Be Made
Initial Franchise Fee under Area Development	$135,000 (for 3 locations) - $350,000 (for 10 locations)	Lump Sum	Upon signing the Franchise Agreement	Us

Agreement (see Note 1)				
Real Estate Rent – 1ST Month	$3,000 - $5,000 (See Note 2)	As arranged	As arranged	Landlord
Security Deposit(s) (See Note 4)	$0 - $5,000	As arranged	As arranged	Landlord, utilities, govt. agencies
Leasehold Improvements (See Note 3)	$50,000-$100,000	As Arranged	Prior to Opening	Landlord, Contractors
Real Estate Project Management Fee (See Note 13)	$10,000 - $77,500 ($10,000 for 1st location $7,500 each for every additional location)	As Arranged	Prior to Opening	Approved Supplier/Contractor
Construction Project Management Fee (See Note 14)	$0 - $10,000	As Arranged	Prior to Opening	Approved Supplier/Contractor
Furnishings, Fixtures, and Decorating (See Note 5)	$4,000 - $6,000	As Arranged	Prior to Opening	Us, Suppliers or Contractors
Signage (See Note 6)	$5,000- $10,000	As Arranged	Prior to Opening	Us or Suppliers
Training (See Note 7)	$1,000 - $2,000	As arranged	As Arranged	Hotel, Restaurant Airlines (Service Providers)
Equipment and supplies acquired locally (See Note 8)	$47,000-$67,000	As arranged with supplier	As per terms of purchase	Approved Supplier
Computer System/POS	$2,000-$3,000	As arranged with supplier	As per terms of purchase	Approved Supplier
Initial Inventory, supplies, packaging, uniforms and corporate identity materials (See Note 9)	$2,000- $3,000	Lump Sum	As per terms of invoice	Us and/or Approved Supplier
Initial inventory of products for resale (see Note 10)	$6,000-$8,000	Lump sum	As per terms of invoice	Us and/or Approved Supplier
SBA fees and other financing costs (See note 11)	$0 - $10,000	Lump sum	As per terms of Agreement	Bank or financing source
Additional Operating funds – 3 months (See Note 15)	$25,000	Lump sums	As needed	Various
Professional Fees	$4,000-$10,000	As Arranged	Prior to Opening and Ongoing	Your Accountants, Lawyers, Real Estate Broker, Architect
Pre-Opening Marketing	$15,000	As Arranged	As Incurred	Us and/or Approved Supplier
Business Licenses	$500-$1,000	As Required	As Incurred	Required Agencies
Insurance (See Note 12)	$3,000 - $4,000	As Arranged	As Incurred	Insurance Providers

Total Estimated Initial Investment (See Notes)	**$312,500 - $711,500**

The following Notes Accompany Item 7 Disclosures

All payments in Item 7 are non-refundable, except as we note below or if you arrange otherwise with a third party in writing.

NOTE 1. Initial Franchise Fee. The initial franchise fee for a single location is $60,000 and includes the loan of our Operations Manual(s) and initial training for you and one additional individual having responsibility for the day-to-day operations of your Franchised Business. See Item 5 of this Disclosure Document for additional information about the Initial Training Program. Except as otherwise expressly stated, the Initial Franchise Fee is not refundable under any circumstances.

Initial Franchise Fee for Additional Locations under the Area Development Program. If you are acquiring franchise rights for three (3) locations as part of our Area Development Program, the total initial franchise fee is $135,000.00

Other Initial Fees. Under the Franchise Agreement, we will provide you with assistance in opening the stores and training your employees. Although we do not intend to charge for this assistance, we reserve the right to charge you for extraordinary travel and living expenses incurred by our employees providing this assistance. In the event you request additional opening assistance or training, and we agree to provide you with such assistance, you may be required to reimburse us for all costs and expenses we incur in connection with providing you this additional assistance, including, without limitation, wages, overhead and travel and living expenses of our employees providing the assistance. Any charges you incur in these circumstances will be in addition to the Initial Franchise Fee and development fee.

NOTE 2. Real Estate Rent. These figures presume that you will be leasing the store premises and only represent rent for one month. We are unable to estimate the total cost purchasing suitable premises for your store or the amount of any down payment that would be required. Rent will vary depending upon the size, the premises, the site condition, its location, demand for the site, build-out requirements and construction or other allowances from the landlord, and the requirements of individual landlords. These figures are based upon our experience in our current open markets. These figures may vary considerably in other parts of the United States. Regardless of whether you lease or purchase a store premises, a typical Project LeanNation facility occupies approximately 1,000 to 1,600 square feet of space. A Project LeanNation store may be either a freestanding building or an in-line retail plaza space, but in any event, the store requires ample parking, good visibility, and availability of prominent signage. Improvements include electrical, carpentry, floor covering, painting, and contractors' fees. We estimate rental rates to vary from $1.87 per square foot per month ($23 per square foot per year) to $4.00 per square foot per month ($48 per square foot per year), depending on different regions of the country. If a landlord is 'paying' for (Tenant Improvement Allowance (TIA))some of the site improvements to the lease space, they may be amortizing that expense in the form of additional rent. Payments will be made directly to the landlord pursuant to the terms of the lease. The retail site is subject to our approval, we do not charge for our expenses associated with providing that approval. You should consult with your own attorney regarding the lease and related matters.

NOTE 3. Leasehold Improvements. The cost of leasehold improvements will vary widely depending upon the size and condition of the premises, whether or not there are any existing and comparable leasehold improvements in the premises, the extent, and the quality of improvements desired by you over and above our minimum requirements, landlord's cash contribution to the cost of the improvements, and the like.

NOTE 4. Security Deposit(s). Your lessor may require a security deposit before you take possession of the premises. This deposit may or may not be refundable. These items also include utility deposits and payments, equipment rental deposits, sales tax deposits and telephone company deposits, electric and other energy company deposits for 4 months before opening; cleaning and maintenance including the cost of janitorial services and a general maintenance contract for regular maintenance or repairs to plumbing; heating, ventilating and air-conditioning equipment; appliances; and garbage removal.

NOTE 5. Furnishings. A complete listing will be provided together with a list of approved suppliers.

NOTE 6. Signage. This includes external and internal signage for your Location. The cost of your exterior sign will vary depending upon the size, color and backlit channel letters of the sign and other specifications as may be required by us, the Operations Manual(s), the property owner, or any local ordinances. All signage is subject to our approval.

NOTE 7. Training. We provide initial training at no charge for 2 individuals, but you must arrange and pay for all food, lodging, and salary expenses for your people attending the Initial Training Program. Costs vary depending the distance traveled and the type of lodging. The amount shown does not include the cost of transportation. See item 11 of this Disclosure Document for description of the Initial Training Program. All people attending a training program must sign a confidentiality agreement.

NOTE 8. Equipment and Supplies Acquired Locally. The equipment and supplies include, by way of example and not limitation, point of sale system, office supplies, cabinets, refrigerator, blenders, freezer, cooler, etc. We will provide you a list of items to obtain locally.

NOTE 9. Initial Inventory, Supplies, Packaging, Uniforms, and Corporate Identification Materials. This item includes initial supplies of forms, corporate identification materials, and uniforms. You will need these items to get you started, and based on demand you will need to replenish from Project Lean Nation Franchising, Inc. or other approved sources.

NOTE 10. Initial inventory of products for resale. We estimate that this amount will be sufficient to cover inventory needs for the first week of operation. Opening inventory reflects the cost of consumable inventory items such as food products, paper goods, etc… necessary on opening day. These items must be replenished as consumed. At the time your Franchised Business opens, you must stock and display where applicable the initial inventory of products, accessories, equipment, and supplies required by us in the Operations Manual(s) or otherwise in writing. You must then stock and maintain all types of products in quantities sufficient to meet reasonably anticipated customer demand.

NOTE 11. SBA Fees & Other Financing Costs. We provide no assistance with any of these items, other than under certain circumstances where we may provide introductions to SBA or other approved sources. You should check with your legal and business advisers if you need any of the services.

NOTE 12. Insurance Costs. This figure is an estimate of the annual cost of maintaining the minimum insurance required by the Franchise Agreement. Your costs may be higher or lower depending on location, your personal history, and other variable factors.

NOTE 13. Real Estate Project Management Fee. The Real Estate Project Management Fee covers the real estate project management, site selection, and brokerage services that our designated supplier will provide to you, as described in Item 11. You must use a real estate project manager (the "**Real Estate**

Project Manager") that we designate to manage and lead real estate brokerage services, site selection counseling, and other assistance that the Real Estate Project Manager considers necessary and appropriate, which may include, in the Real Estate Project Manager's sole discretion, on-site evaluations. If you enter into a Development Agreement with us, the Real Estate Project Management Fee for the first Site in your Development Schedule will be $10,000 and the Real Estate Project Management Fee for each additional Site in your Development Schedule will be $7,500, which must be paid to our designated supplier at the time you execute a Franchise Agreement for each additional Site in your Development Schedule.

NOTE 14. Construction Project Management Fee. This estimate includes fees paid to the Construction Project Manager to provide construction project management services, including management of competitive bidding processes, management and oversight of your general contractor, and management of vendors and orders. This estimate also includes any travel costs related to your Project Manager visiting your site for surveying or supervision over local contractors and construction suppliers during any stage of the design and construction process.

NOTE 15. Additional Operating Funds. Franchise disclosure laws require us to include an estimate of all costs and expenses to operate the Franchise Business during the "initial phase" of your business, which is defined as the period of three months following the opening of the Franchised Business, or a longer period if reasonable. We are not aware of any established longer reasonable period for the food service business so our disclosures cover the period through the end of 3 months after opening your Project LeanNation Franchise Business.

The additional funds that we estimate you will need may vary considerably among our Franchisees based on a variety of factors, including the number of employees you choose to hire and the salaries and other benefits you choose to pay (excluding any salary paid to you), the extent that you will be actively involved in your business operations, other miscellaneous expenses and working capital. These figures are estimates based on our past business experience. We cannot guarantee that you will not have additional expenses starting the business. Your costs will depend on factors such as how closely you follow our methods and procedures, your management skill, experience, business knowledge, business acumen, credit rating, local competition, local economic conditions including rent, the local market for our product, prevailing wage rate, and the actual sales levels that you reach during the initial three month period. All of these expenses are paid to third parties.

The additional funds category is not the only source of cash, but is in addition to the cash flow from operations. You should allow for all of these fees and expenses when you make your own calculations of the additional funds that you will need as working capital.

The additional funds category does not include any allowance for payments made to a bank or financing company on any loan that you may obtain to finance the cost of purchasing the Franchise or other developmental related costs. As we disclose in Item 10, we do not offer direct or indirect financing for initial investment expenses.

ITEM 8. RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

To ensure a uniform image and uniform quality of products and services throughout the Project LeanNation System, you must purchase all products, supplies, services, equipment, furnishings, merchandise, employee uniforms, goods, fixtures, inventory, food and beverage products, packaging, and other items used, sold, displayed, or distributed in your stores or events or used in your Franchised Business in compliance with our standards and specifications contained in the Operations Manual or otherwise communicated to you by us in writing. We estimate that over 90% of your total purchases and leases (in relation to all purchases and leases to be made by the franchisee) for both (a) establishing the business and (b) operating the business, shall be required to be made from an approved supplier. Currently our approved suppliers are as follows: Lean Life Manufacturing, Inc., Nuts.com, 1st Phorm, Europa Sports, US Foods, Love Grace Foods, and Palmers. A current list of all approved suppliers is available in Storefront, our trusted customer relationship management software. Tim Dougherty the President and Sole Shareholder of Project Lean Nation Franchising, Inc.. also owns an interest in Lean Life Manufacturing, Inc. You must also adhere to our standards and specifications for the construction and design of the Location, including the hiring of an approved Real Estate Project Manager and an approved Construction Project Manager.

Uniformity among the Project LeanNation Franchises ensures consistency in the quality of the products and services that you provide to customers and strengthens customer confidence in the Project LeanNation system, name, and brand. We explain all of these specifications in the Operations Manual(s). We may, at any time, change, delete, add to, modify, or revise any of our standards and specifications, at our discretion, as frequently as we believe necessary through written supplements to the operations manual. These changes, deletions, additions, or modifications, which will be uniform for all Franchisees, may require additional expenditures by you. The Operations Manual or other guidelines issued by us also contain specifications for insurance, fixtures, furnishings, equipment, and supplies and exterior and interior signs. In some cases, we specify the items that you must use, sell or obtain by brand name or model number. You must purchase and install these fixtures furnishings, equipment, decor, and signs as we direct at your own expense.

All sales must be collected by you on the Project LeanNation processing system, specifically Square POS and PLN Storefront.

Appearance and Operations. Your Project LeanNation Location must meet our physical criteria and conform to our design and image requirements. These specifications are in the operations manual and promote visual uniformity of your Franchise business, which strengthens brand-name awareness among consumers. You must ensure that your Franchise business conforms to our store appearance and operating specifications at all times.

Advertising. Any advertising or marketing materials not prepared or previously approved by us must be submitted to us for approval at least one month prior to any publication or run date. All advertising and promotion must be factually accurate and must not detrimentally affect the Marks or the Project LeanNation Franchise System. We may grant or withhold our approval of any advertising, marketing public relations or any promotional materials, in our sole discretion. We will provide you with written notification of our approval or disapproval within a reasonable time. If we do not notify you of our approval or disapproval within 14 days or of our receipt of the materials, the materials will be deemed not approved. We may decide to change or discontinue advertising, marketing, public relations or promotional materials previously approved, at any time and at our sole discretion. You must discontinue your use of any approved (or previously approved) advertising, marketing, public relations, or promotional materials within five days of your receipt of such request if asked to do so.

Insurance. You must obtain and maintain, at your own expense, the insurance coverage we require, and you must meet the other insurance-related obligations in the Franchise Agreement. The types of insurance includes comprehensive general liability insurance with coverage for products liability, contractual liability, personal and advertising injury, fire damage, medical expenses, workers' compensation insurance, comprehensive crime and employee dishonesty insurance, business interruption insurance, personal property insurance. We specify the minimum amount of insurance coverage in the Franchise Agreement; however, you may desire to or be required to obtain greater coverage by credit lending institutions or your landlord. The cost of your insurance will vary depending on the insurance carriers' charges, the terms of payment, and your insurance history.

For all insurance, you must include Project Lean Nation Franchising, Inc. as an additional named insured and loss payee (if applicable) as well as furnish us with proof of such coverage every twelve (12) months. Insurance fees are paid to an insurance agency, person, or entity chosen by you. See ITEM 6.

Purchasing Arrangements. You must purchase all fixtures, furnishings, signs, equipment, inventory, uniforms, advertising materials, services and other supplies, products and materials required for the operation of the Franchise business (collectively the "Supplies") solely from suppliers that:

- (i) Demonstrate, to our continuing satisfaction, the ability to meet our standards, specifications and requirements for these items regarding quality, variety, service, safety and support;
- (ii) Possess acceptable quality controls and capacity to supply your needs promptly and reliably;
- (iii) Have a sound financial condition and business reputation;
- (iv) Supply these items to a sufficient number of Franchisees to enable us gain economies of scale that will allow us to offer economic value and potential savings to the Project LeanNation Franchise network.
- (v) Monitor compliance by the supplier within our standards, specifications and requirements;
- (vi) Have been approved by us in writing for the sale of these items and not disapproved later.

We will notify you of the names of recommended suppliers through supplements to the Operations Manual(s) or otherwise in writing. We or an affiliated company may be the only recommended vendor for Supplies including our turnkey services and opening inventory and supplies. Franchisor and/or an affiliate may profit from your purchase of Supplies from either us or a supplier to you by:

- (i) Selling these items to you at a markup over our or an affiliate's cost of acquiring these items;
- (ii) Receiving rebates, commissions, marketing allowances or other payments from suppliers that supply us and/or you.

Request for Supplier Approval. If you wish to purchase any item from a supplier (manufacturer or distributor) we have not previously approved or an item that does not comply with our standards and specifications, you must first submit a written request for approval. We will establish a procedure for submitting such requests. We will require the proposed supplier to provide us with certain financial and operational information and other information regarding the supplier and the items to be approved. In addition, the proposed supplier must permit our representatives to inspect their facilities (i.e. business offices and/or manufacturing facilities, as applicable). Before we approve a supplier, we will evaluate the economic terms of a possible relationship and ensure that the proposed supplier meets our requirements. We reserve the right, at our option, and at the proposed supplier's expense, to inspect or re-inspect the facilities, and materials of any supplier, at any time.

The proposed supplier or you must pay, in advance, a fee not to exceed the reasonable cost of evaluation, testing, and inspections we undertake. We will, within thirty (30) business days after we receive the completed request and after we complete any evaluation and inspection or testing, notify you in writing of our approval or disapproval of the proposed supplier or item. You must not offer for sale or sell any of the proposed supplier's products or any other product that does not meet our standards or specifications until you receive our written approval of the proposed supplier or item. Our failure to send you written notice by the end of the supplier evaluation signifies that we disapprove the proposed item and or supplier.

We may revoke our approval of particular goods or services, or of the supplier that supplies them, if we determine, in our sole discretion, that they no longer meet our standards or specifications. If you receive a written notice of revocation from us, you must stop selling disapproved products after depletion of your current inventory and/or stop purchasing from the disapproved supplier. Any changes or additions to purchasing standards or procedures are made in writing through supplements to the Operations Manual(s) or other written guidelines. We may modify our specifications, recommended suppliers and purchasing procedures at our discretion and you must promptly conform to all changes at your sole expense. We may terminate your Franchise if you purchase or use unapproved products, or purchase approved Supplies, inventory and/or services from unapproved suppliers.

We may, but are not required to, negotiate purchase arrangements with suppliers (including price terms) for your benefit.

During the fiscal year 2024, we received $ 1.544,031.00 in total revenue. We received $0_ in revenue from Franchisee purchases from designated or approved suppliers, which is 0% of our total revenue in 2024. Our affiliate Lean Life Manufacturing, Inc. derived $ 7,236,131.85 in revenue from franchisee required purchases in 2024. Except as otherwise disclosed in this Item 8 you do not receive any material benefits for using designated, approved or recommended suppliers. There are no purchasing cooperatives although we reserve the right to establish one or more purchasing cooperatives in the future.

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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 other items in this Disclosure Document.

OBLIGATION		ARTICLE IN AGREEMENT	ITEM IN DISCLOSURE DOCUMENT
a.	Site selection and acquisition/lease	Sections 5.1-5.2 Schedule 2	Items 8 & 11
b.	Pre-opening purchases/leases	Sections 5.3-5.5, 8.3, 9.3 Schedule 2	Items 8 & 11
c.	Site development and other pre opening requirements	Section 5.3	Items 8 & 11
d.	Initial and ongoing training	Sections 7.2, 9.4-9.6	Items 8 & 11
e.	Opening	Sections 5.6	Item 11
f.	Fees	Sections 6.1-6.5	Items 5 & 6
g.	Compliance with standards and policies/Operating Manuals	Sections 11.1-11.4, 16.1-16.2	Item 8
h.	Trademarks and proprietary information	Sections 1.2, 10.1-10.4	Item 13
i.	Restrictions on products/services offered	Section 8.2	Item 8
j.	Client service requirements	Sections 8.4-8.5	Item 8
k.	Territorial development	Section 8.11	Item 12
l.	Ongoing product/service purchases	Section 8.2	Item 8
m.	Maintenance, appearance and remodeling requirements	Sections 8.1, 8.6, 9.20	Item 8
n.	Insurance	Sections 14.1-14.4	Items 7 & 8
o.	Advertising	Sections 9.11, 9.14, 13.1-13.8	Items 8 &11
p.	Indemnification	Section 19.2	Item 14
q.	Owner's participation/ management/staffing	Sections 8.8-8.9	Item 15
r.	Records/reports	Sections 12.1-12.7	Item 11
s.	Inspections/audits	Sections 7.4, 9.12, 12.7	Item 16
t.	Transfer	Sections 9.19, 15.1-15.9	Item 17
u.	Renewal	Section 4.2	Item 17
v.	Post-termination obligations	Section 18.1	Item 17
w.	Non-competition covenants	Section 9.17 Schedule 4	Items 14 & 17
x.	Dispute resolution	Section 19.14	Item 17
y.	Personal Guaranty	Sections 20.1-20.7 Schedule 3	Items 15 & 17
z.	Confidential Information	Section 9.16 Schedule 4	Items 14 & 17

ITEM 10. FINANCING

We do not offer direct or indirect financing. We do not guarantee any of your notes, leases or other obligations. We are unable to estimate whether you will be able to obtain financing for any or all of your investment or the terms of any financing. We reserve the right to offer financing or assist Franchisees in obtaining financing in the future.

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

Except as listed below, we are not required to provide you with any assistance under the Franchise Agreement, or any other agreement. All citations of Article numbers under this Item 11 are references to the Franchise Agreement unless otherwise noted.

Before you open your Franchised Business:

1. We will license you the Marks necessary to commence your Franchised Business (See Franchise Agreement, Article 3.1.)

2. We do not choose the site, but may give you support and guidance and must approve the Location. (See Franchise Agreement, Article 5.1)

3. We will provide you with written specifications for certain of the goods and services you must purchase to establish your Franchised Business, as well as a written list of approved, designated and/or recommended suppliers for purposes of acquiring these goods and services (Franchise Agreement, Article 8.2). See Item 8 of this Disclosure Document for additional information regarding your purchase of these goods and services.

4. We may provide you with a set of specifications for a prototype Project LeanNation location (to be modified to fit your Location), together with standard décor and interior layout and mandatory equipment lists. We must approve the site and construction plans and specifications. (See Franchise Agreement, Article 5.3)

5. We may provide you with a list of approved designers or architects from whom you must obtain the architectural design layout for the Location at your expense. (See Franchise Agreement, Article 5.3)

6. We will provide you with general advice regarding construction matters in response to your specific questions during the build-out of your Project LeanNation Location. (See Franchise Agreement, Article 5.3)

7. We will loan you one (1) copy of the Operations Manual(s) for the duration of the term of your Franchise Agreement (Franchise Agreement, Article 7.1). The Operations Manual will contain, among other things, mandatory and suggested specifications, standards, and procedures pertaining to the goods and services you will provide in connection with your Franchised Business (Franchise Agreement, Article 11.1). The Operations Manual(s) are confidential and remains our property and you must return it to us upon the termination, expiration or transfer of your Franchise Agreement (Franchise Agreement, See Franchise Agreement, Articles 11.2 and 11.3).

8. We may modify the Operations Manual at any time but the modification(s) will not alter your status and rights under the Franchise Agreement (Franchise Agreement, Article 16). We may provide updates or modifications to the Operations Manual in electronic format.

Attached to this Disclosure Document as Exhibit "D" is a copy of the Table of Contents of the Manual.

9. We will assist you in identifying appropriate print and electronic media for listing the Franchised Business. (See Franchise Agreement, Article 13.8)

10. We will provide you with grand opening assistance from our personnel.

11. After you sign the Franchise Agreement, but prior to your commencement of business operations, we will schedule training at Project LeanNation headquarters or at another location chosen by us. All management or people responsible for day-today store operations must successfully complete training before store operations can commence. (See Franchise Agreement, Articles 9.4 & 9.5) For additional information, see Section below entitled "Training Program".

12. We may send a representative to train you and/or your designated general managers for one additional week before, or including, the opening date of your Franchised Business. This part of training may include instruction in operating your Location, use of equipment, working with customers, opening and closing procedures and other administrative and operating details. (See Franchise Agreement, Article 9.4)

During the operation of your Business:

1. We will give you periodic consultation in response to your inquiries about specific administrative and operating questions you may have or (as we deem necessary) about (i) the methods and procedures to be utilized in the Franchised Business; (ii) advertising and promotion; (iii) specifications; (iv) bookkeeping and accounting; (v) purchasing and inventory control; (vi) inspections; and (vii) new developments and improvements to the Project LeanNation Franchise system. At our discretion, we will decide how best to communicate our consultation and advice, whether by telephone, in writing, electronically or in person. The method we choose in your case may be different than methods we use for another Franchisee.

2. We will notify you of changes to, or the creation of, standards and specifications and approved or designated suppliers, or the termination of existing approved or designated suppliers. (See Franchise Agreement, Article 8.2)

3. We will make goods and services available to you either directly or through approved suppliers. (See Franchise Agreement, Article 8.2)

4. We will provide you access to advertising and promotional materials we develop through administering the Advertising and Promotion Fund. (See Franchise Agreement, Article 13)

5. We will maintain the Project LeanNation website www.projectleannation.com. (See Franchise Agreement, Article 9.14)

6. Also, we may conduct an annual convention of our Franchisees to address subjects relevant to the Franchise System, which may, but not necessarily will, include; proprietary products, customer relations, personnel administration, advertising programs, inventory control practices, and cash control systems. If held, we may use the annual convention to offer

continuing or advanced level training instruction. If we conduct an annual convention, we will determine its length and place and the persons who should attend in addition to you. If we conduct an annual convention, we currently expect to hold it at or near our headquarters in Rochester, New York, although we may choose to hold it elsewhere. We will charge you a registration fee to attend the annual meeting, and you must pay the travel expenses (transportation, hotel, meals, etc.) unless these expenses are part of a package deal that we are able to put together. You will also be responsible for salary for yourself and your staff who attend the meeting with you. (See Franchise Agreement, Article 9.6)

7. In addition to our initial training program that we periodically repeat, we will occasionally offer advanced and refresher training at our headquarters or another location designated by us. For these additional training programs, we charge a reasonable per-person training fee. We may increase or decrease our training fees at any time. (See Franchise Agreement, Article 9.5)

8. We will review your requests to use or sell non-proprietary goods and/or services not already approved as long as the request procedure is followed. (See Franchise Agreement, Article 8.2)

9. We or our designee will periodically visit your Franchised Business to inspect your operations, observe and interview your employees and review your books and records (including data stored on your computer systems) in order to verify your compliance with the Franchise Agreement and Operations Manual. (See Franchise Agreement, Article 9.13)

10. We will administer and supervise various customer loyalty, gift certificate, and other customer maintenance programs. (See Franchise Agreement, Article 8.4(n))

Computer hardware and software. You will be required to purchase and install a computerized cash collection and data processing system with a caster or printer required point-of-sale software and internet access through a reputable internet service provider. The backbone of our system will be computer network with your computer needs being as follows:

1. 1 -2 laptops with high speed internet access
2. All-in-one printer/scanner/copier/fax machine
3. Square POS system
4. Apple iPad
5. Square POS System Printer
6. Receipt Printer
7. Cash Drawer

The maintenance, repair or upgrade requirements or the annual cost to you of any optional or required maintenance, support, upgrades or updates, hardware, computer network maintenance and other software upgrades are your responsibility and must be done in a timely manner.

We will publish the specifications (including the necessary components) into our Operations Manual(s). You will be expected to purchase and install the system as specified. We envision that we or a designated service provider will provide technical support for the system and we reserve the right to charge a fee for this support. You will be required to use the system, among other things, to post all product and service sales, keep inventory control, post sales tax, refunds, and credits, and maintain customer information. You will be required to maintain the system in good working order at all times, and to upgrade or update the system during the term of the Franchise Agreement as we may reasonably require in order to meet then current standards and specifications. There are no limitations on the frequency and cost of this obligation. If we require the system to be accessible by us via modem or otherwise, we will have the right at any time to poll your system to retrieve and compile information concerning your Franchised Business. In other words, we will have independent access to your sales information and data produced by your system.

Real Estate Project Management Services. We will designate a Real Estate Project Manager that you must contract with to manage and lead real estate brokerage services, site selection counseling, and other assistance that the Real Estate Project Manager considers necessary and appropriate, which may include, in the Real Estate Project Manager's sole discretion, on-site evaluations. The Real Estate Project Manager may engage third-party real estate brokers to work on your behalf to identify sites for your location in the geographic area of interest. We do not intend to own and lease sites to you. You may not engage other real estate brokers without our written approval. If you identify a site in the geographic area of interest on your own that is reasonably suited for the conduct of the location and is consistent with any site selection guidelines that we may provide, before entering into any lease or purchase agreement for the site, you must submit a site proposal package describing details about the proposed site and provide any other information that we reasonably require.

Site Selection. We will review each site that the Real Estate Project Manager, broker or you identify and determine whether to accept it using our proprietary site selection assistance criteria, which may include evaluations of the proposed site by third-party site selection assistance software. We will conduct such on-site evaluation as we consider necessary and appropriate as part of our evaluation. We are not required to complete our review within a certain period of time. In addition to certain demographic characteristics, we also consider the following factors in accepting a Location: site visibility, zoning, parking, competition, neighboring tenants, accessibility, population density, and adjusted gross income.

While we will provide assistance and guidance, it is solely your responsibility to select a suitable site for the Location. **OUR ACCEPTANCE OF A PROPOSED SITE IS NOT A WARRANTY OR REPRESENTATION OF ANY KIND AS TO THE POTENTIAL SUCCESS OR PROFITABILITY OF YOUR LOCATION.**
You must secure a site that we have accepted by signing a site lease or purchase agreement within 90 days after the effective date of your Franchise Agreement (the "Site Acquisition Deadline"). We may extend this Site Acquisition Deadline by up to 90 days in our sole discretion, and we may require you to execute a general release as a condition of us agreeing to grant such extension. If we have accepted a site for your Location and you are unable or unwilling to acquire such site or an alternative site that we accept by the Site Acquisition Deadline or you are unable to identify a site for your Location that we accept by the Site Acquisition Deadline, we may terminate the Franchise Agreement.

Approval of Site Lease or Purchase Agreement. Before you make a binding commitment to purchase, lease, or sublease a site, we must approve in writing the proposed lease or purchase agreement or any letter of intent between you and the third-party seller or lessor. If you lease the site, unless we waive the requirement in writing, you must arrange for the execution of the Lease Rider in the form that is attached as Schedule 2 to the Franchise Agreement in Exhibit C of this Disclosure Document. If you lease the premises, you along with the landlord, will also be required to enter into a lease addendum and sign a Power of Attorney for the Lease in the form attached as Schedule "2" to the Franchise Agreement, which includes, among other things, a provision that permits you to assign your interest in the site to us when your Franchise Agreement expires or terminates. We strongly encourage you to engage an attorney to review your lease or purchase agreement for the site that we have accepted and to supply us with reasonable documentation in connection with such review, including a lease abstract and confirmation that the terms in the agreement reflect the terms in any letter of intent between you and the third party seller or lessor. We will not provide you with any legal advice with respect to your lease or purchase of the site. Our review of the lease is for our benefit and is not intended to supplement or replace any review by a real estate attorney engaged on your behalf. You are strongly encouraged to engage competent legal counsel to assist in the review and negotiation of your site lease.

Construction Project Management Services. We will designate a Construction Project Manager that you must contract with to provide construction project management services, including architectural, engineering, and design services. We will make available to the Construction Project Manager a set of prototype plans and specifications (not for construction) for the Location and for the exterior and interior design and layout. The Construction Project Manager will engage designers, architects, and engineers to adapt for the site our standard plans and specifications for the exterior and interior design and layout, fixtures, furnishings, signs, Trade Dress, and equipment for the Location. We will review the plans developed by the Construction Project Manager, which we must approve prior to their submission to permitting. You may not engage any project managers, architects, engineers, or designers other than the Construction Project Manager and those selected by the Construction Project Manager without our prior written consent.

Start-up time. We expect that you will open your Franchised Business within six to nine months after you sign the Franchise Agreement. The factors that affect this timing are financing, building permits, construction and remodeling, zoning, local ordinance issues, and the delayed installation of equipment, fixtures, and signs. If you do not commence operation of the Franchised Business within nine months after the effective date of the Franchise Agreement we may either (i) terminate the Franchise Agreement; or (ii) if it is through no fault of Franchisee, that the Location has not opened within the nine (9) month period, Franchisor may agree in writing to provide Franchisee with an additional three (3) months to open its Location if Franchisee (a) has already secured an approved premises for its Location, and (b) is otherwise making diligent and continuous efforts to buildout and otherwise prepare its Location for opening throughout the nine (9) month period following the Effective Date. Franchisor reserves the right to charge Franchisee a fee of $2,500 as a condition to granting any extension under this Section

Conventions and Meetings. Although we are not obligated under the Franchise Agreement, we may hold periodic conferences, management meetings, or refresher courses to discuss sales techniques, personal training, bookkeeping, accounting, inventory control, and the like. These conventions will be held at our Rochester, New York headquarters location or such other place we may designate. We may charge you a fee to attend these conventions or meetings. You will be required to pay your own travel and accommodation expenses. (See Franchise Agreement, Article 9.6)

Electronic Fund Transfer. We may require you to pay all fees under the Franchise Agreement by automatic bank draft or other reasonable means necessary to ensure we receive payment of the fees. You will be required to comply with any of our payment instructions, including executing any forms that grant us the right to debit your account on a monthly basis for payment of royalty and advertising fees and other fees to be paid to us under the Franchise Agreement. (See Franchise Agreement, Article 6.5)

Training Program

Prior to the opening of your Project LeanNation business to the public, you are required to successfully complete an Initial Training Program. It will be of such duration and at such time and place and with whatever curriculum and such manner of instruction as we designate. Currently the initial training is to be at least five days. It is understood that, if we are requested to train additional employees after the Initial Training Program, the Franchisee may be required to pay reasonable compensation for any services performed by the Franchisor in the course of such training. Compensation for these additional services will be determined by the Franchisor in its sole discretion. It is understood that the Franchisor will pay no compensation for services performed by the Franchisee and any trainees in the course of training. The Franchisee will pay all expenses incurred by the Franchisee and its Trainees in connection with and during such training including but not limited to transportation and lodging.

In addition to any other training provided for in this Agreement, we will, from time to time, furnish you with information, instructions, techniques, data, instructional materials, forms and other products and services related thereto, that may be developed in connection with the operation of a Project LeanNation Franchise. We reserve the right to incorporate such information, techniques, instructions, systems, materials, and advice into our Manual(s), and upon your being advised, you are required to conduct the operations of the Franchised Business in accordance with such systems and techniques specified by the Franchisor.

After the Franchisee has opened the Franchised Business to the public, and at a time to be determined by us at our sole discretion, we will visit your Franchised Business for rendering advice, consultation, and additional training with respect to the Franchised Business, its operation and performance in compliance with the Manual(s). You may reasonably request additional on-site visits from us for the purposes of rendering of additional advice, consultation or training and you agree to reimburse us for the actual time expended and the actual expenses incurred by us for these additional visits.

Below is a description of our Initial Training Program as of the date of this Disclosure Document. Training programs are subject to change. Our procedures and processes may change as well. We will train the Franchisee and up to two individuals having responsibility for the day-to-day operations of the Franchised Business. Initial training consists of 2 portions; the first portion is approximately two days and will occur at our facility in Rochester, New York or at another facility that we will designate. The second portion is approximately 3 days and will occur as on-site training conducted at the franchisee's location. See item seven of this Franchise Disclosure Document for discussion of costs and expenses associated with the initial training program. (See Franchise Agreement, Article 9.4)

Initial Training Program

Courses	Instructional Materials	Hours	Instructor
Franchisee Onboard	Learning Management System	1	LMS & Our Staff's Support
Brand Definition	Learning Management System	1	LMS & Our Staff's Support
Leadership Training	Learning Management System	4	LMS & Our Staff's Support
Production Onboard	Learning Management System	1	LMS & Our Staff's Support

Communications Strategy	Learning Management System	1	LMS & Our Staff's Support
Community Activation Process	Learning Management System	1	LMS & Our Staff's Support
Community Partner Blueprint	Learning Management System	1	LMS & Our Staff's Support
Community Re-Activation	Learning Management System	1	LMS & Our Staff's Support
PLN Storefront Training	Learning Management System	1	LMS & Our Staff's Support
Team Development	Learning Management System	1	LMS & Our Staff's Support
Staff Onboard Strategy	Learning Management System	1	LMS & Our Staff's Support
Nutritional Foundations	Learning Management System	1	LMS & Our Staff's Support
Supplement Education	Learning Management System	1	LMS & Our Staff's Support
PLN Client App Tutorials	Learning Management System	1	LMS & Our Staff's Support
Consultation Strategy	Learning Management System	1	LMS & Our Staff's Support
On-Site Training Process	Operations Manual	12	Unit Operations/ Trainer
Daily Method Of Operation	Learning Management System	1	LMS & Our Staff's Support
First Fulfillment Strategy	Learning Management System	1	LMS & Our Staff's Support
Grand Opening Process	Learning Management System	1	LMS & Our Staff's Support
Menu Transition Strategy	Learning Management System	1	LMS & Our Staff's Support
Cybersecurity Awareness	Learning Management System	1	LMS & Our Staff's Support

Leslie Dougherty, who is disclosed in Item 2 of this Disclosure Document, oversees the entire franchise training program and will serve as your primary training representative.

The training materials will consist of the Manual. You will not be charged an additional fee for any of the training materials. The Initial Trainees must complete the initial training program before your Location and Franchised Business is opened for business (Franchise Agreement, Article 9.4). Your Location must be opened for business within nine months after signing the Franchise Agreement. If you fail to open your business and complete the initial training program within this period of time, we have the right to terminate your Franchise Agreement (Franchise Agreement, Article 5.6).

The training programs will be conducted within 30 days of your targeted store opening date.

We provide initial training at no charge for the Franchisee, and up to 2 individuals, but you must arrange and pay for all food, lodging, and salary expenses for your people attending the Initial Training Program. Costs vary depending the distance traveled and the type of lodging.

We intend to periodically offer advanced and refresher training programs and may require personnel that we designate to attend specific training programs. As the need develops, we may offer special training if we introduce new or proprietary goods and services, or programs, or to address particular aspects of the

Project LeanNation System. We may require that you and other personnel that we designate attend specific additional training programs. See Item 6 regarding training fees for additional training classes.

Required Training for Failure to maintain the Minimum Gross Sales Quota. If Franchise fails to meet the Minimum Monthly Gross Sales Quota as set forth in Section 8.11 of the Franchise Agreement, then we may require you to undertake at your sole expense, an additional mandatory corrective training program.

Advertising and Promotion Fund. We will provide advertising materials and services to you through an advertising fund we have established and control (the "Fund"). You are required to participate in the Fund by contributing at least two percent (2%) of the Locations gross sales per month to the Fund. Your contribution will be determined using the previous months' Gross Sales. For example, if Franchisee's Gross Sales were $20,000 for the previous month, and the advertising fund contribution was 2%, then its monthly advertising contribution for the next month would be $400 ($20,000 x 0.02 = $400.00 for the month). The fee may be increased with the agreement of the majority of the Franchisees. All payments by you to the Fund will be maintained in an account separate from any other monies of the Franchisor. There is no fiduciary or trust relationship created by our administering the Fund. We may defer or reduce a Franchisee's contribution. Although the Fund is intended to be of perpetual duration, the Franchisor reserves the right to terminate or change the Fund. The Fund will not be terminated, however, until all monies in the Fund have been spent for advertising and/or promotional purposes.

We will use the proceeds of the Fund for the creation of local franchise advertising, and local public relations, promotion campaigns, advertising media purchases, and promotions in order to foster and promote goodwill, public recognition, and loyalty to the System and to the Franchised Business. It is understood and agreed that we will allocate advertising funds as we consider appropriate. Any advertising program or campaign we develop may include dissemination of advertising through print, radio, television, point-of-purchase materials, or other media. This coverage may be local in scope. We may employ an advertising agency or other agency to assist in the development, production, and dissemination of advertising materials, or we may hire personnel to perform these functions. We undertake no obligation in administering the Fund to ensure that you will benefit directly or pro rata from the Fund and the advertising and marketing derived from it. (See Franchise Agreement, Article 13.4).

No part of the Fund will be used by us to defray any of our general operating expenses. We may charge all costs of the formulation, development, and placement of advertising and promotional materials to the Fund. These costs will include the proportionate share of our employees who devote time and render services for advertising and promotion or the administration of the Fund and its programs. In any fiscal year, we may spend more or less than the aggregate of contributions to the advertising Fund in that year. The Advertising fund may borrow from third party lenders to cover deficits, and any lenders will receive interest on the borrowed funds. Any amounts that remain in the Fund at the end of the fiscal year will be applied toward the next year's expenses. We assume no liability or obligations to you or any Franchisee for collecting amounts due to the Fund or to administering or maintaining the Fund. If we prepare financial statements for the Fund, we will make them available to you. We will not use funds from the Fund for advertising that is principally a solicitation for the sale of Franchises. (See Franchise Agreement, Article 13.4)

Although the Fund is intended to be of perpetual duration, the Franchisor reserves the right to terminate or change the Fund participation amount. The Fund will not be terminated, however, until all monies in the Fund have been spent for advertising and/or promotional purposes or returned to the contributors in proportion to their respective contributions during a pre-determined period.

We can establish a cooperative in your marketing area and require you to participate. As of the date of this circular, there are currently no advertising cooperatives.

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

No advertising or promotion may be conducted by you over the internet, without our express prior written consent, which we can withhold for any or no reason. (See Franchise Agreement, Article 13.2)

We will direct and have complete control and discretion over all advertising programs, including the creative concepts, materials, endorsements and media used for the programs, and the placement and allocation of the programs (Franchise Agreement, Articles 9.11 and 13.2). All such advertising programs and materials developed by the Advertising Fund remain our sole property. We assume no direct or indirect liability or obligation to you with respect to the maintenance, direction or administration of the Advertising Fund. An unaudited financial statement of the operations of the Advertising Fund will be prepared periodically and made available to you upon request (Franchise Agreement, Article 13.4). We will also prepare on a periodic basis a statement of the then current number of franchisees and Franchisees in the system and a statement of your share of the costs and expenses of the Advertising Fund. You may obtain a copy of this information at any time by sending us a written request. The amounts spent in connection with administering the Advertising Fund for the fiscal year 2024 are described below.

Advertising Fund - Use of Funds		
Use	**Amount**	**Percentage**
Production	$25,698	9.08%
Media Placement	$151,584	53.53%
Administrative Expenses	$52936	18.69%
Other (Tradeshow; Public Relations; Technology)	$52944	18.70%
Total	**$283,161**	**100%**

Operations Manual(s). Exhibit D to this Disclosure Document is a table of contents of our operations manual.

Opening Requirements

You may not begin operating your Franchised Business until the Initial Trainees have completed the initial training program, you have located and secured at least one open Location and you have complied with your other pre-opening obligations (Franchise Agreement, Articles 7.2 & 5.1). We anticipate that a typical Project LeanNation Franchisee will open his or her office within 9 months after execution of the Franchise Agreement. Some of the factors that may affect this time are identification of a suitable location, financing, the extent to which an existing location must be upgraded or remodeled, whether you are converting an existing business or starting a new business, delayed installation of equipment and fixtures, completion of training, obtaining insurance, and complying with local laws and regulations. Unless we agree to the contrary, your Franchised Business must be opened within 9 months after you sign the Franchise

Agreement (Franchise Agreement, Article 5.6). Your failure to open within the 9 month period constitutes an event of default under your Franchise Agreement (Franchise Agreement, Article 5.6).

ITEM 12. TERRITORY

You will operate your Franchised Business at the Location. Once you have identified your Location and we accept the proposed site, we will designate the Designated Territory around the Location within which you will have certain protected rights.

Designated Territory

Your Designated Territory will typically contain a maximum of 50,000 people which will be approximately a two-mile radius around your Location, unless your Location is located in a major metropolitan downtown area or similarly situated/populated central business district (a "Central Business District"). If your Location is located in a Central Business District, your Designated Territory will typically contain up to 50,000 people but may be limited to a geographic area comprised of anywhere from a radius of two blocks to two miles around your Location, as we deem appropriate in our discretion. The size of your Designated Territory may vary from the territory granted to other franchisees based on the location and demographics surrounding your Location.

The boundaries of your Designated Territory may be described in terms of zip codes, streets, landmarks (both natural and man-made) or county lines, or otherwise delineated on a map. If we determine, in our discretion, to base your Designated Territory on population, then the sources we use to determine the population within your Designated Territory will be supplied by (a) the territory mapping software we determine to license or otherwise use, or (b) publicly available population information (such as data published by the U.S. Census Bureau or other governmental agencies and commercial sources).

As long as you are in compliance with your Franchise Agreement, we will not operate, or grant a license to a third-party to operate, during the term of your Franchise Agreement, a Location located within the Designated Territory, subject to our reservation of rights below.

Except as expressly provided in the Franchise Agreement, you have no right to exclude, control or impose conditions on the location, operation or otherwise of present or future franchised business locations, using any of the other brands or Marks that we now, or in the future, may offer, and we may operate or license franchised business locations or distribution channels of any type, licensed, franchised or company-owned, regardless of their location or proximity to your Designated Territory and whether or not they provide services similar to those that you offer. You do not have any rights with respect to other and/or related businesses, products and/or services, in which we may be involved, now or in the future. Your Designated Territory will not be modified by us for any reason so long as you are not in default of your Franchise Agreement, except in cases where (a) your requested relocation of your Location is approved and you relocate, and/or (b) at the time of any requested renewal or proposed assignment of the Franchise, the population of the Designated Territory.

Rights Within and Outside the Designated Territory

While you and other locations will be able to provide the Approved Services to any potential client that visits or otherwise reaches out to your Location, you will not be permitted to actively solicit or recruit clients outside your Designated Territory, unless we provide our prior written consent.

You will not be permitted to advertise and promote your Location via advertising that is directed at those outside your Designated Territory without our prior written consent, which we will not unreasonably withhold provided (a) the area you wish to advertise in is contiguous to your Designated Territory, and (b) that area has not been granted to any third party in connection with a Location (or Development Agreement) of any kind.

We may choose, in our sole discretion, to evaluate your Location for compliance with the System Standards using various methods (including, but not limited to, inspections, field service visits, surveillance camera monitoring, member comments/surveys, and secret shopper reports). You must meet minimum standards for cleanliness, equipment condition, repair and function, and customer service. Your employees, including independent contractors, must meet minimum standards for courteousness and customer service.

Development Agreement

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

If you are awarded the right to acquire multiple Franchises for Locations under our form of Development Agreement, then we will provide you with a Development Area upon execution of the Development Agreement.

The size of your Development Area will substantially vary from other System developers based on: (i) the number of Locations we grant you the right to open and operate; and (ii) the location and demographics of the general area where we mutually agree you will be opening these Locations. The boundaries of your Development Area may be described in terms of zip codes, streets, landmarks (both natural and man-made) or county lines, or otherwise delineated on a map attached to the Development Agreement.

You are responsible for locating and presenting to us proposed sites for Locations in the Development Area. We will use reasonable efforts to review and evaluate the proposed sites within 30 days after we receive all requested information and materials to evaluate the site. We will approve the proposed site for any Locations if it meets our then current standards. If we accept a proposed site, you (or your affiliate) must timely sign a separate Franchise Agreement for the site. Each Location you timely open and commence operating under our then-current form of franchise agreement will be operated: (i) from a distinct site located within the Development Area; and (ii) within its own Designated Territory that we will define once the site for that Location has been approved.

As long as you are in compliance with your Development Agreement, we will not operate, or grant a license to a third-party to operate, during the term of your Development Agreement, a Location located within the Development Area, and we will not grant anyone else the right to develop Locations within the Development Area, subject to our reservation of rights below.

You must comply with your development obligations under the Development Agreement, including your Development Schedule, in order to maintain your development rights within the Development Area. If you do not comply with your Development Schedule, we may terminate your Development Agreement and any further development rights you have under that agreement. Otherwise, we will not modify the size of your Development Area except by mutual written agreement signed by both parties.

ITEM 13. TRADEMARKS

You are obligated to provide services consistent with our high standards of ethics and conduct. You are required to use the service mark "Project LeanNation" to identify your locations and services.
The Franchisor grants the Franchisee a license in common with others to use the Marks in connection with the operation of its Franchised Business at the Location and within the Territory.

The following Mark have been filed with the United States Patent and Trademark Office for federal registration by Project Lean Nation, Inc. and have been licensed to us for use. All necessary affidavits regarding the below Mark have been filed:

MARK	SERIAL NUMBER	REGISTRATION DATE	DATE PUBLISHED FOR OPPOSITION
Project LeanNation Eat Clean. Live Lean.	86737148	October 31, 2017	August 15, 2017

An application for the following Mark has been filed with the United States Patent and Trademark Office for federal registration by Project Lean Nation, Inc. on the basis of actual use, and is currently pending. Because this Mark is currently pending, we do not have a federal registration for our principal Trademark. Therefore, our trademark does not have many legal benefits and rights as a federally-registered trademark. If our right to use the trademark is challenged, you may have to change to an alternative trademark, which may increase your expenses.

MARK	SERIAL NUMBER	APPLICATION FILING DATE	APPLICATION STATUS
Project LeanNation.	98223065	October 13, 2023	Filed - September 24, 2024

We are not aware of any:

a. Currently effective material determinations of the patent and trademark office, the trademark trial and appeal Board, the trademark administrator of the state or any court;
b. pending infringement, opposition or cancellation proceedings; or
c. pending material litigation, involving any of the Marks.

There are no infringing or prior superior uses that we know of that could materially affect your use of the Marks in this state.

In connection with its business of licensing and regulating Project LeanNation Franchisees, the Franchisor has developed, used and continues to use and control the use of certain proprietary interests, logos, emblems, insignia, signage, instructional material, training courses, trademarks, service marks and trade names, including, but not limited to "Project LeanNation" and "Project LeanNation Eat Clean. Live Lean." which are trademarks that are either currently registered, or pending registration with the United States Trademarks offices, to identify the source of goods and services marketed under those trademarks to the public and to represent to the public high and uniform standards of quality and service (collectively the "Marks").

With respect to the Franchisee's use of the Marks pursuant to the license granted under the Franchise Agreement, the Franchisee agrees to comply with all of the conditions of use set out below.

a. The Franchisee will use only the Marks designated by the Franchisor and will use them only in the manner required or authorized and permitted by the Franchisor.

b. The Franchisee will use the Marks only in connection with the license to operate the Franchised Business granted under the Franchise Agreement.

c. During the term and any renewal of this Agreement, the Franchisee will identify itself as a licensee and not the owner of the Marks and will make any necessary filings under federal, state, or provincial law and execute any documents considered necessary by the Franchisor for protection of the Marks to reflect such status. In addition, the Franchisee will identify as a licensee of the Marks on all invoices, checks, order forms, receipts, business stationery and contracts, as well as the display of a notice in such form and content and at such conspicuous locations at the premises of the Franchised Business as the Franchisor may designate in writing. For example, the notice may read: "123456, Inc., operating as Project LeanNation. Project LeanNation is a trademark of Project Lean Nation Franchising, Inc.”

d. The Franchisee's right to use the Marks is limited to such uses as are authorized under this Agreement or in the Manual(s). Any unauthorized use of the Marks will constitute an infringement of the Franchisor's rights and is grounds for termination of the Franchise Agreement.

e. The Franchisee will not use the Marks to incur or secure any obligation or indebtedness.

f. The Franchisee will not use the Marks or any part of them as part of its corporate or other legal name.

The Franchisee will notify the Franchisor promptly of any claims or charges or any infringement or threatened infringement or piracy of any of the Marks, of any actual or intended common law passing off by reason of imitation or otherwise, as well as any other information that the Franchisee may have of any suspected infringement of the Marks. The Franchisee will take no action with regard to such matters without the prior written approval of the Franchisor, but will cooperate fully with the Franchisor in any such action. All decisions regarding action involving the protection and defense of the Marks will be solely in the discretion of the Franchisor.

The Franchisee expressly understands and acknowledges each of the matters set out below.

a. The Franchisor is the owner of the Marks and all goodwill associated with and symbolized by them.

b. The Marks are valid and serve to identify the System and those who are licensed to operate a Franchised Business in accordance with the System.

c. The Franchisee will not directly or indirectly contest the validity or the ownership of the Marks.

d. The Franchisee's use of the Marks pursuant to this Agreement does not give the Franchisee any ownership interest or other interest in or to the Marks.

e. The Franchisee will only use the Marks designated by Franchisor, and only in the manner authorized and permitted by Franchisor. Franchisee’s right to use the Marks is limited to such uses as are authorized under the Franchise Agreement.

f. Any and all goodwill arising from the Franchisee's use of the Marks will accrue solely and exclusively to the Franchisor's benefit, provided that the Franchisee will enjoy and be entitled to the benefit of all other goodwill associated with the Franchised Business.

g. The license to use the Marks granted under the Franchise Agreement to the Franchisee is in common with others and the Franchisor may:

i) itself use, and grant licenses to others to use, the Marks and the System;

ii) establish, develop and franchise other systems, different from the System licensed to the Franchisee in the Franchise Agreement, provided that the Franchisor will offer a thirty (30) day first right of refusal from first notification to purchase any such other system entirely from within the Territory; and

iii) Modify or change, in whole or in part, any aspect of the Marks or the System so long as the Franchisee's rights are not materially harmed by such modification or change.

h. The Franchisor reserves the right to substitute different names and Marks for use in identifying the System, the Franchised Business and other Franchised Businesses operating under the System and the Marks. If Franchisor decides to change, add or discontinue use of any Mark, or to introduce additional or substitute Marks, Franchisee, upon a reasonable period of time after receipt of written notice, shall take such action, at its sole expense, as is necessary to comply with such changes, alteration, discontinuation, addition or substitution. Franchisor shall have no liability for any loss of revenue or goodwill due to any new Mark or discontinued Mark.

i. The Franchisor will have no liability to the Franchisee for any senior users that may claim rights to the Marks. The Franchisor is not presently aware of any such senior user, or any other claim that the Marks infringe the intellectual property rights of any other person.

j. The Franchisee will not register or attempt to register the Marks in the Franchisee's name or that of any other person, firm, entity, or corporation. The prohibition in this section will not inhibit the Franchisee from complying with any legislation requiring registration any business, trade, or fictitious name of the Franchisee or the Franchised Business.

Franchisee shall promptly inform Franchisor in writing of any infringement or limitations of any Marks, the Project LeanNation System, or any act of unfair competition against Franchisor or Franchisee as to which Franchisee has knowledge. Franchisee shall not make any demand or serve notice, orally or in writing, or institute any legal action or negotiate, compromise or settle any controversy with respect to any such infringement or unfair competition without first obtaining Franchisor’s written consent. Franchisor shall have the exclusive right to institute, negotiate, compromise, settle, dismiss, appeal or otherwise handle any such action and take steps as it may deem advisable to prevent any such action to which Franchisor may be party and to which Franchisee is or would be a necessary proper party, but nothing herein shall be construed to obligate Franchisor to seek recovery of costs or damages of any kind in any such litigation, the assertion or waiver of such claims being within the sole discretion of Franchisor. The costs of any such action shall be paid by Franchisor and any recovery obtained from such infringers shall be paid to Franchisor. (See Franchise Agreement, Article 10).

The Franchisor may, in its sole discretion, but is under no duty to protect the Franchisee's use of the Marks or to protect the Franchisee against claims of infringement or unfair competition arising out of the Franchisee's use of them.

ITEM 14. PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

There are no patents or registered copyrights that are material to your Franchise.

We claim common law rights and copyright protection in a number of items you will use in the operation of your Franchised Business, including our operations manual(s), Franchise Agreement, specifications, architectural drawings, store designs, marketing techniques, supplier lists, expansion plans, licensed copyrighted materials we sublicense to you, and all present or future marketing, advertising or promotional materials that we create, all of which we collectively call the "Copyrighted Materials." We have not registered any of these Copyrighted Materials with the United States registrar of copyrights, although we may do so.

All materials or information of any kind that are designated confidential orally or in writing or which, under the circumstances surrounding disclosure, ought to be treated as confidential, are deemed confidential and all are loaned to you only under and during the term of the Franchise Agreement. All confidential materials in the information contained in them must be treated by you as confidential and you must use your best efforts to keep them confidential during the terms of the Franchise Agreement and thereafter as provided in the Agreement. This means you cannot make copies in any medium of any confidential information or use any confidential information outside the scope of the Franchise Agreement or disclose any confidential information to any third party or persons identify by us as not such that not having authorizations received disclosure of confidential information. You may disclose confidential information contained in the operations manual(s) only to your employees who have the business need to have access to the confidential information, but only if you first secure from them an agreement to maintain the confidentiality of the confidential information disclosed.

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

We may claim copyright protection in certain techniques we create, and many patents and /or processes and equipment we develop. If we do, we will notify you and, if the copyrights and patents are material to your obligations under the Franchise Agreement, we will authorize you to use them at no additional charge. Any modifications or improvements that you make to the Project LeanNation System will be deemed as works made for hire which shall be owned exclusively by us. We do not have to compensate you for your modifications or improvements.

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

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

Your spouse, and if you are not an individual, your shareholders, members, partners and managers, as applicable, and their spouses, must execute the personal covenants attached to the Franchise Agreement as Schedule 4 requiring them to comply with the confidentiality provisions of the Franchise Agreement, refrain from engaging in competing businesses, and refrain from soliciting our employees and employees of other Project LeanNation Franchisees.

We have the right to require your other employees who have access to our confidential information to execute a non-competition, non-solicitation and/or nondisclosure agreement and the form(s) prescribed by us from time to time. We have the right to take legal action against you if there has been an unauthorized use of our confidential information or trade secrets by you or one of your employees.

There is currently no litigation pending involving the Copyrighted Materials or confidential information. We do not know of any effective material determinations of the US copyright office or any court regarding any of the Copyrighted Materials or confidential information. There are no agreements in effect that significantly limit our right to use or license the Copyrighted Materials or confidential information.

We do not know of any superior rights or infringing uses that could materially affect your use of our confidential information or Copyrighted Materials.

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

Except in the case of special circumstances to be determined in the sole discretion of the Franchisor, the Franchisee will devote his, her, or its or a designated employee-manager's entire time, labor, skill, efforts, and attention to the honest, diligent, and faithful operation of the Franchised Business. Notwithstanding the foregoing, Franchisee or one of its designated employee-manager shall work in the Franchised Business an aggregate of not less than fifty-five (55) hours per week.

Management of Location

At all times, the Franchised Business and the Location will be under the direct, on-premises supervision of the Franchisee (or, if the Franchisee is a business entity, an equity holder in that entity holding at least a 10% equity interest in the entity) or under the direct, on-premises supervision of a fully-trained employee-manager who has been approved in writing by the Franchisor.

Subject to applicable laws, the Franchisee will keep the Location open for business and staffed with trained employees during such hours as required by the lease for the Location and such additional hours of business as the Franchisor may require.

The Franchisee will at all times actively promote the products and services offered by the Franchised Business, and will use its best efforts to develop, cultivate, and expand the market for these products and services within the Territory.

We may require each of your owners holding at least a 10% equity interest in you or your Franchise business to personally guarantee your obligations to us under the Franchise Agreement. The guarantees will be in the form of the guarantee agreement attached as Schedule 3 to the Franchise Agreement.

ITEM 16. RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must conduct the business operated at your Location as required by the Operations Manual and the Franchise Agreement. We require that you sell and display at the Location only those types, brands and styles of products and services, and all such products and services as may be specified by the Franchisor. Without limiting the generality of this requirement, you will be required to purchase from us or from our designated vendors, at prevailing market rates, all equipment, supplies, materials, advertising and marketing and other Project LeanNation products. All products and services to be sold from or displayed at the Location will be purchased from us or our designated suppliers. You will comply with our requirements concerning the introduction of any new or different products or service for sale. We will have the right without notice to enter your Location and remove and dispose of any product or service which does not meet our standards and specifications, or which was obtained from any source other than designated suppliers, without liability or accountability for such entry or disposal to you of any nature or kind.

ITEM 17. RENEWAL, TERMINATION and TRANSFER

The following table lists certain important provisions of the franchise and related agreements. You should read these provisions in the agreements attached to this Disclosure Document.

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FRANCHISE RELATIONSHIP		
Provision	**Article in Franchise Agreement**	**Summary**
a. Length of the franchise term	Article 4.1	The Term is ten (10) years (the "Initial Term") commencing on the day on which this Agreement is signed by us and you. In the event that we and you desire to add additional Locations within the Area, we may require, as a condition of consent to granting such additional Location or Locations, that you enter into our then-current form of Franchise Agreement, the term of which shall coincide with the term of this Franchise Agreement.
b. Renewal or extension of the term	Article 4.2	Ten (10) year renewal, subject to specific conditions (see below), all of which must be met prior to renewal.
c. Requirements for you to renew or extend	Article 4.2	Written notice not less than twelve (12) months prior to the end of the initial term or renewal term of this Agreement; bring the Location up to then current image and standards; not be in default under the lease, sublease, Franchise Agreement or any other agreement with the Franchisor or its affiliates; have the right to remain in possession of the Location for the renewal term; have paid all amounts owed to Franchisor; sign then current franchise agreement; deliver release of Franchisor and its affiliates, officers and directors; complete any required retraining; pay the required fee
d. Termination by you	None	None
e. Termination by us without cause	None	None
f. Termination by us with cause	Article 17	Franchisor can terminate only if you default as defined
g. "Cause" defined - curable defaults	Article 17.3	You have 30 days to cure: termination of any employee, agent or contractor in violation of the Franchise Agreement; violation of any law, ordinance, rule, or regulation of a governmental agency; misuse of the Marks or using similar marks; failure to comply with the Operations Manual; transfer not completed with the required time frame; failure to submit required reports; failure to complete any mandatory training; failure to keep Location and equipment in good working order
h. "Cause" defined - non-curable defaults	Article 17.2	Non-Curable Defaults: failure to enter into a lease or operate the Location within the required time period; failure to complete the pre-opening training; failure to cure curable defaults with the 30 days; you are convicted of a criminal offence; disclosure of trade secrets or confidential information; your dissolution, liquidation, bankruptcy or other procedures effecting creditors; sale of assets without consent; breach of lease or sublease; abandonment of the Location; transfer without consent; submit false statements; deceptive or unlawful acts; termination of any other agreement between you and the Franchisor; understatement of Gross Sales by more than 5%; non-submission of reports on time on 3 or more occasions; Location is a health or safety hazard; any three defaults within 24 months even if timely cured; non-payment of required funds within 5 days of receiving written notice

FRANCHISE RELATIONSHIP		
Provision	**Article in Franchise Agreement**	**Summary**
i. Your obligations on termination/ non-renewal	Article 18	Obligations include: cease operations and use of names, Marks, and confidential information; de-identification and other modifications to the Location; pay all sums owed; return Operations Manual and all other Confidential Information; assign telephone number to Franchisor; cooperate with the sale of assets if required; execute all required documents for the termination
j. Assignment of contract by us	Article 15.1	No restriction on our right to assign.
k. "Transfer" by you – definition	Article 15.2	Includes: the sale or other transfer, sharing, or encumbrance of assets; the sale or other transfer, pledge, mortgage, or hypothecation of equity interests, including a change of control
l. Our approval of transfer by you	Article 15.3	Franchisor has the right to approve all transfers but will not unreasonably withhold approval
m. Conditions for our approval of transfer	Article 15.3	Receipt of all corporate documents; all monetary obligations paid to Franchisor, affiliates and suppliers; execution of a general release of Franchisor, its officers, directors, shareholders, and employees; not be in default and discharge of all obligations under the Franchise Agreement and all other agreements between you and the Franchisor; you provide a criminal record statement for all principals and employees of the transferee; transferee to meet all required standards; transferees execution of the then current Franchise Agreement; transferees successful completion of all required training; personal guarantee of transferees principals; transferees payment of all required fees; transferee obtaining landlord consent (if necessary); compliance with bulk sales provisions; all Locations must be transferred together
n. Our right of first refusal to acquire your business	Article 15.5	Franchisor has the right to match any offer for the Franchised Business
o. Our option to purchase your business	Article 19.5	In certain circumstances, Franchisor has the right to purchase your inventory, fixtures, equipment, or other assets at a certain price, a calculation of which is set out in the Franchise Agreement
p. Your death or disability	Article 15.6	Franchise may be transferred to your spouse, adult children, partner (if Franchisee is a partnership), shareholder (if the Franchisee is a corporation), or member (if the Franchisee is a company) if they meet the qualifications. If not, we may choose to purchase your assets and/or terminate your franchise
q. Non-competition covenants during the term of the franchise	Article 9.18	No involvement in a competing or similar business anywhere
r. Non-competition covenants after the franchise is terminated or expires	Article 9.18	No competing for 2 years within the Territory or 50 miles of the Radius of the Location or any other Franchised Business Operated under the System

FRANCHISE RELATIONSHIP		
Provision	**Article in Franchise Agreement**	**Summary**
s. Modification of the agreement	Article 16.1 & Article 16.2	None, except products, services, Operations Manual, Marks, and System are subject to change; may modify the Franchise Agreement if in a writing signed by the Franchisor, Franchisee, and the Guarantors
t. Integration/ merger clause	Article 22.10	Only the terms of the Franchise Agreement and associated Documents are binding (subject to state laws). Other promises may not be enforceable
u. Choice of forum	Article 22.8	State of New York
v. Choice of Law	Article 22.8	State of New York law applies

NOTES:

(1) These states have statutes which may supersede the Franchise Agreement in your relationship with the Franchisor, including the areas of termination and renewal of your Franchise: ARKANSAS [Stat. Section 4-72-201 to 7-72-210, 70-807], CALIFORNIA [Bus. & Prof. Code Sections 20000-20043], CONNECTICUT [Gen. Stat. Section 42-133e et seq.], DELAWARE [Code, Tit. 6, Ch. 25, Sections 2551-2556], HAWAII [Rev. Stat. Section 482E-1], ILLINOIS [ILCS, Ch. 815, Sections 705/1-705/44, 705/19 and 705/20], INDIANA [Stat. Section 23-2-2.7], IOWA [Code Sections 523H.1-523H.17], MARYLAND [Stat. Sections 14-201 to 14-233], MICHIGAN [Stat. Section 19.854(27)], MINNESOTA [Stat. Section 80C.14], MISSISSIPPI [Code Section 75-24-51 to 75-24-61], MISSOURI [Stat. Section 407.400 to 407.410 and 407.420], NEBRASKA [Rev. Stat. Section 87-401 to 87-410], NEW JERSEY [Stat. Section 56:10-1 to 56:10-12], RHODE ISLAND [Section 19-28.1-14], SOUTH DAKOTA [Codified Laws Section 37-5A-51], VIRGINIA [Code 13.1-557 to 13.1-574], WASHINGTON [Code Sections 19.100.180, 19.100.190], WISCONSIN [Stat. Section 135.01 to 135.07]]. These and other states may have court decisions that may supersede the provisions of the Franchise Agreement in your relationship with us including the areas of termination, a limitation on the post termination non-competition covenant and renewal of your Franchise. Provisions of your Franchise Agreement giving Project LeanNation the right to terminate in the event of your bankruptcy may not be enforceable under federal bankruptcy law (11 U.S.C. Sec. 101, et seq.).

(2) Some states have statutes and court decisions that supersede the provisions of the Franchise Agreement in your relationship with us including a limitation on the post termination non-competition covenant.

ITEM 18. PUBLIC FIGURES

We do not use any public figures to promote our franchise at this time but reserve the right to do so.

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.

As of September 30, 2024 there were 28 Project LeanNation units operating. 1 franchise is affiliate-owned and 27 are franchised locations. Of these 28 locations, 21 were operating for the full 12-month fiscal period ending September 30, 2024.

The chart below represents historical information for the 19 units that were open and operating for the full the full 12-month period ending September 30, 2024 and were operated by the same franchisee during that time (i.e. no franchised locations that were sold or transferred are included).

		All Units	Top Tier	Middle Tier	Bottom Tier
Number of Units in Tier		19	21%	53%	26%
Gross Revenue	Max	$1,827,013	$1,827,013	$774,045	$430,955
	Min	$205,084	$926,046	$437,901	$205,084
	Average	$687,421	$1,330,202	$613,655	$320,730
	Median	$613,707	$1,283,873	$624,515	$321,832
		All Units	**Top Tier**	**Middle Tier**	**Bottom Tier**
Subscription Revenue	Max	$1,267,056	$1,267,056	$581,124	$292,859
	Min	$145,157	$486,873	$332,241	$145,157
	Average	$487,557	$906,089	$454,726	$218,392
	Median	$455,772	$935,214	$466,882	$220,361
		All Units	**Top Tier**	**Middle Tier**	**Bottom Tier**
Retail Revenue	Max	$559,957	$559,957	$192,921	$138,096
	Min	$59,927	$315,413	$105,659	$59,927
	Average	$199,865	$424,112	$158,929	$102,337
	Median	$153,397	$410,540	$155,364	$104,567
		All Units	**Top Tier**	**Middle Tier**	**Bottom Tier**
Subscription Average Order Value	Max	$141.56	$137.95	$141.56	$138.64
	Min	$118.80	$128.73	$118.80	$122.47
	Average	$132.52	$132.79	$132.15	$133.06
	Median	$134.93	$132.24	$133.42	$134.93
		All Units	**Top Tier**	**Middle Tier**	**Bottom Tier**
Weekly Boxes Fulfilled	Max	181	181	96	41

	Min	24	74	50	24
	Average	72	130	69	33
	Median	67	132	68	33
		All Units	**Top Tier**	**Middle Tier**	**Bottom Tier**
Meals Per Box	Max	13.9	13.9	13.3	13.9
	Min	12.4	13.0	12.4	12.6
	Average	13.1	13.5	12.9	13.2
	Median	13.0	13.4	12.9	13.2
		All Units	**Top Tier**	**Middle Tier**	**Bottom Tier**
Weekly Retail Revenue	Max	$10,768	$10,768	$3,710	$2,656
	Min	$1,152	$6,066	$2,032	$1,152
	Average	$3,844	$8,156	$3,056	$1,968
	Median	$2,950	$7,895	$2,988	$2,011
		All Units	**Top Tier**	**Middle Tier**	**Bottom Tier**
Retail Average Ticket Price	Max	$38.30	$31.19	$38.30	$25.72
	Min	$17.85	$18.03	$17.85	$18.23
	Average	$24.64	$23.98	$26.23	$22.00
	Median	$23.54	$23.36	$25.57	$21.12

Breakdown of Revenue	**Average**
Subscription Percentage of Total Revenue	71%
Retail Percentage of Total Revenue	29%
Breakdown of Meal Types	**Average**
Lifestyle Meal Subscription Percentage	82.8%
Athlete Meal Subscription Percentage	17.2%

Meal Fulfillment	**Average**
In Store Pickup	91.1%
Local Delivery	8.9%
Frequency of Orders	**Average**
Weekly	63.3%
Bi-Weekly	36.7%

AVG Number of Subscribers	214.78 per location
AVG Number of New/Re-Activated Subscribers	29.86 per month per location
AVG Net Subscriber Growth	4.52 net subscribers per month per location

Definitions

"Gross Revenue" - Means the total revenue derived by each Project LeanNation store less sales tax, discounts, allowances and returns.

"Subscription Revenue" - Means the total revenue derived from recurring meal subscription plans, including weekly or biweekly plans by each Project LeanNation store less sales tax, discounts, allowances and returns.

"Retail Revenue" - Revenue derived from the sale of products outside of subscription services, including individual meals, shakes, supplements, and merchandise available for purchase. The calculation is based on retail sales after applying discounts and refunds.

"Subscription Average Order Value": The average dollar amount spent per subscription transaction, calculated by dividing total subscription revenue by the number of subscription transactions during the reporting period.

"Weekly Boxes Fulfilled": The average number of meal subscription plans fulfilled to members each week during the reporting period.

"Meals Per Box": The average number of individual meals included in each subscription box prepared for customers.

"Average Weekly Retail Revenue": Weekly revenue derived from the sale of products outside of subscription services, including individual meals, shakes, supplements, and merchandise available for purchase. The calculation is based on retail sales after applying discounts and refunds.

"Average Retail Ticket Price": The average amount spent per retail transaction, calculated by dividing total retail revenue by the number of retail transactions during the reporting period.

"Lifestyle Meal Subscription Percentage": The proportion of total subscription revenue generated from "Lifestyle Meal" subscription plans.

"Athlete Meal Subscription Percentage": The proportion of total subscription revenue generated from "Athlete Meal" subscription plans.

"Subscription Percentage of Revenue": The percentage of total revenue attributed to subscription sales, calculated by dividing subscription revenue by gross revenue.

"Retail Percentage of Revenue": The percentage of total revenue derived from retail sales, calculated by dividing retail revenue by gross revenue.

"AVG Number of Subscribers" - Means the average number of active subscribers in a given time period for each Project LeanNation store. Active subscribers are defined as individuals with an active subscription and at least one completed transaction during the period.

"AVG Number of New/Re-Activated Subscribers" - Means the average number of subscribers who either started a new subscription or re-activated a previously canceled or paused subscription during a given time period for each Project LeanNation store.

"AVG Net Subscriber Growth" - Means the average change in the total number of active subscribers during a given time period for each Project LeanNation store, calculated as new/re-activated subscribers minus cancellations.

"Meal Fulfillment" - Breaks down the members that picked up in store verse delivery

"In-Store Pickup" - Means the percentage or count of fulfilled orders picked up by subscribers at the physical location of each Project LeanNation store during a given time period.

"Local Delivery" - Means the percentage or count of fulfilled orders delivered by the store's delivery service during a given time period for each Project LeanNation store.

"Frequency of Orders" - Means the rate at which subscribers place orders within a given time period, segmented into weekly or bi-weekly order frequencies for each Project LeanNation store.

"Weekly" - Means the percentage or count of subscribers who are signed up for weekly meal plans.

"Bi-Weekly" - Means the percentage or count of subscribers who are signed up for bi-weekly meal plans.

The chart below represents an operating profit and loss statement for our one affiliate-owned location, Project LeanNation Rochester for the full fiscal year October 1, 2023 to September 30, 2024

Date Range: October 1, 2023 – September 30, 2024

Gross Revenue		**Project LeanNation Rochester**	
	Subscription	$1,267,056	69.4%
	Retail	$559,957	30.6%
Total Gross Revenue		$1,827,013	100.0%
Cost of Goods Sold			
	Production of Meals	$791,220	43.3%
	Other Retail Cost of Goods Sold	$124,624	6.8%
Total Cost of Goods Sold		$915,844	50.1%
Gross Profit		$911,169	49.9%

Operating Expenses		
Labor	$193,355	10.6%
Rent	$38,944	2.1%
Other Operating Expenses & Fees	$251,453	13.8%
Total Operating Expenses	$483,752	26.5%
EBITDA	**$427,417**	**23.4%**

Definitions:
"Gross Revenue" Means the total revenue derived from subscription and retail products and services

"Subscription" Means the total revenue derived from recurring meal subscription plans, including weekly or biweekly plans by each Project LeanNation store less sales tax, discounts, allowances and returns.

"Retail" - Revenue derived from the sale of products outside of subscription services, including individual meals, shakes, supplements, and merchandise available for purchase. The calculation is based on retail sales after applying discounts and refunds.

"Cost of Goods Sold" direct costs associated with producing or delivering the products sold

"Production of Meals" includes direct inputs for meals orders from LeanLife manufacturing including logistics, packaging, and prepared meals

"Other Retail Cost of Goods Sold" includes direct inputs for products sold in retail including shake bar supplies, supplements, beverages and merchandise.

"Operating Expenses" the ongoing costs incurred by a business to run its day-to-day operations. These expenses are not directly tied to the production of goods or services (unlike Cost of Goods Sold) but are necessary to maintain the business. Common examples include rent, utilities, labor, marketing, insurance, and office supplies.

"Labor" includes wages & payroll taxes paid to employees of the franchises, except for the franchise owner pay.

"Rent" includes total rent paid according to lease agreement during specified time period

"Other Operating Expenses & Fees" includes remaining operating expenses such as utilities, store supplies, computer and any other ongoing costs incurred to run its day-to-day operations. Royalty & brand marketing fees are also included in this amount.

"EBITDA" (Earnings Before Interest, Taxes, Depreciation, and Amortization) a financial metric that measures a company's profitability by focusing on its core operational performance. It excludes the effects of financing decisions (interest), tax strategies (taxes), and non-cash expenses (depreciation and amortization), providing a clearer picture of operational efficiency.

Note: These financial statements are unaudited and have been prepared for informational purposes only. They do not reflect a certified audit or independent verification of the financial data. While every effort has been made to ensure accuracy, these statements may contain errors or omissions.

Some outlets have earned this amount. There is no assurance you'll do as well. If you rely on our figures, you must accept the risk of not doing as well. Your actual earnings may differ. We do not make any representations about a franchisee's future financial performance.

A new franchisee's individual financial results may differ from the results stated in the above financial performance representation.

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

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ITEM 20. OUTLETS AND FRANCHISEE INFORMATION

A. Information Regarding All Franchises

Listed below are the status summaries for our franchise outlets.

TABLE 1 SYSTEM-WIDE OUTLET SUMMARY FOR YEARS 2022 TO 2024[1]				
Outlet Type	**Year**	**Outlets at the Start of the Year**	**Outlets at the End of the Year**	**Net Change**
Franchised	2022	**5**	**7**	**+2**
	2023	**7**	**21**	**+14**
	2024	**21**	**28**	**+7**
Company-Owned	2022	**1**	**1**	**0**
	2023	**1**	**1**	**0**
	2024	**1**	**1**	**0**
Total Outlets	2022	**6**	**8**	**+2**
	2023	**8**	**22**	**+14**
	2024	**22**	**29**	**+7**

1 Our fiscal year ends on September 30. All references to years in these tables refers to September 30th of that year.

2 Our affiliate Project Lean Nation, Inc. operates a "company owned" outlet. All references to company owned outlets in these tables refers to Project Lean Nation, Inc.

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TABLE 2

TRANSFERS OF OUTLETS FROM FRANCHISEES TO NEW OWNERS (OTHER THAN THE FRANCHISOR)

FOR YEARS 2022 TO 2024

State	Year	Number of Transfers
New York	2022	0
	2023	0
	2024	0
Texas	2022	0
	2023	0
	2024	0
North Carolina	2022	0
	2023	1
	2024	1
South Carolina	2022	0
	2023	0
	2024	0
Georgia	2022	0
	2023	0
	2024	0
New York	2022	0
	2023	0
	2024	0
Indiana	2022	0
	2023	0
	2024	0
Arkansas	2022	0
	2023	0
	2024	1
Ohio	2022	0
	2023	0
	2024	0
New Jersey	2022	0
	2023	0
	2024	0
Virginia	2022	0
	2023	0
	2024	0
Total	2022	0
	2023	1
	2024	2

The transfers listed in this table only refer to outlets that were transferred after opening. In addition to these transfers, 0 franchisees transferred their franchise agreements for unopened franchises in 2024, 0 franchisees transferred their franchise agreements for unopened franchises in 2022, and 0 franchisees transferred their franchise agreements for unopened franchises in 2022.

TABLE 3
STATUS OF FRANCHISED OUTLETS
FOR YEARS 2022 TO 2024

State	Year	Outlets at Start of Year	Outlets Opened	Termin-ations	Non-Renewals	Reacquired by Franchisor	Ceased Operations - Other Reasons	Outlets at End of Year
NY	2022	0	1	0	0	0	0	1
	2023	1	2	0	0	0	0	3
	2024	3	0	0	0	0	0	3
TX	2022	0	0	0	0	0	0	0
	2023	0	3	0	0	0	0	3
	2024	3	1	0	0	0	0	4
NC	2022	4	0	0	0	0	0	4
	2023	4	2	0	0	0	0	6
	2024	6	1	0	0	0	0	7
SC	2022	1	1	0	0	0	0	2
	2023	2	2	0	0	0	0	4
	2024	4	0	0	0	0	1	3
GA	2022	0	0	0	0	0	0	0
	2023	0	2	0	0	0	0	2
	2024	2	4	0	0	0	0	6
IN	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
	2024	1	0	0	0	0	0	1
AR	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
	2024	1	0	0	0	0	0	1
OH	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	1	0	0	0	0	1
NJ	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
	2024	1	0	0	0	0	0	1
VA	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	1	0	0	0	0	1
Totals	2022	5	2	0	0	0	0	7
	2023	7	14	0	0	0	0	21
	2024	21	8	0	0	0	1	28

The transactions listed in this table only refer to franchisees that left the system after opening. In addition to these transactions, we terminated 0 franchise agreements for unopened franchises during the 2024 fiscal year, 0 franchise agreements for unopened franchises during the 2023 fiscal year and 0 franchise agreements for unopened franchises during the 2022 fiscal year.

TABLE 4
STATUS OF COMPANY-OWNED OUTLETS
FOR YEARS 2022 TO 2024

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired From Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of Year
NY	2022	1	0	0	0	0	1
	2023	1	0	0	0	0	1
	2024	1	0	0	0	0	1
TX	2022	0	0	0	0	0	0
	2023	0	0	0	0	0	0
	2024	0	0	0	0	0	0
NC	2022	0	0	0	0	0	0
	2023	0	0	0	0	0	0
	2024	0	0	0	0	0	0
SC	2022	0	0	0	0	0	0
	2023	0	0	0	0	0	0
	2024	0	0	0	0	0	0
GA	2022	0	0	0	0	0	0
	2023	0	0	0	0	0	0
	2024	0	0	0	0	0	0
IN	2022	0	0	0	0	0	0
	2023	0	0	0	0	0	0
	2024	0	0	0	0	0	0
AR	2022	0	0	0	0	0	0
	2023	0	0	0	0	0	0
	2024	0	0	0	0	0	0
OH	2022	0	0	0	0	0	0
	2023	0	0	0	0	0	0
	2024	0	0	0	0	0	0
NJ	2022	0	0	0	0	0	0
	2023	0	0	0	0	0	0
	2024	0	0	0	0	0	0

VA	2022	0	0	0	0	0	0
	2023	0	0	0	0	0	0
	2024	0	0	0	0	0	0
Totals	2022	1	0	0	0	0	1
	2023	1	0	0	0	0	1
	2024	1	0	0	0	0	1

TABLE 5 PROJECTED OPENINGS AS OF SEPTEMBER 30, 2024___			
State	**Franchise Agreements Signed But Outlet Not Opened**	**Projected New Franchised Outlets in the Next Fiscal Year**	**Projected New Company-Owned Outlets in the Next Fiscal Year**
New York	0	1	0
Ohio	0	1	0
Texas	0	2	0
North Carolina	1	1	0
South Carolina	0	1	0
Georgia	1	1	0
Indiana	1	1	0
Arizona	0	2	0
New Jersey	0	3	0
Virginia	0	1	0
Alabama	1	1	0
Iowa	1	0	0
Florida	2	4	0
Arkansas	0	0	0
Missouri	3	0	0
Total	10	19	0

Listings of franchisees and Franchisees can be found in Exhibit “E”. A list of all current Project LeanNation franchisees is attached to this Disclosure Document as Exhibit “E”, including their names and the addresses and telephone numbers of their outlets as of September 30, 2024. In addition, Exhibit “E” lists the name, city and state, and the current business telephone number (or, if unknown, the last known home telephone number) of every franchisee who had an outlet terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the franchise agreement during our most recently completed fiscal year or who has not communicated with us within 10 weeks of the issuance date of this Disclosure Document. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

In some instances, current and former franchisees and Franchisees sign provisions restricting their ability to speak openly about their experience with us. You may wish to speak with current and former franchisees and Franchisees, but be aware that not all of them will be able to communicate with you.

Exhibit “H” to this Disclosure Document lists, to the extent known, the names, addresses, telephone numbers, e-mail address and Web address of each trademark-specific franchisee organization associated with the franchise system being offered that we have created, sponsored or endorsed. Exhibit “H” to this Disclosure Document lists the independent franchisee organizations that have asked to be included in this Disclosure Document.

ITEM 21. FINANCIAL STATEMENTS

The following financial statements of Project Lean Nation Franchising, Inc., for the periods stated, are included as a part of this Disclosure Document as Exhibit “F”: Audited Financial Statements and report of independent Certified Public Accountants, the years ended September 30, 2024, September 30, 2023, and September 30, 2022, and unaudited Financial Statements of interim periods, if applicable. Our fiscal year ends on September 30th.

ITEM 22. CONTRACTS

Attached to this Disclosure Document (or the Franchise Agreement attached to this Disclosure Document) are copies of the following franchise and other contracts or agreements proposed for use or in use in this state:

Exhibits to Disclosure Document

Exhibit “C” Franchise Agreement

Attachments to Franchise Agreement

Schedule 1: Irrevocable Power of Attorney - Telephone
Schedule 2: Irrevocable Power of Attorney - Lease
Schedule 3: Form of Guarantee Agreement
Schedule 4: Non-Disclosure Agreement
Schedule 5: Territory
Schedule 6: Area Development Agreement (If applicable)

ITEM 23. ACKNOWLEDGMENT OF RECEIPT

Exhibit “J” to this Disclosure Document are detachable receipts. You are to sign both, and keep one copy and return the other copy to us.

EXHIBIT "A"

TO
FRANCHISE DISCLOSURE DOCUMENT

State Agencies and Administrators

[See Attached]

CALIFORNIA
Commissioner of Corporations
Department of Corporations
320 West 4th Street, #750
Los Angeles, CA 90013
(213) 576-7500
1-866-275-2677

HAWAII
(agent for service of process)
Commissioner of Securities
Business Registration Division
Securities Compliance
Department of Commerce and Consumer Affairs
335 Merchant Street, Room 203
Honolulu, Hawaii 96813
(808) 586-2722)

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

ILLINOIS
Illinois Attorney General
Chief, Franchise Division
500 South Second Street
Springfield, IL 62706
(217) 782-4465

INDIANA
(for service of process)
Secretary of State
201 State House
200 West Washington Street
Indianapolis, IN 46204
(317) 232-6531

(state agency)
Secretary of State
Securities division
Room E-018
302 West Washington Street
Indianapolis, IN 46204
(317) 232-6681

MARYLAND
(for service of process)
Securities Commissioner
Securities Division
200 St. Paul Place
Baltimore, Maryland 21202-2020
(410) 576-6360

(state agency)
Office of the Attorney General
Securities Division
200 St. Paul Place
Baltimore, Maryland 21202-2020
(410) 576-6360

MICHIGAN
Franchise Administrator
Consumer Protection Division
670 Law Building
Lansing, MI 48913
(517) 373-7117

MINNESOTA
Department of Commerce
Director of Registration
85 Seventh Place East, #500
St. Paul, MN 55101-3165
(651) 296-4026

NEW YORK
(for service of process)
Secretary of State
New York State Department of Corporations
One Commerce Plaza
99 Washington Street
Albany, New York 12231
(518) 474-4750

(State Administrator)
NYS Department of Law
Investor Protection Bureau
28 Liberty Street, 21st Floor
New York, NY 10005
(212) 416-8222

NORTH DAKOTA
Securities Commissioner
Fifth Floor
600 East Boulevard
Bismarck, North Dakota 58505
(701) 328-4712

RHODE ISLAND
Department of Business Regulation
233 Richmond Street, #232
Providence, Rhode Island 02903
(401) 222-3048

SOUTH DAKOTA
Department of Revenue and Regulation
445 East Capitol
Pierre, South Dakota 57501-3185
(605) 773-4013

VIRGINIA
(for service of process)
Clerk of the State Corporation Commission
1300 East Main Street
Richmond, Virginia 23219
(804) 371-9672

(for other matters)
State Corporation Commission
Division of Securities and Retail Franchising
1300 East Main Street, Ninth Floor
Richmond, VA 23219
(804) 371-9051

WASHINGTON
(for service of process)
Director Department of Financial Institutions
Securities Division
150 Israel Road SW
Tumwater, WA 98501
(360) 902-8760

(for other matters)
Department of Financial Institutions
Securities Division
150 Israel Road SW
Tumwater, WA 98501
(360) 902-8760

WISCONSIN
Department of Financial Institutions
Division of Securities
345 West Washington Avenue
4th Floor
Madison, WI 53703
(608) 266-3364

EXHIBIT “B”

TO
FRANCHISE DISCLOSURE DOCUMENT

Agent for Service of Process – Project Lean Nation Franchising, Inc.

The registered agent of the Franchisor authorized to receive service of process in the State of Wisconsin is the Department of Financial Institutions, Division of Securities, 345 West Washington Avenue, 4th Floor, Madison, WI 53703 (608) 266-3364.

EXHIBIT “C”

TO
FRANCHISE DISCLOSURE DOCUMENT

Franchise Agreement

[See Attached]

FRANCHISE AGREEMENT

Project LeanNation.
Eat Clean. Live Lean.

Effective Date: ____________, 20__

Table of Contents

<u>Project Lean Nation Franchising, Inc.</u>
(the "Franchisor")

- and -

____
(the "Franchisee")

- and -

________________________,

- and -

_________________________,

(collectively, the "Guarantors")

THIS FRANCHISE AGREEMENT (this "Agreement") is made and entered into this _____ day of ________________, 20__ (the "Effective Date"), by and between Project Lean Nation Franchising, Inc., a New York corporation with its principal office at 14 Franklin Street, Suite 1403, Rochester, New York 14604 ("Franchisor"), and ________________, a _______________________ with (its principal office) (his/her residence) at __________________________________("Franchisee").

ARTICLE 1 - BACKGROUND

1.1 System

As the result of a significant expenditure of time, skill, effort and money, the Franchisor has developed and owns a unique and proprietary system relating to the establishment, development and operation of facilities offering innovative healthy prepared meals that focus on the principles of advanced nutrition available for retail and subscription in conformity with Franchisor's food preparation procedures and business methods (the "System"). The distinguishing features of the System include, but are not limited to, the Project LeanNation preparation methods, strong sense of community and transformational product.

1.2 Marks

In connection with its business of licensing and regulating Project Lean Nation Franchising, Inc. franchisees, the Franchisor has developed, used and continues to use and control the use of certain proprietary interests, trademarks, service marks and trade names, including but not limited to Project LeanNation which is a trademark applied for and registered with the United States Patent and Trademark Office to identify the source of goods and services marketed under that trademark to the public and to represent to the public high and uniform standards of quality and service.

1.3 Distinguishing Characteristics

The distinguishing characteristics of the System include, without limitation, unique methods, technical assistance and training in the operation, management and promotion of the Franchised Business, sales and marketing systems, inventory control methods, financial management tools, specialized reporting, bookkeeping and accounting methods, advertising and promotional programs and the use of copyrighted materials written and produced by the Franchisor, all of which may be changed, improved and further developed by the Franchisor.

1.4 Desire to Obtain License

The Franchisee desires to obtain a license to use the Marks and System in connection with the operation of a Project LeanNation franchise in accordance with the terms of this Agreement and the Manual and at the Location and within the Designated Territory specified in this Agreement.

1.5 Franchisee's Independent Investigation

The Franchisee expressly acknowledges that it is entering into this Agreement after having made an independent investigation of the Franchisor's operations and the Franchised Business and is not relying upon any representation as to the profits and/or sales volumes that the Franchisee might be expected to realize, nor upon any other statement, promise or representation whatsoever which is not contained in this Agreement. The Franchisee has had a full and adequate opportunity to be thoroughly advised of the terms and conditions of this Agreement by a lawyer or professional advisor of its own choosing.

1.6 Need for Strict Conformity

The Franchisee understands and acknowledges the importance of the Franchisor's uniformly high standards of quality and service and the necessity of operating the Franchised Business in strict conformity with the Franchisor's standards and specifications.

1.7 Reliance by Franchisor

The Franchisor has agreed to enter into this Agreement with the Franchisee on the basis of the information provided to the Franchisor by the Franchisee, and in reliance upon the Franchisee's representation that he, she or it will fully and faithfully honor and perform all of the obligations of the Franchisee contained in this Agreement for the entire Term of this Agreement.

ARTICLE 2 - INTERPRETATION

2.1 Principles of Interpretation

The Franchisee acknowledges that the nature of franchising is such the Franchisor has responsibilities not only to the Franchisee but also to all other Project LeanNation franchisees and to the Franchisor's corporate stores, customers, employees and shareholders. The Franchisee understands that those responsibilities may sometimes conflict or be inconsistent. The Franchisee also acknowledges that the Franchisor has the right to act in its own best interest which may sometimes conflict or be inconsistent with the Franchisee's best interests.

2.2 Good Faith

Where any provision of this Agreement permits the Franchisor to do any act or not to do any act on the basis of its discretion, opinion or judgment, the Franchisor agrees to deal fairly and in good faith with the Franchisee in deciding to do or not to do any such act.

2.3 Incorporation of Recitals

The recitals of fact and representations set out in Article 1 are true and are incorporated in the body of this Agreement by reference.

2.4 Definitions

In this Agreement, the following words will have the meaning set out beside them.

a. "Agreement" means this agreement and any amendments made to it by the parties in accordance with the terms of this agreement.

b. "Effective Date" means, for purposes of the commencement date of this Agreement, the earlier of:

i) the first day of the month in which this Agreement is signed by the Franchisor and the Franchisee;

ii) the first day of the month of training of the Franchisee pursuant to this Agreement; or
iii) the first day of the month of the operation of the Franchised Business.

c. "Franchised Business" means the Project LeanNation franchise operation of the Franchisee carried on by the Franchisee at the Location and within the Designated Territory pursuant to this Agreement.

d. "Franchisee" means ________________ and any successor individual(s), partnership(s) or corporation(s) which may result from a reorganization, amalgamation or continuance of the Franchisee and any assignee to which an approved assignment of this Agreement is made.

e. "Gross Sales" for any period means the entire amount of revenue whether for cash, credit or otherwise, in respect of the operation of the Franchised Business and all other receipts whatsoever from all business conducted upon or originating from within the Designated Territory. The performance of services or the sale of goods is considered "revenue" when services have been completed or goods provided so as to entitle the Franchisee to payment for those services or goods, whether or not payment occurs. Gross Sales will not include:

i) any government tax, provided the amount of the tax is added to the selling price, the amount is expressly charged to the customer, a specific record is made at the time of each sale of the amount of the tax, and the tax is paid over to the appropriate taxing authority; and

ii) receipts which arise from the disposition of damaged, obsolete or otherwise unusable fixed assets.

f. "Incapacity" means that the person to whom such term is applied is unable to perform his normal duties within the Franchised Business for forty-five (45) days in any ninety (90) day period during the term of this Agreement.

g. "Interest Rate" means 2% per month (26.82% per year), or the highest rate allowed by law (whichever is lower).

h. "Location" means the business premises described in Section 5.1 or any alternate location established in accordance with Section 3.2.

i. "Manual" means any rules of operation, operations manuals, policy manuals, video tapes, software, pamphlets, memoranda, directives, instructions and other materials prepared by or on behalf of the Franchisor (whether in written, machine readable or any other form) as such materials may be added to, deleted or otherwise modified by the Franchisor from time to time.

j. "Area Development Program" means the area development program through which Franchisor grants certain approved franchisors the franchise rights for more than one location at a time through the execution of an Area Development Agreement.

k. "Area Development Agreement" means the agreement between the Franchisor and certain franchisors that have been approved by Franchisor to participate in the Area Development Program to open more than one location at a time.

l. "Marks" means all trademarks, trade names, design marks and other commercial symbols that the Franchisor may designate from time to time for use in the System, whether or not registered, including but not limited to "Project LeanNation" and "Project LeanNation Eat Clean. Live Lean."

m. "Designated Territory" or "Territory" means the geographic area assigned to the Franchisee as set forth in Schedule 5 of this Agreement.

n. "Royalty Fee" has the meaning set out in Section 6.2.

2.5 Severability

Except as expressly provided to the contrary in this Agreement, each section, part, term and/or provision of this Agreement will be considered severable and fully-enforceable. If for any reason, any part of this Agreement is determined to be invalid, contrary to, or in conflict with, any existing or future law or regulation by a court or agency having valid jurisdiction, it will not impair the operation of, or have any other effect upon, any other part of this Agreement as may remain otherwise intelligible, and that part will continue to be given full force and effect and bind the parties. The court may modify or amend an otherwise unenforceable or invalid provision of this Agreement to render it enforceable to the maximum extent permitted by law, but if not practicable, then the invalid part or parts will not be considered to be a part of this Agreement.

2.6 Headings

All headings in this Agreement are intended solely for the convenience of the parties, and no heading will be considered to affect the meaning or interpretation of any part of this Agreement.

2.7 References

All references in this Agreement to the masculine, neuter or singular will be interpreted to include the masculine, feminine, neuter or plural, where applicable.

2.8 Deadlines

The parties agree that the deadlines set out in this Agreement will be strictly enforced.

2.9 Benefit of Agreement

Nothing in this Agreement is intended, nor will be considered, to confer upon any person or legal entity other than the parties and those persons expressly indicated to be entitled to rights or remedies under this Agreement. This Agreement is available for the benefit of, and is binding upon, the heirs, successors, personal legal representatives and permitted assigns of the parties. The Franchisor will be considered a third-party beneficiary of any agreement entered into between the Franchisee and its employees, agents, suppliers and independent contractors.

2.10 Schedules

The following schedule is attached to and incorporated in this Agreement by reference and is considered to be a part of this Agreement. Even though this schedule is considered a part of this Agreement, the schedule has been signed by the parties and is an independent and binding agreement in accordance with its terms.

Schedule 1: Irrevocable Power of Attorney - Telephone
Schedule 2: Irrevocable Power of Attorney - Lease
Schedule 3: Form of Guarantee Agreement
Schedule 4: Non-Disclosure Agreement
Schedule 5: Territory
Schedule 6: Area Development Agreement (If applicable)

ARTICLE 3 - GRANT OF FRANCHISE

3.1 Grant of Franchise

Subject to all the terms and conditions of this Agreement, the Franchisor grants to the Franchisee, and the Franchisee accepts, a license to use the Marks and the System in the operation by the Franchisee of one Franchised Business at the Location.

3.2 Location

The Franchisee will operate the Franchised Business only at the Location. During the term and any renewal of this Agreement, the Location is to be used exclusively by the Franchisee and solely for the purpose permitted by this Agreement. Prior to the termination or expiration of the license granted under this Agreement, if the Franchisee's lease for the Location should terminate without fault of the Franchisee, or if the Location should be destroyed, condemned or otherwise rendered unusable for the purposes of this Agreement, or if the Location should be expropriated or the Franchisee otherwise loses possession of the Location without fault on its part, or, if in the judgment of the Franchisor, there is a change in the character or attributes of the Location sufficiently detrimental to warrant its relocation, the Franchisee will be entitled to relocate the Franchised Business to another location within the Designated Territory acceptable to the Franchisor, provided that:

a. the Franchisor has first given its written consent to such relocation and to the new location;

b. the new location will be developed by the Franchisee in the manner described in this Agreement or otherwise agreed by the Franchisor and the Franchisee, solely at the Franchisee's cost;

c. the Franchisee is not in default of the terms of this Agreement or any other agreement between the Franchisor and the Franchisee;

d. the Franchisee pays to the Franchisor its full costs (including legal fees) of such relocation;

e. the new location would not materially negatively impact the revenues of any adjoining Project LeanNation location; and

f. the Franchisee has obtained a release from the landlord of the former Location and such other persons as it may reasonably require.

3.3 Exclusivity

Subject to Section 3.4 below, for so long as the Franchisee is not in default under this Agreement, the Franchisor agrees not to operate or license any other person to operate a Project LeanNation franchise location within the Designated Territory. The Franchisee acknowledges and agrees that Project LeanNation franchisees may be permitted to relocate, under certain circumstances and with the Franchisor's prior written consent, to another location within their Designated Territory. The Franchisee’s original Location will be the point from which the Designated Territory is measured at all times during the term or any renewal of this Agreement, notwithstanding any permitted relocation(s) by the Franchisee.

3.4 Rights Reserved by Franchisor

The Franchisor (on behalf of itself and its affiliates) reserves the right in its absolute discretion to operate and to grant others the right to operate, within the Designated Territory and elsewhere: i) facilities offering food services and products under trade names and trademarks other than the Marks if such facilities are directly or indirectly acquired by the Franchisor or its affiliates or if the Franchisor or its affiliates have acquired directly or indirectly the rights and obligations of the franchisor of such facilities. Such facilities may employ substantial portions of the System in their operations; and ii) operate a Project LeanNation franchised business at any Institution, grant a third party the right to operate a franchised business, and/or enter into a license or other agreement with the Institution granting the Institution, or its agents, the right to operate a franchised business or otherwise utilize the System and/or the Marks. For the purpose of this Agreement, "Institution" means any facility where the owner or operator wants designated food services for those people who reside, work, attend and/or visit at the facility, including, without limitation, shopping centers, office complexes, universities, colleges, bus stations, subway stations, casinos, hospitals and other health care facilities, airports, military installations, sports complexes, ports, ferry terminals, museums, factories and corporate campuses and includes any land or building that is owned or leased by the owner or operator. In the event that the Franchisor intends to open a franchised business in an Institution pursuant to this Section 3.4 (b)(ii), Franchisee shall have a right of first refusal to open said franchised business if Franchisee delivers written notice of its intention to do so within thirty (30) days of Franchisee’s receipt of written notice that Franchisor intends to open a franchised business in the Institution.

ARTICLE 4 - TERM AND RENEWAL

4.1 Initial Term

The term of this Agreement is ten (10) years commencing on the day on which this Agreement is signed by the Franchisor and the Franchisee.

4.2 Renewal

The Franchisee may renew the license granted under this Agreement for additional ten (10) year periods (each a "Renewal Term"), subject to the following conditions, all of which must be met prior to renewal.

a. The Franchisee will give to the Franchisor written notice of its election to renew this Agreement not less than twelve (12) months prior to the end of the initial (or any subsequent) term of this Agreement.

b. At least six (6) months prior to the expiration of the initial (or any subsequent) term of this Agreement, the Franchisor review all aspects of the Franchised Business and give notice of all required modifications and/or renovations to the Location and to the Franchised Business necessary to comply with the then-current standards and image for franchisees of the System operating within the Franchisee's market area. If the Franchisee elects to renew this Agreement, the Franchisee will complete, at the Franchisee's own expense and to the Franchisor's satisfaction, but not to exceed Fifty Thousand Dollars ($50,000.00), all required modifications, renovations, alterations, refurbishment, remodeling and redecoration as well as and implement any new methods, programs, modifications and techniques required by the Franchisor's notice no later than three (3) months prior to expiration of the initial (or any subsequent) term of this Agreement.

c. The Franchisee will not be in default of any provision of this Agreement or any other agreement between the Franchisee and the Franchisor and will have substantially complied with all of the terms and conditions of such agreements.

d. The Franchisee (and, if the Franchisee is a corporation, its shareholders, directors and officers and, if the Franchisee is a partnership, all of its partners) will have satisfied all monetary obligations owed by the Franchisee to the Franchisor on a timely basis throughout the term of this Agreement.

e. At the option of the Franchisor, the Franchisee will execute a new franchise agreement in the form being used by the Franchisor with new franchisees of the System or with other renewing franchisees, which shall not contain terms and conditions substantially different than contained in this and such other documents and agreements as are then customarily used by the Franchisor in the granting of franchises. If the Franchisor elects not to execute a new franchise agreement with the Franchisee, all of the provisions contained in this Agreement in effect immediately prior to the commencement of the Renewal Term will remain in force during the Renewal Term (except for any further right of renewal).

f. The Franchisee (and, if the Franchisee is a corporation, its shareholders, directors and officers, if the Franchisee is a partnership all of its partners) will execute a general release in a form designated by the Franchisor, of any and all claims against the Franchisor and its subsidiaries and their respective officers, directors, agents and employees.

g. The Franchisee will provide the Franchisor with a copy of the lease for the Location and such other documents and evidence reasonably requested by the Franchisor to confirm that the Franchisee is not in default of any provision of the lease for the Location and has the right to use and remain in possession of the Location to the end of the renewal term.

h. The Franchisee will pay a training, administrative and transfer fee of twenty percent (20%) of the then current Franchise Fee, but not to exceed fifteen thousand dollars ($15,000.00).

In the event that any of the above conditions for renewal have not been met, the Franchisor will have no obligation to renew this Agreement.

ARTICLE 5 - DEVELOPMENT AND OPENING OF THE FRANCHISED BUSINESS

5.1 Selection and Lease of Location

Following execution of this Agreement by the parties, the Franchisee will notify the Franchisor in writing of a proposed Location for the Franchised Business. Upon receipt of the Franchisee's request and all other documentation necessary for the Franchisor to consider the suitability of the proposed Location and in reliance upon the Franchisee's research of the available locations, the Franchisor will notify the Franchisee in writing of its acceptance or rejection of the proposed Location. Upon receipt of the Franchisor's written approval of the Location, the Franchisee will enter into an agreement to lease or a lease of the Location from the landlord of the Location. The terms and conditions of any such agreement to lease or lease will require the prior approval of the Franchisor.

5.2 Lease of Premises

If the Franchisee leases the Premises, the lease will be subject to the Franchisor's prior approval and will have a term or options to renew which in total are equal to or greater than the term of this Agreement and will provide that:

a. Franchisee may assign any and all right, title and interest in the lease to Franchisor without landlord’s consent; and

b. on termination of this Agreement, for any reason provided for in this Agreement, the Franchisor or its designee will have the option for 30 days to assume the Franchisee’s remaining lease obligations without accruing any liability regarding the lease prior to the effective date of any assignment, or the Franchisor will have the right to execute a new lease for the remaining term on same terms and conditions;

c. copies of all notices of default under the lease will be sent to the Franchisor;

d. in the event of the Franchisee’s default under the lease, the Franchisor or its designee will have an opportunity to cure such default and assume the Franchisee’s remaining obligations under the Lease, but will not have any obligation to do so; and

e. all signs, advertising, logos or other forms or insignia pertaining to the System must be removed from the Premises demised under the lease in the event that neither the Franchisee nor the Franchisor or its designee is the tenant under the lease upon termination of this Agreement.

5.3 Development of Location

The Franchisor may provide to the Franchisee suggested layouts and specifications for the Franchised Business at the Location, including suggestions for dimensions, design, interior layout, building materials, equipment, signs and color scheme and will provide such advice as may be reasonably necessary in the circumstances. The Franchisee agrees to do or cause to be done the following at its sole cost and expense:

a. prepare all plans and specifications necessary to construct the leasehold improvements to the Location in accordance with all applicable laws and lease requirements;

b. obtain all required building, utility, sign, health, sanitation and business permits and licenses and other required permits and licenses;

c. construct all leasehold improvements to the Location, all in accordance with the lease and the Franchisor's standards of design, color scheme, layout and materials;

d. purchase or lease all fixtures, equipment and signs required for the Location as specified by the lease or the Franchisor.

5.4 Franchisee's Assistance

The Franchisee agrees to promptly execute and deliver to the Franchisor all instruments and documents necessary in the reasonable judgment of the Franchisor to facilitate development or purchase of the Location as provided in this Agreement, including without limitation, purchase orders, construction contracts, disbursement authorizations and powers of attorney.

5.5 Equipment, Fixtures, Accessories and Signs

The Franchisee agrees to use in the operation of the Location only those brands and models of equipment that the Franchisor has approved for Project LeanNation locations as meeting its specifications and standards for design, function, performance, serviceability and warranty. The Franchisee further agrees, at its sole cost and expense, to place or display at the Location (interior and exterior) only such signs, emblems, lettering, logos, menu management station supplies, and display materials, and agrees to use in the operation of the Franchised Business only such supplies that are from time to time approved in writing by the Franchisor, as updated from time to time. The Franchisee will not replace any of the equipment at the Location or add to such equipment, unless such replacement or additional equipment complies with the Franchisor's standards and specifications and is purchased from the Franchisor or its designated suppliers.

5.6 Opening for Business

The Franchisee agrees to commence the Franchised Business within nine (9) months of the date of execution of this Agreement. This Agreement may be terminated on forty-five (45) days prior written notice at the Franchisor's option for failure by the Franchisee to commence its business as provided by this Section. Or, if through no fault of Franchisee, the Location has not opened withing the nine (9) month period, Franchisor may agree in writing to provide Franchisee with an additional three (3) months to open its Location if Franchisee (a) has already secured an approved premises for its Location, and (b) is otherwise making diligent and continuous efforts to buildout and otherwise prepare its Location for opening throughout the nine (9) month period following the Effective Date. Franchisor reserves the right to charge Franchisee a fee of $2,500 as a condition to granting any extension under this Section.

ARTICLE 6 - FEES

6.1 Franchise Fee

The Franchisee will pay to the Franchisor a non-recurring and non-refundable license fee of Sixty Thousand dollars ($60,000.00) together with all applicable taxes. The Franchisee acknowledges that the grant of the license to operate the Franchised Business constitutes the consideration for the payment of this franchise fee and that the franchise fee is fully-earned by the Franchisor upon signature of this Agreement.

6.2 Royalty Fee

In return for the ongoing rights and privileges granted to the Franchisee under this Agreement, the Franchisee agrees to pay a continuing monthly royalty fee to the Franchisor equal to 7% of the previous months gross sales for the Location. Royalty Fees are due by the 5^{th} of every month. In the event the Royalty Fees are not received by the 5^{th} of the month, a late payment fee will apply at the Interest Rate plus $50 per occurrence.

6.3 Advertising and Promotion Fund

Recognizing the value of uniform advertising and promotion to the goodwill and public image of the System, the Franchisee agrees that the Franchisor may maintain and administer a franchise advertising and promotion fund (the "Fund") in accordance with Article 13 for national, regional and other advertising programs. Franchisee will pay a continuing monthly advertising and promotion contribution equal to two percent (2%) of the Locations gross sales per month to the Fund. Your contribution will be determined using the previous months' Gross Sales. For example, if Franchisee's Gross Sales were $20,000 for the previous month, and the advertising fund contribution was 2%, then its monthly advertising contribution for the next month would be $400 ($20,000 x 0.02 = $400.00 for that month). The Franchisee's monthly contribution under this section may be increased to such greater amount as from time to time may be agreed upon by a majority of the Project LeanNation franchisees in the province or state in which the Location is situate.

6.4 Payment Due Date

All monthly payments required by this Agreement must be received by the Franchisor by computer transfer direct debit or such other manner as may be designated by the Franchisor on or before the 5th day of each month in respect of the preceding calendar month. Any payment not actually received by the Franchisor on or before the due date will be considered overdue. Failure by Franchisee to have sufficient funds in the Account shall constitute a default of this Agreement pursuant to Section 17.2(q). Franchisee shall not be entitled to set off, deduct or otherwise withhold any royalty fees, advertising contributions, interest charges or any other monies payable by Franchisee under this Agreement on grounds of any alleged non-performance by PLN of any of its obligations or for any other reason.

6.5 Automatic Payment Procedure

At the request of the Franchisor and at the Franchisee's expense, the Franchisee will promptly install, implement and at all times maintain and participate in such pre-authorized payment plans, computerized point of sale systems, credit verification systems and automatic banking systems that has the functionality the Franchisor may from time to time require for franchisees of the System. The Franchisee will do all things necessary to remit payments to the Franchisor due under this Agreement by automatic bank transfer or any similar process or procedure which may be initiated by the Franchisor without further action or authorization on the part of the Franchisee.

ARTICLE 7 - ROLE OF THE FRANCHISOR

7.1 Loan of Manual

The Franchisor will lend and deliver to the Franchisee one (1) copy of the Manual during the Initial Term and any Renewal Term of this Agreement.

7.2 Training

Prior to the opening of the Franchised Business to the public, the Franchisor will offer and the Franchisee is required to successfully complete an initial training program. This program will provide instruction on the use of teaching materials and instructional methods, the supervision of teachers, basic informal assessment practices and procedures, the evaluation of assessments, and the development of programming from assessments. It will be of such duration and at such time and place and with whatever additional curriculum and with such manner of instruction as the Franchisor designates. It is understood that if the Franchisor is required to train additional Trainees after the initial training program, the Franchisee will be required to pay compensation for any services performed by the Franchisor in the course of such training. Compensation for these additional services will be determined by the Franchisor in its sole discretion. In all instances, the Franchisee's owner and general manager (if different) must attend and successfully complete the initial training program. It is understood that the Franchisor will pay no compensation for services performed by the Franchisee and any Trainees in the course of training. The Franchisee will pay all expenses incurred by the Franchisee and its Trainees in connection with and during such training.

7.3 Additional Information

In addition to any other training provided for in this Agreement, the Franchisor will, from time to time, furnish the Franchisee with information, instructions, techniques, data, instructional materials, forms and other operational developments pertaining to the Project LeanNation system of operation, and other products and services related thereto, as may be developed by the Franchisor in connection with the operation of a Project LeanNation franchise. The Franchisor reserves the right to incorporate such information, techniques, instructions, systems, materials and advice into the Manual, and upon being advised, the Franchisee is required to conduct the operations of the Franchised Business in accordance with such systems and techniques specified by the Franchisor.

7.4 On-site Visits

After the Franchisee has opened the Franchised Business to the public, and at a time to be determined by the Franchisor in its absolute discretion, the Franchisor will visit the Franchised Business for the purpose of rendering advice, consultation and additional training with respect to the Franchised Business, its operation and performance in compliance with the Manual. The Franchisee may reasonably request additional on-site visits from the Franchisor for the purposes of rendering of additional advice, consultation or training and the Franchisee agrees to reimburse the Franchisor for the actual time expended and the actual expenses incurred by the Franchisor for these additional visits.

7.5 Bookkeeping Specifications

The Franchisor will furnish to the Franchisee, as part of the Manual, the standard bookkeeping specifications and reporting forms that are required to be used by the Franchisee.

7.6 Suggested Prices

The Franchisor will endeavor to ascertain those prices for products and services sold by the Franchisee which may optimize profits for the Franchisee, and the Franchisor will advise the Franchisee, from time to time, concerning such suggested prices. The Franchisor and the Franchisee agree that any list or schedule of prices furnished to the Franchisee by the Franchisor is a recommendation only and is not to be construed as mandatory upon the Franchisee. Nothing contained in this Agreement is deemed as a representation by the Franchisor that the use of the Franchisor's suggested prices will, in fact, optimize profits. The Franchisee is obligated to inform the Franchisor of all prices charged for services and products sold by the Franchisee if they vary from the Franchisor's suggested prices, and to promptly inform the Franchisor of any new prices established.

7.7 Excusal of Performance

Delays in the performance of any of the Franchisor's duties which are not within the reasonable control of the Franchisor, including but not limited to fire, flood, pandemic, natural disasters, Acts of God, governmental acts or orders, or civil disorder, including strikes, do not cause a default hereunder, and the

Franchisee will extend the time of performance for the period of such delay or for such other reasonable period of time as may reasonably be required.

ARTICLE 8 - IMAGE AND OPERATING STANDARDS

8.1 Condition and Appearance of the Location

The Franchisee agrees to maintain the condition, cleanliness, design and appearance of the Location consistent with the standards and requirements of the Franchisor (as specified in the Manual or otherwise) for the appearance of all Project LeanNation locations (the "Image"). The Franchisee agrees to effect such refurbishing and renovating of the Location as the Franchisor requires from time to time including, without limitation, replacement of worn out or obsolete equipment, and the repair or redecoration of the interior and exterior of the Location. If at any time in the Franchisor's opinion, the general state of repair, appearance or cleanliness of the Location, its equipment or decor do not meet the then applicable Image and standards, the Franchisor may so notify the Franchisee, specifying the action to be taken by the Franchisee to correct such deficiency. If the Franchisee fails or refuses to initiate within thirty (30) days after receipt of such notice or thereafter fails to diligently continue a good faith and continuous effort to complete any such required cleaning, maintenance, replacement, redecorating or repair, the Franchisor will have the right, but will not be obligated, to enter upon the Location and effect such cleaning, maintenance, replacement, redecoration or repair of the Location or decor on behalf of the Franchisee and the Franchisee will pay the entire costs of such work on demand.

8.2 Authorized Products and Services

The Franchisee will sell and display at the Location only those types, brands and styles of products and services, and all such products and services as may be specified by the Franchisor. The Franchisee will comply with the Franchisor's requirements concerning the introduction of any new or different products or service for sale by the Franchisee. The Franchisor will have the right without notice to enter the Location and remove and dispose of any product or service which does not meet the Franchisor's standards and specifications, without liability or accountability for such entry or disposal to the Franchisee of any nature or kind. Notwithstanding the foregoing, Franchisee can request the approval of an item, service or supplier by notifying Franchisor in writing and submitting such information and/or materials Franchisor requests. Franchisor can require Franchisee to pre-pay any reasonable charges connected with Franchisor’s review and evaluation of any proposal. Franchisor will notify Franchisee of its decision within fifteen (15) business days of such request.

8.3 Minimum Inventory

At all times, the Franchisee will maintain at the Location a balanced inventory of all products and services described in the Manual in sufficient quantity to satisfy its customers' needs, but in any event the inventory will at all times be equal to, or greater than, the minimum inventory level as set forth in the Manual. In addition to this requirement, the Franchisee acknowledges that, from time to time, the Franchisor may require that it stock new and additional products or services in such minimum quantities as the Franchisor may determine to be desirable. The Franchisee agrees to comply with all requirements of the Franchisor concerning the purchase, storage, display, preparation, use and sale of all approved products and services. If at any time, in the Franchisor's opinion, the Location does not have sufficient inventory and supplies, the Franchisor will have the right to order additional inventory and supplies on behalf of the Franchisee in sufficient quantities to satisfy the Franchisor's minimum inventory requirements and the Franchisee will pay the full cost of purchasing and delivering such inventory and supplies to the Location.

8.4 Standards of Service

The Franchisee shall ensure that all customers receive prompt, courteous, friendly and efficient service in the Franchised Business. In all dealings with all customers, suppliers and the public, the Franchisee and is employees will ensure adherence to the highest standards of honesty, integrity, good faith, fair dealing and ethical conduct. The Franchisee agrees that its Franchised Business will not deviate from the standards set by the Franchisor from time to time for the operation of the Location, including without limitation, any of the following:

a. strict adherence to use of the products and services authorized from time to time by the Franchisor in accordance with Section 8.2;

b. methods and procedures concerning the correct method of buying, displaying, storing and selling products;

c. the safety, maintenance, cleanliness, function and appearance of the Location;

d. clothes to be worn by, and general appearance of, the Franchisee's employees as necessary to maintain uniformity throughout the System;

e. the use and display of all Marks;

f. the hours during and the days on which the Location will be open for business to the public;

g. the honoring of credit, debit or other card services which the Franchisor has approved;

h. limiting the placement of personal property and other financial security interests in, or hypothecs or pledges of its assets without the prior written approval of the Franchisor;

i. the use and illumination of signs, labels, posters, displays, standard formats and similar items;

j. the identification of the Franchisee as a Project LeanNation franchisee and the owner of the Franchised Business;

k. the content, style and media of advertising conducted by the Franchisee;

l. the sources, types and brands of all products and services sold or displayed at the Location;

m. the minimum levels of inventory to be maintained by the Franchisee;

n. the use and honoring of gift certificates, coupons and other such local and national promotional authorized by the Franchisor;

o. attendance by the Franchisee at all seminars and meetings with other Franchisees; and

8.5 Reputation

The Franchisee agrees that the reputation and success of the Franchised Business is dependent upon the confidence of the consuming public in the Franchisor, its franchisees and their employees, the products and services offered and their ability to protect the consuming public from crime. In this regard, the Franchisee acknowledges and agrees that it is necessary that the Franchisor's its personnel standards be more stringent than those adopted by businesses generally and will uphold this high reputational standard through the Term of this Agreement.

8.6 Suggested Prices to be Charged by the Franchisee

The Franchisor may, from time to time, advise the Franchisee concerning suggested minimum prices to be charged by the Franchisee that, in the Franchisor's judgment, would constitute good business practice for the Franchisee. The Franchisee is under no obligation to accept the Franchisor's suggestion as to minimum price and will in no way suffer in its business relations with the Franchisor or with any other person if the Franchisee fails to accept any such suggestion. The Franchisee acknowledges and agrees that the integrity and goodwill developed in its Franchised Business and all other Project LeanNation locations may depend upon the sale of goods and services at competitive prices and that, therefore, the Franchisor may specify from time to time, a maximum price for the Franchisee's goods and services and the Franchisee agrees to comply with such directions from the Franchisor concerning maximum prices. Such advice or suggestions concerning minimum prices and directions concerning maximum prices may be contained in the order forms or packing slips which accompany goods purchased by the Franchisee from the Franchisor, in advertisements and promotional material prepared or arranged by the Franchisor, or in the Manual.

8.7 Full-Time and Attention

At all times, the Franchised Business will be under the direct supervision of the Franchisee or under the direct supervision of a fully-trained employee-manager of Franchisee. Notwithstanding the foregoing, the owner(s) (or majority member(s) or shareholder(s)) of the franchise or the employee-manager shall work in the Franchised Business an aggregate of not less than 55 hours per week.

8.8 Management of Location

Subject to Section 8.7 above, at all times, the Franchised Business and the Location will be under the direct, on-premises supervision of the Franchisee or under the direct, on-premises supervision of a fully-trained employee-manager of Franchisee who has attended training and has been approved in writing by the Franchisor.

8.9 Hours of Operation

Subject to applicable laws, the Franchisee will keep the Location open for business and staffed with trained employees during such hours as required by the lease for the Location and such additional hours of business as the Franchisor may require, but not less than fifty-seven (57) hours per week.

8.10 Development of Market

The Franchisee will at all times actively promote the products and services offered by the Franchised Business, and will use its best efforts to develop, cultivate, and expand the market for these products and services within the Designated Territory.

8.11 Minimum Gross Sales Quota(s)

Unless expressly waived by Franchisor in writing due to market conditions, Franchisee must meet a certain minimum monthly Gross Sales Quota (the "Minimum Monthly Gross Sales Quota"), as follows; (i) you must achieve and maintain trailing 12-month average monthly Gross Sales of $30,000 by the first anniversary of the opening of your Location; and (ii) you much achieve and maintain trailing 12-month average monthly Gross Sales of $40,000 by the second anniversary and each successive anniversary of the opening of your Location. If you fail to meet the Minimum Monthly Gross Sales Quota for 36 consecutive months at any time during the Term of this Franchise Agreement, Franchisor, in its sole discretion, may institute an mandatory corrective training program, or terminate this Franchise Agreement upon written notice to you.

ARTICLE 9 - GENERAL OBLIGATIONS OF THE FRANCHISEE

9.1 Need for Conformity

The Franchisee acknowledges and agrees that every detail of the System is important to the Franchisee, the Franchisor and other franchisees in order to maintain the high and uniform operating standards, to increase the demand for the products and services offered to the public in connection with the System and the Marks, and to enhance the goodwill associated therewith, and the Franchisor's reputation and rights therein. As such, the Franchisee will at all times manage and operate the Franchised Business in strict compliance with the standards, procedures and policies as the Franchisor may from time to time establish as though all were specifically set forth in this Agreement, whether set forth in the Franchisor's Manual, bulletins, notices or elsewhere.

9.2 Responsibility for Service

The Franchisee will be solely responsible for the services and results of such services which are performed under this Agreement. This responsibility remains a continuing obligation beyond the termination of this Agreement, regardless of the cause of termination.

9.3 Pre-Opening Requirements

Before commencing operation of the Franchised Business, the Franchisee, will comply at its expense and to the Franchisor's satisfaction, with all of the requirements set out below.

a. The Franchisee will comply with the Franchisor's specifications and guidelines for the initial establishment of the Franchised Business which will include the execution of a lease in a location approved by the Franchisor. The lease entered into by the Franchisee must contain the provisions out in Section 5.2.

b. The Franchisee will obtain all federal, provincial and local business licenses, permits and certifications required for lawful operation of the Franchised Business on an ongoing basis, including, without limitation, zoning, access, variances (if required) and will certify in writing to the Franchisor that all such licenses, permits and certifications have been obtained.

9.4 Initial Training

The Franchisee, where the Franchisee is an individual, or one of the principal shareholders or general partners of the Franchisee who is or will be actively involved in the business of the Franchisee, together with the Franchisee's employee-manager, if the manager is not the Franchisee, will attend and successfully complete the Franchisor's training program prior to the opening of the Franchised Business. The initial training program will be conducted at a location designated by the Franchisor and for such duration as the Franchisor, in its discretion, determines necessary. In most situations, the duration of the training program will be two (2) days, but may be longer. The Franchisor reserves the right to charge reasonable tuition and materials fees where more than 2 individuals attend or are required to attend training. The Franchisee and its employees will be responsible for all meal, travel, lodging or other expenses incurred in attending the Franchisor's training program. No compensation of any type will be payable to trainees. If, in the opinion of the Franchisor, the Franchisee cannot or does not satisfactorily complete such pre-opening training programs or, in the Franchisor's opinion, the Franchisee has failed to demonstrate the qualities and abilities which the Franchisor deems necessary for the successful operation of the Franchised Business, the Franchisor may at its option terminate this Agreement. In the event that the Franchisor exercises its right to terminate the Agreement pursuant to this Section, the Franchisor will refund to the Franchisee the Franchisee Fee, less the Franchisor's reasonable direct and indirect costs incurred to the date of termination. We may send a representative to train you and/or your designated general managers for one additional week before, or including, the opening date of your Franchised Business. This part of training may include instruction in operating your Location, use of equipment, working with customers, opening and closing procedures and other administrative and operating details.

9.5 Ongoing Training

The Franchisee will cause its employees to attend and successfully complete, to its reasonable satisfaction, such additional continuing education and training programs as Franchisee deems appropriate to ensure its Franchised Business meets all operational standards set by Franchisor. The Franchisor reserves the right to charge reasonable tuition and materials fees for these periodic training or retraining programs. The Franchisee and/or its manager and employees will be responsible for all other expenses incurred in training, including, without limitation, the costs of meals, entertainment, lodging, travel, laundry and wages.

9.6 Hiring and Training of Employees by the Franchisee

The Franchisee will hire and train at its expense, all employees of its Franchised Business, and will be exclusively responsible for the terms of their employment and compensation. The Franchisee will ensure that its staff, attend all staff development programs presented by the Franchisor, which shall not be required more often than one (1) time per year nor more than two (2) times in any three (3) year period. The Franchisor will be entitled to charge its then-current training fee for conducting such staff development programs. The Franchisee will at all times maintain a sufficient number of trained employees to service the Franchisee's customers and ensure that Franchisor’s operational and quality standards are met at all times during the Term of this Agreement.

9.7 Payment of Taxes and Indebtedness

The Franchisee will pay when due all taxes and duties levied or assessed by any taxing authority, and all accounts and other indebtedness of every kind incurred by the Franchisee in the conduct of the Franchised Business.

9.8 Dispute Regarding Taxes or Indebtedness

In the event of any valid dispute as to liability for taxes assessed or other indebtedness, the Franchisee may contest the validity or the amount of the tax or indebtedness in accordance with procedures of the taxing authority or applicable law. In no event will the Franchisee permit a tax sale or seizure by levy of execution or similar writ or warrant, or attachment by a creditor, or seizure or execution, to occur against the premises or assets of the Franchised Business.

9.9 Compliance with Laws

The Franchisee will comply with all federal, provincial, and local laws, rules and regulations, and will obtain any and all permits, certificates or licenses necessary for the full and proper conduct of the Franchised Business in a timely manner, including, without limitation, licenses to do business, business name registrations and sales tax permits.

9.10 Duty to Notify

The Franchisee will notify the Franchisor in writing within five (5) business days of the commencement of any action, suit or proceeding, and of the issuance of any order, writ, injunction, award or decree of any court, agency or other governmental authority which affects or relates to the operation or financial condition of the Franchised Business. A copy of any such order, writ, injunction, award or decree or of any complaint, claim or defense filed in connection with such action, suit or proceeding will be forwarded to the Franchisor within three (3) days of the date of receipt to or forwarding by the Franchisee, as the case may be. Additionally, any and all customer-related complaints will be answered by the Franchisee within five (5) days after receipt of the complaint. A copy of the answer to any complaint will be forwarded to the Franchisor within three (3) days of the date that any answer is forwarded to the complaining customer.

9.11 Materials

The Franchisee will only use advertising materials, business stationery, printed materials and other marketing materials that have been pre-approved by the Franchisor.

9.12 Inspection of Premises

The Franchisee will permit the Franchisor or its agents or representatives to enter upon the premises of the Franchised Business, or any location at which the Franchisee is then providing services, at any time during business hours and without notice for the purpose of inspecting the records of the Franchised Business, cash register tapes, bookkeeping and accounting records, invoices, payroll and employment records, time cards, check stubs, bank deposits, receipts, sales tax records and returns, inventory records, income tax records and returns, and other business records. The Franchisee will also permit the Franchisor to inspect the premises, take samples of goods, take photographs, interview employees and customers, and conduct any other reasonable review to ensure compliance with the Franchisor's standards and specifications. The Franchisee will cooperate fully with the Franchisor's agents or representatives in such inspections by rendering such assistance as they may reasonably request. Upon notice from the Franchisor or its agents or representatives, and without limiting the Franchisor's other rights under this Agreement, the Franchisee will take such steps as may be necessary to correct, within the period of time designated by the Franchisor in its notice, any deficiencies detected during such inspections, including, without limitation, immediately removing items that do not conform with applicable standards and specifications, and desisting from and preventing the further use of any methods, equipment, advertising materials, programs, supplies, products, services or other items that do not conform to the Franchisor's then-current specifications, standards or requirements. Franchisee shall pay an annual inspection fee, and a reasonable fee for any additional inspections required as a result of its failure to comply to Franchisor’s standards at the original inspection, which shall be payable to Franchisor immediately upon notice. If Franchisee fails to achieve a passing score on an inspection, the inspection report shall constitute a notice of default. If Franchisee fails to achieve a passing score on the next inspection (which shall be conducted at least 30 days after Franchisee's receipt of the inspection report for the prior inspection), PLN may terminate this Agreement, without opportunity to cure, by providing Franchisee written notice of termination along with the inspection report.

9.13 Communications Equipment

The Franchisee acknowledges the importance to the success of the Franchised Business and to the System of maintaining timely communications with the Franchisor and all others who may wish to communicate with the Franchisee from time to time. For this purpose, the Franchisee agrees to obtain and maintain at its sole cost in proper working order at all times, including all necessary repairs, maintenance, replacement and upgrades (to current industry standards) all point of sale systems, registers, telephone, facsimile, video, internet and other telecommunications hardware, software, service and support with such functionality as may be stipulated from time to time by the Franchisor in the Manual or otherwise communicated to the Franchisee for use generally by franchisees of the System.

9.14 Internet Home Page

It is the intention of the Franchisor that it will maintain a central home page on the Internet. Franchisee's Franchised Location will only be listed on the homepage as long as Franchisee is not in default under this Agreement. The Franchisee agrees upon request to enter into an annual maintenance agreement for the ongoing maintenance, support, information, updating and any required upgrades in respect of the Franchisee's home-page as may be directed from time to time by the Franchisor. The Franchisee will pay any fees for annual maintenance of its own homepage.

9.15 Maintenance of Equipment

The Franchisee will keep and maintain the Location and all of its equipment in good working order and repair.

9.16 Confidential Information

Neither the Franchisee (whether the Franchisee is an individual, corporation or partnership), nor any of its officers, directors, shareholders, partners or agents, as the case may be, will, during or after the term of this Agreement, communicate, divulge, or use for the benefit of any other person, persons, partnership, association or corporation any confidential information, knowledge, or know-how concerning the methods of operation of the Franchised Business which may be communicated to the Franchisee, or of which the Franchisee may have knowledge, by virtue of the Franchisee's operation under the terms of this Agreement (the "Confidential Information"). The Franchisee will divulge confidential information to its employees on a "need to know" basis only. Any and all information, knowledge and know-how, including, without limitation, drawings, materials, equipment, supplier lists and other data, which the Franchisor designates as confidential, will be considered confidential for purposes of this Agreement. Upon request by the Franchisor, the Franchisee will obtain from its employees and deliver to the Franchisor a Confidentiality agreement in the form provided by the Franchisor.

9.17 Non-Solicitation and Non-Competition

The Franchisee and each of the Guarantors, acknowledges that pursuant to this Agreement, the Franchisee will receive valuable specialized training and confidential and other information regarding the business, promotional, sales, marketing and operational methods and techniques of the Franchisor and the System. The Franchisee and each of the Guarantors agrees that during the term of this Agreement, any renewal period, and for a continuous, uninterrupted period commencing upon the expiration or termination of this Agreement or the transfer of the Franchisee's rights in this Agreement and continuing for a two (2) year period after that time, the Franchisee and the Guarantors will not, either directly or indirectly, for itself or themselves or through, on behalf of or in conjunction with any person, persons, partners or corporation whether as a director, officer, employee, consultant, agent, advisor or shareholder, and either with or without compensation:

a. divert or attempt to divert any business or customer of the Franchised Business to any competitor, direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act or prejudicial to the goodwill associated with the Marks and the System;

b. employ or seek to employ any person who is at that time employed by the Franchisor or by any other franchisee of the Franchisor, or otherwise directly or indirectly induce such person to leave other employment; or

c. own, maintain, engage in, be employed by, advise, assist, invest in, franchise, make loans to, provide any guarantee or other financial assistance to or have any interest in any business which is similar to or in competition with the Franchised Business and which is located within a radius of fifty (50) miles of the Location or the location of any franchised business operated under the System which is in existence on the date of expiration or termination of this Agreement. For the purpose of this Section, a business is “similar to or in competition with” the Franchised Business if the business sells prepared meal products including but not limited to: healthy prepared meals, protein shakes or protein bars.

Franchisee and each of the Guarantors acknowledges and agrees that they currently maintain sufficient training and skills that would allow them to perform services and obtain and maintain employment opportunities in industries other than the prepared meals business. Accordingly, if the Franchisor is required to seek enforcement of the restrictive covenants in this Agreement, such enforcement will not impose an undue hardship on the Franchisee or any of the Guarantors.

9.18 **Organizational Documents**

If the Franchisee is a corporation, copies of the Franchisee's organizational documents, including the resolutions of the Board of Directors authorizing entry into this Agreement, will be promptly furnished to the Franchisor on request. The Franchisee's organizational documents will restrict the business that the corporation may carry on to the operation of a Project LeanNation franchise.

9.19 Transfer and Issuance of Securities

If the Franchisee is a corporation, the Franchisee will maintain stop transfer instructions against the transfer of any of its securities with voting rights, and all of its securities will bear on their face the following printed legend:

"The transfer of the securities represented by this certificate is subject to the terms and conditions of a Franchise Agreement with Project Lean Nation Franchising, Inc. Reference is made to the provisions of that Franchise Agreement and to the organizational documents of this Corporation."

9.20 Cleanliness

The Franchisee will maintain a clean and safe place of business and will comply with all applicable safety and health regulations standards.

9.21 Use of Name, etc.

The Franchisee agrees to give the Franchisor and those acting under its authority the right to reasonably and fairly use their name, photograph or biographical material in any publication, circular or advertisement related to the business of the Franchisor or Franchisee, in any place for an unlimited period, without compensation.

9.22 Other Obligations

The Franchisee will comply with all other obligations set forth in this Agreement, in the Manual or otherwise.

ARTICLE 10 - TRADE MARKS, TRADE NAMES AND/OR SERVICE MARKS

10.1 Grant of License

Subject to the additional conditions set forth herein, the Franchisor grants the Franchisee a non-exclusive license to use the Marks in connection with the operation of its Franchised Business at the Location and within the Designated Territory.

10.2 Conditions for Use

With respect to the Franchisee's use of the Marks pursuant to the license granted under this Agreement, the Franchisee agrees to comply with all of the conditions of use set out below.

a. The Franchisee will use only the Marks designated by the Franchisor and will use them only in the manner required or authorized and permitted by the Franchisor.

b. The Franchisee will use the Marks only in connection with the license to operate the Franchised Business granted under this Agreement.

c. During the term and any renewal of this Agreement, the Franchisee will identify itself as a licensee and not the owner of the Marks and will make any necessary filings under federal, state or provincial law and execute any documents considered necessary by the Franchisor for protection of the Marks or to reflect such status. In addition, the Franchisee will be identified as a licensee of the Marks on all invoices, checks (checks), order forms, receipts, business stationery and contracts, as well as the display of a notice in such form and content and at such conspicuous locations at the premises of the Franchised Business as the Franchisor may designate in writing. For example, the notice may read: "123456, Inc., operating as Project LeanNation. Project LeanNation, is a registered trademark of Project Lean Nation Franchising, Inc."

d. The Franchisee's license to use the Marks is limited to such uses as are authorized under this Agreement or in the Manual, and any unauthorized use of the Marks will constitute an infringement of the Franchisor's rights and is grounds for termination of this Agreement as well as other remedies available to Franchisor.

e. The Franchisee will not use the Marks to incur or secure any obligation or indebtedness.

f. The Franchisee will not use the Marks or any part of them as part of its corporate or other legal name.

g. The Franchisor retains ownership of the Marks, and Franchisee's licensed use of the Marks shall insure to the benefit of Franchisor.

h. Notwithstanding this Section 10.2, and subject to Section 10.4, Franchisee may use the name, "Project LeanNation," in its corporate name.

10.3 Notice of Litigation

The Franchisee will notify the Franchisor promptly of any claims or charges or any infringement or threatened infringement or piracy of any of the Marks, of any actual or intended common law passing off by reason of imitation or otherwise, as well as any other information that the Franchisee may have of any suspected infringement or misuse of the Marks. The Franchisee will take no action with regard to such matters without the prior written approval of the Franchisor, but will cooperate fully with the Franchisor in any such action. All decisions regarding action involving the protection and defense of the Marks will be solely in the discretion of the Franchisor.

10.4 Acknowledgement

The Franchisee expressly understands and acknowledges each of the matters set out below.

a. The Franchisor is the owner of the Marks and all goodwill associated with and symbolized by them.

b. The Marks are valid and serve to identify the System and those who are licensed to operate a Franchised Business in accordance with the System.

c. The Franchisee will not directly or indirectly contest the validity or the ownership of the Marks.

d. The Franchisee's use of the Marks pursuant to this Agreement does not give the Franchisee any ownership interest or other rights or interest in or to the Marks.

e. Any and all goodwill arising from the Franchisee's use of the Marks will accrue solely and exclusively to the Franchisor's benefit, provided that the Franchisee will enjoy and be entitled to the benefit of all other goodwill associated with the Franchised Business.

f. The license to use the Marks granted under this Agreement to the Franchisee is in common with others and the Franchisor may:

i) itself use, and grant licenses to others to use, the Marks and the System;

ii) establish, develop and franchise other systems, different from the System licensed to the Franchisee in this Agreement, provided that the Franchisor will offer a ten (10) day first right of refusal to purchase any such other system entirely from within the Designated Territory; and

iii) modify or change, in whole or in part, any aspect of the Marks or the System so long as the Franchisee's rights are not materially harmed by such modification or change.

g. The Franchisor reserves the right to substitute different names and Marks for use in identifying the System, the Franchised Business and other franchised businesses operating under the System and the Marks.

h. The Franchisor will have no liability to the Franchisee for any senior users which may claim rights to the Marks. The Franchisor is not presently aware of any such senior user, or any other claim that the Marks infringe the intellectual property rights of any other person.

i. The Franchisee will not register or attempt to register the Marks in the Franchisee's name or that of any other person, firm, entity or corporation. The prohibition in this section will not impede or inhibit the Franchisee from complying with any legislation requiring registration of any business, trade or fictitious name of the Franchisee or the Franchised Business.

ARTICLE 11 - MANUAL

11.1 Compliance with Manual

In order to protect the reputation and goodwill of the Franchisor and to maintain uniform standards of operation under the Marks, the Franchisee will conduct its business in strict compliance with the Manual including all amendments and additions. One copy of the Manual will be provided to the Franchisee on loan from the Franchisor for the term of this Agreement.

11.2 Confidentiality of Manual

The Franchisee will at all times treat as confidential and require its directors, officers, shareholders, partners, employees and agents, as the case may be, to treat as confidential the Manual, and will use all reasonable efforts to maintain such information as secret and confidential, including the requirement to keep the Manual in a locked and secure location. The Franchisee will not at any time, without the Franchisor's prior written consent, copy, duplicate, record or otherwise reproduce the Manual, in whole or in part, nor otherwise make it available to any unauthorized person. Upon request, the Franchisee will obtain a confidentiality agreement relating to the Manual from the employees of the Franchisee.

11.3 Franchisor's Property

The Manual and other training materials on loan from the Franchisor will at all times remain the property of the Franchisor. Upon the expiration or termination of this Agreement, the Franchisee will immediately return the Manual to the Franchisor. If the Manual is ever lost or destroyed then the Franchisee shall be required to pay a fee of $5,000 to the Franchisor for a replacement Manual.

11.4 Revisions

The Franchisor may from time to time revise the contents of the Manual and the Franchisee agrees to comply with each new or changed standard. The Franchisee will at all times ensure that the Manual loaned to the Franchisee is kept current and up-to-date, and in the event of any dispute as to the contents of the Manual, the contents of the master copy of the Manual maintained by the Franchisor at the Franchisor's home office will be determinative.

ARTICLE 12 - ACCOUNTING AND REPORTING

12.1 Use of Designated Accounting System

The Franchisee agrees to utilize the computerized bookkeeping, reporting and accounting system designated from time to time by the Franchisor (including the fiscal year and reporting periods designated by the Franchisor for purposes of budgeting, reporting, and accounting as required under this Agreement), which system will be established and utilized by the Franchisee to account for, and transmit, the financial information required under this Agreement. The Franchisee further agrees to pay all reasonable fees charged by the Franchisor or others for use of such systems, as well as the purchase or lease of all necessary computer hardware, software, technical support and other expenses.

12.2 On-Line Access

The Franchisee agrees that the computerized bookkeeping, reporting and accounting system to be implemented and maintained by the Franchisee under this Agreement will include on-line access (electronic data interchange) hardware and software that will permit the Franchisor to access all of the Franchisee's computer-based financial information, and to read, download and copy any and all such information as may be required by the Franchisor from time to time in accordance with this Agreement. The Franchisee agrees to provide such access on a free and uninterrupted basis, to maintain all of its computerized records in an accurate, complete and absolutely current basis, and to comply with all directives of the Franchisor as to the confirmation of all such data, software and hardware.

12.3 Maintenance of Records

During the term of this Agreement, the Franchisee will maintain and preserve, for at least five (5) years from the dates of their preparation, full, complete and accurate books, records and accounts in accordance with generally accepted accounting principles and in the form and manner designated by the Franchisor from time to time in the Manual or otherwise in writing.

12.4 Reports and Financial Information

The Franchisee will furnish to the Franchisor such reports as the Franchisor may reasonably require from time to time. Without limiting the generality of the foregoing, the Franchisee will furnish to the Franchisor the following reports:

a. by the tenth (10th) day of each month in the form from time to time prescribed by the Franchisor:

i) a report of Gross Sales for the preceding quarter, signed and verified by the Franchisee together with copies of such other information and supporting records as the Franchisor may require from time to time, including a cash flow report, an aged list of accounts receivable and accounts payable, and an income statement for that quarter;

ii) a variance report comparing actual revenues and expenses for the preceding quarter with the budgeted revenues and expenses as disclosed by the Franchisee in its business plan; and

iii) a coupon sales effectiveness report disclosing number and dollar amount of coupon use;

b. by the ninetieth (90th) day after the expiration of each fiscal year of the Franchised Business, in a form approved by the Franchisor:

i) a statement of profit and loss (income statement), a balance sheet, and a statement of changes in financial position for that fiscal year prepared in accordance with Generally Accepted Accounting Principles, and certified to be true and correct by the Franchisee; and

ii) a cash flow statement, yearly budget, yearly business plan and yearly marketing plan setting out the Franchisee's budgeted monthly revenue and expenditures for a twelve (12) month period for the upcoming year, all of which must be prepared in accordance with the Franchisor's model for such documents;

c. any other reports, records and documents required to be maintained by the Franchisee pursuant to this Agreement.

In the event we do not receive the above reports on time a $100 per occurrence Late Report Fee shall apply.

12.5 Additional Information

The Franchisee will also submit to the Franchisor, for review or auditing, such other forms, reports, records, information and data as the Franchisor may designate, in the form and at the time required by the Franchisor, upon request and as specified from time to time in the Manual or otherwise in writing.

12.6 Enquiry by the Franchisor

The Franchisee authorizes the Franchisor or its nominee to make enquiries of the Franchisee's bankers, suppliers, trade creditors, and customers as to their dealings with the Franchisee.

12.7 Inspection

The Franchisor or its designated agents will have the right at all times to examine the books, records, receipts, and tax returns and any other financial records and reports of the Franchisee. The Franchisor's right of examination will include the right to remove all such books, records, etc. for the purpose of photocopying (if photocopying is not available at the Location), provided that any such books, records, etc. so removed will be returned promptly to the Franchisee. The Franchisor will also have the right, at any time to have an independent audit made of the books of the Franchisee. The cost of such inspections will be paid by the Franchisor, except that if an inspection discloses an understatement in any report of five percent (5%) or more, the Franchisee will reimburse the Franchisor for any and all costs and expenses connected with the inspection (including, without limitation, reasonable accounting and legal fees).

ARTICLE 13 - ADVERTISING

13.1 Advertising

Recognizing the value of advertising, and the importance of the standardization of advertising programs to the furtherance of the goodwill and public image of the System, the Franchisee agrees to the terms of this article.

13.2 Submission and Approval of Advertising

All advertising by the Franchisee in any medium including online and social medial platforms will be conducted in a dignified manner and will conform to the standards and requirements established from time to time by the Franchisor. The Franchisee will submit to the Franchisor (through registered mail, return receipt requested, or for digital content through email or other method as approved by Franchisor), for its prior approval (except with respect to prices to be charged), samples of all advertising and promotional plans, social media content and posts, and materials that the Franchisee desires to use and that have not been prepared or previously approved by the Franchisor, at least one month prior to any publication or run date. The Franchisee must obtain express written approval from the Franchisor prior to using any marketing or advertising material including social media and online content.

13.3 Advertising Directed by the Franchisee

The Franchisee agrees that it will dedicate and spend at least one percent (1%) of its Gross Sales per year for local or regional advertising as designated or approved by the Franchisor and will, upon request by the Franchisor, provide documentation demonstrating these expenditures. The Franchisee will advertise and promote only in a manner that will reflect favorably on the Franchisor, the Franchisee, the Franchised Business and the good name, goodwill and reputation of each. All advertising by the Franchisee must be completely factual and conform to the highest standards of ethical advertising

ARTICLE 14 - INSURANCE

14.1 Policies to be Obtained

The Franchisee will obtain, prior to providing the services licensed under this Agreement, and maintain during the term of this Agreement at the expense of the Franchisee, an insurance policy or policies protecting the Franchisee and the Franchisor, their officers, directors, partners and employees, against any loss, liability, personal injury, death, or property damage or expense whatsoever from theft, vandalism, malicious mischief, and the perils included in the extended coverage endorsement arising or occurring upon or in connection with the Franchised Business. The Franchisee will provide the Franchisor with proof of coverage upon request from time to time.

14.2 Scope of Coverage

Insurance policies will be written by an insurance company satisfactory to the Franchisor in accordance with the standards and specifications set out in the Manual or otherwise in writing, and will include, at a minimum:

a. employer's liability and workers' compensation insurance as designated by law;

b. comprehensive general liability insurance covering the operation of the Franchised Business in an amount not less than $1,000,000.00;

c. property coverage to the amount of the full insurable value of all of the Franchisee's property of every kind on an "all risks" basis, including coverage for conventional loss due an insured peril;

d. errors and omissions insurance;

e. business interruption insurance;

f. liability insurance covering malicious acts of the Franchisee and the agents and employees of the Franchisee, including acts of sexual harassment or assault, and other forms of abusive or improper conduct;

g. Comprehensive crime and blanket employee dishonesty insurance in an amount of not less than $25,000;

h. owned and non-owned motor vehicle coverage; and

i. personal injury coverage in an amount not less than $1,000,000.

In the event that the Franchisor has arranged for the provision of any such insurance through a carrier common to franchisees of the System, then the Franchisee will procure all required coverage from that carrier.

14.3 Franchisor's Option to Obtain Insurance

Should the Franchisee, for any reason, fail to obtain or maintain the insurance required by this Agreement, as revised from time to time by the Manual or otherwise in writing, the Franchisor will have the right, at its option, to obtain such insurance and to charge that expense to the Franchisee, which charges, together with an administrative fee for the Franchisor's expenses in so acting equal to 15% of the total premium cost, will be payable by the Franchisee immediately upon notice.

14.4 Franchisee to Report Claims

The Franchisee will promptly report all claims or potential claims against the Franchisee, the Franchisor or the Franchised Business to its insurer and the Franchisor. At least ten (10) days prior to commencing business, and annually after that time, the Franchisee will submit to the Franchisor a copy or certificate or other acceptable proof of its insurance. The Franchisor may from time to time reasonably determine and increase the minimum insurance limits and require different or additional kinds of insurance to reflect changes in insurance standards, normal business practices, higher court awards and other relevant considerations.

ARTICLE 15 - TRANSFER OF INTEREST

15.1 Transfer by the Franchisor

The Franchisor will have the right to transfer or assign all or any part of its rights or obligations under this Agreement to any person or legal entity provided that such assignee has agreed to assume all obligations of the Franchisor under this Agreement. Upon the happening of any such assignment, the Franchisor will be immediately released from any further obligation or liability under this Agreement of any nature whatsoever.

15.2 Transfer by the Franchisee

The Franchisee understands and acknowledges that the rights and duties set out in this Agreement are personal to the Franchisee, and that the Franchisor has entered into this Agreement in reliance on the business skill and financial capacity of the Franchisee and of its shareholders or partners, if applicable. Accordingly, neither the Franchisee nor any individual partnership, corporation or other legal entity which directly or indirectly controls the Franchisee, if the Franchisee is a corporation, nor any general partner or limited partner (including any corporation that controls, directly or indirectly, any general or limited partner) if the Franchisee is a partnership, will sell, assign, transfer, convey, give away, pledge, hypothecate, mortgage or otherwise encumber any legal or beneficial interest in the Franchisee, in this Agreement, in the Franchised Business or any of the assets employed by or in connection with the Franchised Business without the prior written consent of the Franchisor. Any purported assignment or transfer, by operation of law or otherwise, which does not have the prior written consent of the Franchisor, will be null and void and will constitute a material breach of this Agreement for which the Franchisor may terminate this Agreement without opportunity to cure. Notwithstanding the foregoing, Franchisee may, without the consent of the Franchisor (but still subject to Section 15.3 below), transfer the Franchised Business to an immediate family member.

15.3 Pre-Conditions to Transfer

The Franchisor will not unreasonably withhold its consent to a transfer of any interest of the Franchisee in the Franchised Business. Prior to the proposed transfer, the Franchisee must fulfill the terms of the Franchisor's transfer policy in effect at the time of transfer. The Franchisor may, in its discretion, as a part of its transfer policy require that the conditions set out below be satisfied.

a. If the transferee entity is to be a corporation, then it will be a newly organized corporation and copies of all organizational documents, including any shareholder agreement, will be provided to the Franchisor. The organizational documents will restrict the business that the corporation may carry on to the operation of a Project LeanNation franchise.

b. All obligations, monetary or otherwise, of the Franchisee or of the principals of the Franchisee to the Franchisor, affiliates and suppliers of the Franchisor will have been satisfied in full.

c. The Franchisee or transferor, as the case may be, will have executed a general release under, in a form satisfactory to the Franchisor, of any and all claims against the Franchisor and its officers, directors, shareholders and employees, in their corporate and individual capacities, including, without limitation, claims arising under federal, state, provincial and local law.

d. The transferee will enter into a written agreement, under seal, and in a form satisfactory to the Franchisor, assuming and agreeing to discharge all of the Franchisee's obligations under this Agreement.

e. The transferee will have provided the Franchisor with criminal record statements for all principals of the transferee.

f. The Franchisee will not be in default of any provision of this Agreement or any other agreement between the Franchisor and the Franchisee.

g. The transferee and its principals will demonstrate to the Franchisor's satisfaction: that they meet the Franchisor's managerial and business standards; possess a good moral character, business, and credit rating; have the aptitude and ability to conduct the Franchised Business (as may be evidenced by prior related business experience or otherwise); and have adequate financial resources and capital to operate the Franchised Business. The transferee will be required to meet personally with the Franchisor's selection committee, and will be required to satisfy the selection committee that he, she or they generally satisfy the existing requirements for all new Project LeanNation franchisees.

h. The transferee will execute (and/or, upon the Franchisor's request, cause all interested parties to execute) such then-current standard form franchise agreement and other supporting documents as Franchisor may require for the Franchised Business.

i. At the transferee's expense and upon such other terms and conditions as the Franchisor may reasonably require, the Franchisor will require the transferee or the transferee's manager to complete the training course then in effect for the franchisees in the same manner and upon the terms as the initial training.

j. If the transferee is a corporation, then the shareholders, directors and officers of the transferee will provide their personal guarantee of all of the Franchisee's obligations under this Agreement and other agreement between the Franchisor and the Franchisee.

k. Prior to the granting of approval for the transfer of the Franchisee's interest in this Agreement, the Franchisor will be paid in full its transfer, training and processing fees, which will be non- refundable. The fee payable under this section is twenty five percent (25%) of the then current Initial Franchise Fee.

l. Regardless of any transfer by the Franchisee in accordance with this article, the Franchisee and any guarantor of the Franchisee's obligations under this Agreement will remain bound by all of the terms and conditions of this Agreement and any such guarantee.

m. The transfer must comply with all conditions of the lease or sublease for the Location, including obtaining the landlord's consent and the Franchisee must pay all costs required by the landlord in obtaining such consent.

n. Any transfer of assets of the Franchised Business must be affected in compliance with the requirements of all applicable Bulk Sales legislation.

o. In the event of a transfer to an immediate family member pursuant to Section 15.2, Section 15.3 (k) shall not apply.

15.4 Transfer to Holding Corporation, etc.

In the event that an individual franchisee or franchisees wish to transfer all of their interest under this Agreement to a partnership, corporation, trust or other vehicle which they control, the Franchisor will consent to such a transfer provided that it is first provided with details of the proposed transaction in writing not less than thirty (30) days prior to the proposed transfer. Provided that the transferor will remain fully liable under the Franchise Agreement, the transfer will not be subject to the Franchisor’s right of first refusal set out below, nor will the Franchisor’s transfer fee be payable in respect of any such transfer, provided that the Franchisee will be required to reimburse the Franchisor for its reasonable legal and administrative expenses incurred in connection with the transfer.

15.5 Franchisor's Right of First Refusal

The Franchisee or any party holding any interest in the Franchisee or in the Franchised Business and who desires to accept any valid arm's length offer from a third party to purchase its interest in the Franchisee or the Franchised Business will give notice of the offer to the Franchisor, along with a complete copy of the offer, a copy of the Franchisee's most current financial statements, the Franchisor's standard franchise application form completed by the proposed transferee, and a five hundred dollar ($500) non-refundable payment for considering the request for the transfer (this payment will be applied toward the amount payable under Section 15.3 (k). in the event that the Franchisor does not exercise its right of first refusal under this section). The offer and the price and terms of purchase must apply only to an interest in this Agreement, the Franchise, the Franchised Business or the Franchisee. Any value attributable to the goodwill of the Marks, System, Confidential Information or any other assets, tangible or intangible, related to the Project LeanNation brand and System will be excluded from the purchase price. The Franchisor will then have the option, exercisable within thirty (30) days after receipt of such material, to send written notice to the seller that the Franchisor or its nominee intends to purchase the seller's interest on the same terms and conditions offered by the third party. Any change in the terms of any offer prior to closing will constitute a new offer subject to the same rights of first refusal by the Franchisor or its nominee as in the case of an initial offer. Failure of the Franchisor to exercise the option afforded by this section will not constitute a waiver of any other provision of this Agreement.

15.6 Transfer Upon Death or Incapacity

In the event of the death or permanent incapacity of the Franchisee if the Franchisee is a sole proprietor, or any partner if the Franchisee is a partnership, or shareholder if the Franchisee is a corporation (the "Disabled Party"), the legal representative of the Disabled Party together with all surviving partners or shareholders, if any, will jointly apply in writing, within three (3) months of such event, for the right to transfer the interest of the Disabled Party in this Agreement, the lease or sublease, and the Franchised Business to another corporation or person as the legal representative may specify. The Franchisor will grant the right to transfer the interest of the Disabled Party to the proposed transferee upon the fulfillment of all of the conditions set forth in this Agreement, provided that where the proposed transferee is a spouse of the Franchisee, the Franchisor will not charge a new franchisee fee or transfer fee or require that a new franchise agreement be signed provided that all of the Franchisor's other legal, training and administrative costs are paid. Furthermore, in the event that the administration of the estate of the Disabled Party is delayed for any reason, the Franchisor may in its sole discretion agree to extend the time for making an application for transfer of this Agreement. If the legal representative and the other surviving partners or shareholders fail to make the application within the three (3) month period after the death or permanent incapacitation of the Disabled Party, the Franchisor may terminate this Agreement at any time thereafter and the Franchised Business is deemed to have been abandoned.

15.7 Non-Waiver of Claims

The Franchisor's consent to a transfer of any interest in the Franchised Business will not constitute a waiver of any claims it may have against the transferring party, nor will it be considered a waiver of the Franchisor's right to demand exact compliance with any term of this Agreement by the transferee.

15.8 Reasonableness

The Franchisee acknowledges and agrees that each of the conditions of transfer set out in this article which must be met by the Franchisee and the transferee are necessary and reasonable to assure full performance of the Franchisee and Transferee's obligations under this Agreement.

15.9 Operation of the Franchised Business by the Franchisor

In order to prevent any interruption of the business of the Franchised Business or any injury to its goodwill and reputation that would cause harm to the Franchised Business and thereby lower its value, the

Franchisee authorizes the Franchisor, and at the option of the Franchisor, to enter upon the Franchisee's business premises and operate and manage the Franchised Business in the event that:

a. the Franchisee or any of the Franchisee's principals, shareholders or partners is absent or incapacitated by reason of illness or death and that the Franchisee is not, therefore, in the opinion the Franchisor, able to carry on the normal operation of the Franchised Business; or

b. upon the happening of some event which affects the Franchisee or any of the principals, shareholders, partners or employees of the Franchisee, which interferes with the normal operation of the Franchised Business;

for so long as the Franchisor considers necessary and practical, and without waiver of any other rights or remedies the Franchisor may have under this Agreement. In the event that the Franchisor should operate the Franchised Business, the Franchisor, at its option, will not be obligated to operate it for a period more than one hundred and twenty (120) days. In such circumstances, the Franchisor will be compensated for all costs and expenses incurred in the operation of the business including, without limiting the generality of the foregoing, any salaries, rent, materials, telephone charges, marketing and promotion expenses necessary to maintain the business. Any deficit is the responsibility of the Franchisee, its heirs, executors, or assignees, and any net income, less costs and expenses referred to herein and less a reasonable management fee to the Franchisor, will be returned to the Franchisee. If the Franchisor elects to temporarily operate the Franchised Business on behalf of the Franchisee, the Franchisee will indemnify and hold harmless the Franchisor from any loss or deficit suffered by the Franchisor as a result of its temporary operation of the Franchised Business, regardless of the cause, and from any and all claims, losses or damages of any nature whatsoever incurred by the Franchisor and its representatives during such operation.

ARTICLE 16 - CHANGES AND MODIFICATIONS

16.1 Franchisor's Right to Modify System, etc.

The Franchisor reserves and will have the right to make changes in the Manual, the System, and the Marks at any time and without prior notice to the Franchisee. The Franchisee will promptly alter any signs, products, business materials, services provided, methods of operation or related items, at its cost and expense, upon receipt of written notice of such change or modification in order to conform with the Franchisor's revised specifications. In the event that any improvement or addition to the Manual, the System, or the Marks is developed by the Franchisee, then the Franchisee grants to the Franchisor an irrevocable, world-wide, exclusive, royalty-free license, with the right to sub-license such improvement or addition. Notwithstanding the foregoing, Franchisor reserves no right to modify its System so as to control the essential terms and conditions of employment of Franchisee’s employees, including but not limited to: hiring, firing, discipline, supervision, direction, wages, hours, number of workers, scheduling, seniority, assigning work, or determining the manner or method of performance.

16.2 Scope of Change or Modification

The Franchisee understands and agrees that due to changes in competitive circumstances, presently unforeseen changes in the needs of customers, and/or presently unforeseen technological innovations, the Franchisor's System must not remain static, in order that it best serve the interests of the Franchisor, all franchisees and the System. Accordingly, the Franchisee expressly understands and agrees that the Franchisor may from time to time change the components of the System, including but not limited to: altering the products, programs, services, methods, standards, forms, policies and procedures of that

System; adding to, deleting from or modifying the programs, products and services that the Franchised Business is authorized to offer; and changing, improving or modifying the Marks. The Franchisee agrees to adopt and abide by all such modifications, changes, additions, deletions and alterations.

ARTICLE 17 - DEFAULT AND TERMINATION

17.1 Early Termination

The Franchisor will have the absolute and unfettered right to terminate this Agreement effective upon delivery to the Franchisee of written notice of termination, upon the occurrence of any of the events listed below:

a. The Franchisee fails to enter into a lease for the Location as required in Section 5.1 within 9 months of the date of this Agreement. If, through no fault of Franchisee, the Location has not opened withing the nine (9) month period, Franchisor may agree in writing to provide Franchisee with an additional three (3) months to open its Location if Franchisee (a) has already secured an approved premises for its Location, and (b) is otherwise making diligent and continuous efforts to buildout and otherwise prepare its Location for opening throughout the nine (9) month period following the Effective Date. Franchisor reserves the right to charge Franchisee a fee of $2,500 as a condition to granting any extension under this Section.

b. The Franchisee fails to commence to operate the Location as required in Section 5.6.

c. The Franchisor determines that the Franchisee and/or other designate has not satisfactorily completed the pre-opening training programs to its satisfaction pursuant to Section 9.4 or that the Franchisee has not demonstrated the qualities and abilities necessary for the successful operation of the Franchised Business. In the event that the Franchisor exercises right to terminate the Agreement pursuant to this Section, the Franchisor will refund the Fee to the Franchisee, less the Franchisor's reasonable direct and indirect costs incurred to the date of termination.

d. Any condition included in this Agreement or any Schedule, whether for the benefit of the Franchisee or the Franchisor, is not satisfied within thirty (30) days of the date of execution this Agreement (or such longer period as may be fixed in writing by the Franchisor).

17.2 Default with No Opportunity to Cure

The Franchisee will be considered to be in default and the Franchisor will have the absolute and unfettered option to terminate this Agreement without affording the Franchisee any opportunity to cure the default, effective immediately, upon the occurrence of any of the events listed below.

a. The Franchisee or any officer, shareholder, director or partner is convicted of a criminal offense or any other crime that is likely, in the reasonable opinion of the Franchisor, to adversely affect the System, the Mark, the goodwill associated with them, or the Franchisor's interest in them.

b. The Franchisee or any officer, director, shareholder or partner discloses or divulges the contents of the Manual or other trade secrets or confidential information provided to the Franchisee by the Franchisor.

c. A final order is made or resolution passed for the winding up, dissolution or liquidation of the Franchisee.

d. Any execution, seizure, attachment or similar process is issued against the Franchisee or any creditor of the Franchisee takes any action or proceeding whereby the business premises of the Franchised Business or any of the fixtures, furnishings or property on those premises is taken or seized, unless such execution, attachment or seizure is set aside, discharged or abandoned within fifteen (15) days after its commencement.

e. The Franchisee attempts to make any bulk sale or remove any part of the fixtures, furnishings or inventory from the business premises of the Franchised Business other then in the normal course of business and without the prior written consent of the Franchisor.

f. The lease or sublease of the business premises of the Franchised Business is terminated because of the default of the Franchisee without provision being made for continuation of the Franchised Business at an alternate location pursuant to Section 3.2.

g. The Franchisee becomes insolvent or makes a general assignment for the benefit of creditors, or if an assignment in bankruptcy is filed by the Franchisee or a petition is filed against and consented to by the Franchisee, or if the Franchisee becomes bankrupt, or proceedings for the appointment of a receiver or receiver/manager or other custodian (permanent or temporary) of the Franchisee or of the Franchised Business or any portion of the Franchised Business is appointed by any court or creditor of the Franchisee or the Franchised Business or if proceedings for a proposal to the creditors of the Franchisee or the Franchised Business under any federal, state or provincial or foreign law should be instituted by or against the Franchisee.

h. The Franchisee abandons, surrenders or fails to carry on normal business operations at the Location within the Designated Territory actively and continuously. Where the Franchisee desires to close the Location for any extended period of time because of holidays or vacation, the prior written consent of the Franchisor must be obtained in each case, which consent will only be granted where the closing will not, in the opinion of the Franchisor, materially and negatively affect the Franchised Business.

i. The Franchisee purports to transfer any rights or obligations under this Agreement or any lease for the Location to any third party without the Franchisor's prior written consent, or otherwise contrary to the terms of this Agreement.

j. The Franchisee maintains false books or records or submits any false statements, applications or reports to the Franchisor.

k. The Franchisee engages in conduct that constitutes a misrepresentation or a deceptive or unlawful act or practice in connection with its sale of the services and products offered by the Franchised Business.

l. Any other franchise agreement issued to the Franchisee or any principal of the Franchisee, whether or not issued pursuant to this Agreement, is terminated for any reason.

m. The Franchisee submits at any time during the term of this Agreement a report, financial statement, tax return, schedule or other information or supporting record which understates Gross Sales for any period by more than five percent (5%).

n. The Franchisee submits any report, financial statement, tax return, schedule or other information or supporting records required under this Agreement, more than fifteen (15) days after the date for delivery as required on three (3) or more occasions during the term of Agreement.

o. The Franchisee operates the Franchised Business in a manner that presents a health or safety hazard to its customers, employees or the public and such manner of operation continues uncorrected after notice to correct same from the Franchisor or the landlord of the Location is delivered to the Franchisee.

p. The Franchisee receives three or more notices of default under this Agreement within a twenty- four (24) month period during the term of this Agreement.

q. The Franchisee or any principal of the Franchisee fails, refuses or neglects to pay any monies owing to the Franchisor or its affiliates or suppliers when due, within five (5) days after receiving written notice from the Franchisor to cure the default.

r. The Franchisee receives a second consecutive failing score on an inspection of the premises (which shall be conducted at least 30 days after Franchisee's receipt of the inspection report for the prior inspection), as set for in section 9.12 of this Agreement.

17.3 Default With Thirty (30) Day Opportunity to Cure

The Franchisee will have thirty (30) days after its receipt from the Franchisor of a written notice of termination to remedy any default described in this section and provide evidence of compliance to the Franchisor. If any such default is not cured within that time, the Franchisor will have the absolute and unfettered option to terminate this Agreement without further notice to the Franchisee effective immediately upon the expiration of the thirty (30) day period. The Franchisee will be in default for any failure to comply substantially with any of the requirements imposed by this Agreement, as it may from time to time be supplemented by updates to the Manual, or for any failure to carry out the terms of this Agreement in good faith. Such defaults will include, without limitation, the occurrence of any of the events listed below.

a. Any employee, agent or independent contractor of the Franchisee is convicted of a criminal offence or any other crime or offence that is reasonably likely, in the opinion of the Franchisor, to adversely affect the System, the Mark, the goodwill associated with them, or the Franchisor's interest in them. For purposes of this Subsection 17.3(a), a DUI on off duty hours shall not be designated as adversely affecting the System.

b. Any employee, agent or independent contractor of the Franchisee discloses or divulges the contents of the Manual or other trade secrets or confidential information provided to the by the Franchisor.

c. The Franchisee, by act or omission, permits a continued violation in connection with the operation of the Franchised Business of any law, ordinance, rule or regulation of a governmental agency, for a period of five (5) days after notification of noncompliance in the absence of a good faith dispute over its application or legality and without promptly resorting to an appropriate administrative or judicial forum for relief from compliance.

d. The Franchisee misuses or makes any unauthorized use of the Marks or otherwise materially impairs the goodwill associated with them or the Franchisor's rights in them.

e. A transfer is not completed within the designated time following the death or Incapacity of any person with any interest in the Franchised Business or in the Franchisee or upon the dissolution of a Franchisee that is a partnership or corporation, with a person approved by the Franchisor.

f. The Franchisee engages in any business or markets any service or product under a name or mark which, in the Franchisor's opinion, is confusingly similar to the Marks.

g. The Franchisee fails to comply with its duties set out in this Agreement, or fails to perform any obligation owing to the Franchisor or to observe any covenant or agreement made by the Franchisee, whether such obligation, covenant or agreement is set forth in this Agreement or any other agreement with the Franchisor including, but not limited to, any other franchise agreement by and between the Franchisor and the Franchisee or any entity related to the Franchisor.

h. The Franchisee fails to maintain and submit on time to the Franchisor all reports required pursuant to this Agreement, including but not limited to, financial statements, periodic and other reports of Gross Sales.

i. The Franchisee and its employees fail to attend and successfully complete any mandatory training program.

j. The Franchisee fails to maintain any of the standards or procedures or to fully and properly employ the System, Image and Marks designated by the Franchisor in this Agreement, the Manual, any other franchise agreement between the Franchisor and the Franchisee or any other agreement between the parties, or otherwise in writing.

k. The Franchisee fails to maintain and keep the Location and all equipment in good working order and repair.

l. The Franchisee is making deliveries outside of the Designated Territory.

m. The Franchisee fails to meet the Minimum Monthly Gross Sales Quota for 36 consecutive months pursuant to Section 8.11 of this Franchise Agreement, or Franchisee fails to undertake or successfully complete any mandatory corrective training program required by Franchisor under Section 8.11

In the event that the Franchisee has, in the reasonable opinion of the Franchisor, commenced and maintained all reasonable efforts to cure the default complained of, but the default is not capable of being cured within such a thirty (30) day period, the time available for the franchisee to cure the default may be extended, in the sole reasonable discretion of the Franchisor, for such additional period of time as the Franchisor may deem necessary, provided that at all times the Franchisee continues to diligently and in good faith continue to devote its full efforts to obtaining an immediate cure of the default.

ARTICLE 18 - FRANCHISEE'S OBLIGATIONS UPON TERMINATION

18.1 Franchisee's Obligations Upon Termination

Upon termination or expiration, this Agreement will terminate immediately, and the Franchisee will observe and perform each and every one of the provisions set out below.

a. The Franchisee will immediately cease to operate the Franchised Business and will not, directly or indirectly, represent to the public or hold itself out as a present or former Project LeanNation franchisee.

b. The Franchisee will immediately and permanently cease to use, in any manner whatsoever, any equipment, format, confidential method, program, literature, procedure and technique associated the System, the name Project LeanNation and any Marks, forms, slogans, signs, symbols or devices associated with the System. In particular, the Franchisee will cease to use, without limitation, all signs, fixtures, furniture, equipment, advertising materials or promotional displays, paper goods, stationery, program material, forms and any other articles which display the Marks associated with the System.

c. The Franchisee will take such action as may be necessary to cancel any assumed name or equivalent registration which contains the Marks or any other trademark, trade name or service of the Franchisor, and the Franchisee will furnish the Franchisor with evidence satisfactory to the Franchisor of compliance with this obligation within fifteen (15) days after termination or expiration of this Agreement. If the Franchisee fails or refuses to do so, the Franchisor may, in the Franchisee's name, on the Franchisee's behalf and at the Franchisee's expense, execute any and all documents necessary to cause discontinuance of the name Project LeanNation or any related name used under this Agreement and the Franchisor is hereby irrevocably appointed by the Franchisee as its attorney to do so.

d. In the event that this Agreement is terminated, the Franchisor may, at its option, grant other franchises and/or continue to provide services to customers at the Location or within the Designated Territory. In this event, Franchisor shall indemnify Franchisee for all Location lease rental payments, utilities, and costs of operation that arise from the date of the Location lease transfer through the end of the lease term.

e. The Franchisee will, within five (5) business days, pay all sums owing to the Franchisor and its subsidiaries, affiliates and suppliers. In the event of termination for any default of the Franchisee, such amounts will include all royalties through the term of the Agreement, advertising contributions through the end of the term, damages, costs and expenses, including reasonable legal fees, by the Franchisor as a result of the default, together with interest at the Interest Rate. Said obligation will give rise to and remain, until paid in full, a lien in favor of the Franchisor any and all of the personal property, machinery, fixtures, equipment and inventory owned by the Franchisee on the premises of the Franchised Business at the time of the default. If the Franchisee is then indebted to the Franchisor by way of loan, mortgage, arrears or otherwise, all indebtedness and obligations will be accelerated and become immediately fully-due and payable.

f. The Franchisee will pay to the Franchisor all of the Franchisor's damages, costs and expenses, including legal fees and costs, whether legal proceedings are commenced or not, incurred by the Franchisor subsequent to the termination or expiration of this Agreement in obtaining injunctive or other relief for the enforcement of any provisions of this Agreement.

g. The Franchisee will immediately turn over to the Franchisor all copies of all materials in the Franchisee's possession including the Manual, all records, files, instructions, correspondence, disclosure statements and any and all other materials relating to the operation of the Franchised Business in the Franchisee's possession (all of which are acknowledged to be the Franchisor's property), and will not retain any copy or record of any of those materials, excepting the Franchisee's copy of this Agreement and of any correspondence between the parties and other documents which the Franchisee reasonably needs for compliance with any provision of law. In addition, the Franchisee will deliver to the Franchisor a complete list of all persons employed by the Franchisee during the three (3) years immediately preceding termination, together with all employment files of each employee on such list. All costs of delivering all material required by this section will be borne by the Franchisee.

h. The Franchisee will promptly notify the appropriate telephone company and all telephone directory listing agencies of the termination or expiration of its right to use any telephone number and any regular, classified or other telephone directory listings associated with any Marks and will authorize the transfer of those numbers and listings to or to the direction of the Franchisor. The Franchisee agrees to execute updated letters of direction to any telephone company and telephone listing agencies directing termination and/or transfer of the Franchisee's right to use any telephone number associated with the Marks, which the Franchisor may hold until termination or expiration of this Agreement. The Franchisee acknowledges that as between the Franchisor and the Franchisee, the Franchisor has the right to and interest in all telephone numbers and directory listings associated with any Marks. The Franchisee authorizes the Franchisor, and hereby appoints the Franchisor and any officer of the Franchisor as its attorney, to direct the appropriate telephone company and all listing agencies to transfer all such listings to the Franchisor or its nominee upon of this Agreement.

i. The Franchisee will fully cooperate with any exercise by the Franchisor of its option to purchase the tangible assets of the Franchisee upon termination, including execution and delivery of all transfer documentation, and delivery of all tangible assets to be purchased.

j. The Franchisee will execute any legal documents that may be necessary to carry out any termination or transfer to the Franchisor or its nominee provided for in this Agreement and will furnish to the Franchisor, within thirty (30) days after the effective date of termination, written evidence satisfactory to the Franchisor of the Franchisee's compliance with the obligations set out in this article.

k. Upon request by Franchisor, Franchisee will immediately assign all of its right, title and interest in and to the lease agreement for the Location to Franchisor. The Franchisee authorizes the Franchisor, and hereby appoints the Franchisor and any officer of the Franchisor as its attorney, to direct the landlord to transfer Franchisee’s right, title and interest in lease agreement for the Location to the Franchisor or its nominee upon termination of this Agreement. The Franchisee shall sign the Lease Power of Attorney in the form of Schedule 2 attached hereto, to further evidence the Franchisor’s rights hereunder.

l. Other than as specifically set out in this article, the Franchisee will have no interest in the Franchised Business upon termination or expiration of this Agreement, and the Franchisee will continue to be bound by any obligation set out in this Agreement which is expressed or intended to survive the termination or expiration of this Agreement.

ARTICLE 19 - ADDITIONAL REMEDIES

19.1 Remedies

No right or remedy conferred upon or reserved to the Franchisor by this Agreement is intended to be, nor will be considered, exclusive of any other right or remedy under this Agreement or by law or equity provided or permitted, but each will be in addition to every other right or remedy.

19.2 Indemnification of the Franchisor

The Franchisee agrees, during and after the term of this Agreement, to indemnify and save the Franchisor harmless from any and all liabilities, losses, suits, claims, demands, costs, fines and actions of any kind or nature whatsoever including legal fees and costs, whether legal proceedings are commenced or not, to which the Franchisor will or may become liable for, or suffer by reason of any breach, violation or non-performance or threatened breach on the part of the Franchisee or, if the Franchisee is a corporation or partnership, any of its directors, officers, shareholders, partners, agents, servants or employees of any term or condition of this Agreement, any other agreement between the Franchisee and the Franchisor, or any lease or sublease of the business premises where the Franchised Business is located and from all claims, damages, suits, costs or rights of any persons, firms or corporations arising from the operation of the

Franchised Business by the Franchisee. The indemnity provided for in this section will not apply to the extent that the loss, claim or damage, including legal fees, is caused by the negligence of the Franchisor.

19.3 Joint and Several Liability

If two or more individuals, corporations, partnerships or other entities (or any combination of two or more of them) signs or is subject to the terms and conditions of this Agreement as Franchisee or as guarantor, the liability of each of them under this Agreement will be considered to be joint and several.

19.4 Franchisor May Cure Default

In addition to all other remedies granted in this Agreement, if the Franchisee defaults in the performance of any of its obligations or breaches any term or condition of this Agreement or any related agreement, the Franchisor may, at its sole option immediately or at any time thereafter, without waiving any claim for breach and without notice to the Franchisee, cure such default for the account of and on behalf of the Franchisee. The entire cost to the Franchisor of curing any such default is due and payable on demand.

19.5 Franchisor's Option to Purchase

In the event of the termination, expiration or non-renewal of this Agreement for any reason including, but not limited to, a default under Article 17, the Franchisor will have the option for a period of forty-five (45) days following the date of termination to purchase the Franchisee's interest in the tangible assets of the Franchised Business at the fair market value of such assets. In the event that the Franchisor elects to purchase the Franchisee's interest, the Franchisee will also execute an assignment of any applicable commercial lease used solely for the operation of the Franchised Business if requested by the Franchisor. In the event that the Franchisor exercises this option, the Franchisee will, upon presentation of payment for the assets being purchased, deliver a bill of sale with the usual covenants as to title, and comply with all applicable bulk sales laws.

19.6 Right of Entry

Immediately upon termination of this agreement, the Franchisor may enter upon, occupy and use, to the absolute exclusion of the Franchisee, all or any part of the Location and any equipment, improvements, fixtures, furnishings and property located in, on or about the Location and used in connection with the Franchised Business in the conduct of a Project LeanNation franchise free of charge. The Franchisor will have the right to take all such action as it, in its absolute discretion, deems necessary or desirable to carry out the rights granted to it by this section. All revenues, monies, profits, benefits and advantages derived from the management and operation of the business throughout the period of occupation will be for the exclusive account of the Franchisor provided the Franchisor will pay and discharge all debts and liabilities incurred by it during the period of its conduct of the business. In addition, the Franchisor may, but will not be obliged to, pay all claims owing by the Franchisee to any creditor of the Franchised Business and any amounts so paid will be charged to and repaid by the Franchisee to the Franchisor immediately upon demand and until repaid will bear interest compounded monthly at the Interest Rate. The Franchisor will have no obligation to retain any employees of the Franchised Business nor to honor any contractual commitments previously made by the Franchisee in connection with the Franchised Business and any liability with respect to such contractual commitments will be exclusively borne and paid by the Franchisee. If the Franchisor elects to retain any such employees, such employment will be pursuant to a new employment agreement between the Franchisor and such employee(s) and will commence their employment on the first business day in which the Franchisor carries on business from the Location. Any claim of such employee(s) for unpaid salary, vacation pay or other benefits arising from employment with the Franchisee will be the responsibility of and be paid by the Franchisee to the exclusion of the Franchisor. The right of the Franchisor to remain in occupation of the Location and to conduct the said business will continue until the expiry of the option period set out in Section 19.5 provided that, if the Franchisor elects to exercise the option set out in Section 19.5, the Franchisor's right of occupation will not expire and will continue throughout the period preceding the closing of such transaction. The occupation by the Franchisor of the Location as set out in this section will not be construed as an assignment of the lease for the Location by the Franchisee and the Franchisor will have no responsibility for payment of any rent or other charges owing under the lease except insofar as they relate to the period of its occupation of the Location.

19.7 Injunctive Relief

Nothing in this Agreement, including any provision for arbitration, will bar the Franchisor's right to obtain injunctive or other specific relief against conduct or threatened conduct that will cause it loss or damage, including loss or damage under the usual equity rules, including the applicable rules for obtaining restraining orders and preliminary, temporary or permanent injunctions.

19.8 Setoff by the Franchisor

Notwithstanding anything contained in this Agreement, upon the failure of the Franchisee to pay the Franchisor as and when due any amount of money provided for in this Agreement, the Franchisor will have the right at its option, to deduct any and all such amounts remaining unpaid from any moneys or credit held by the Franchisor for the account of the Franchisee.

19.9 No Setoff by Franchisee

The payment and performance by the Franchisee of the fees and other obligations under this Agreement are absolute and unconditional, irrespective of any defense or any rights of setoff, or counterclaim that the Franchisee might otherwise have against the Franchisor. The Franchisee will pay, absolutely net, all of the fees due under this Agreement, free of any deductions and without abatement, diminution or setoff. Any defense or right of setoff, or counterclaim must be brought by separate action. The Franchisor will not be bound by any restrictive endorsement on any payment made by the Franchisee. Upon receipt of any payment by the Franchisee, the Franchisor reserves the right to allocate such payment at its discretion, even if the Franchisee has designated the payment for a different purpose or account.

19.10 Power of Attorney

If the Franchisee does not sign and deliver to the Franchisor any document which it is required to sign and deliver pursuant to this Agreement within ten (10) days of receiving the Franchisor’s written request, the Franchisee irrevocably appoints the Franchisor as the Franchisee's attorney with full power and authority to sign and deliver in the name of the Franchisee any such document and to do all things necessary to comply in a timely manner with the provisions of this Agreement pursuant to which the power of attorney is being utilized, and the Franchisee agrees to ratify and confirm all such acts of the Franchisor as its lawful attorney and to indemnify and save the Franchisor harmless from all claims, losses, or damages in so acting.

19.11 Charges for Late and N.S.F. Payments

All fees and payments and all amounts due for goods purchased by the Franchisee from time to time from the Franchisor or its affiliates and any other amounts owned to the Franchisor or its affiliates by the Franchisee pursuant to this Agreement or otherwise will bear interest after the due date and until paid in full at the Interest Rate, both before and after default, with interest on overdue interest at the Interest Rate. The acceptance of any payment will not be interpreted as a waiver by the Franchisor of its rights in respect of the default giving rise to such payment and will be without prejudice to the Franchisor's right to terminate this Agreement as a result of such default. In addition, the Franchisee agrees to pay an administrative fee of $50 for each and every overdue payment, and for each and every payment that the Franchisee's bank refuses to honor for any reason.

19.12 Security to the Franchisor

As security for the prompt payment, performance and satisfaction of all of the Franchisee's obligations under this Agreement, the Franchisee assigns, transfers and sets over to the Franchisor all of its right, title and interest in and to, and grants to the Franchisor a continuing lien on and security interest, in and to, all of the assets of the Franchisee or the Guarantors used in the Franchised Business, including but not limited to any and all of the personal property, real property, machinery, fixtures, equipment and inventory, wherever located, whether now owned, existing, acquired or arising after this date, together with all replacements, accessions, parts, proceeds, including insurance proceeds, bank accounts and proceeds of proceeds. Upon default by the Franchisee in payment of all or any part of the indebtedness or liability of the Franchisee to the Franchisor or in the performance or observance of any of the provisions of this Agreement, the Franchisor will have the rights and remedies of a secured party under the Uniform Commercial Code, or any equivalent provincial or state legislation. The Franchisor shall have the right in its exclusive discretion to perfect the Franchisor's security interest by filing a UCC-1 Financing Statement without the Franchisee's signature. If the Franchisee is in default, all debts then due and owing by the Franchisee to the Franchisor under this or any other present or future agreement with the Franchisor will, if the Franchisor so elects, become immediately due and payable. The Franchisor will subordinate its security interest to any bank for financing provided by the bank to construct and/or operate the Franchised Business. Until default by the Franchisee, the Franchisee may dispose of inventory and accounts receivable in the ordinary course of business.

19.13 Legal Fees

In the event the Franchisor is made a party to any litigation or is threatened to be made a party to any litigation commenced by or against the Franchisee, and if the Franchisee has breached any of the terms and conditions of this Agreement or is otherwise found at fault to any extent in such litigation, then the Franchisee will indemnify and save the Franchisor harmless against any losses, damages or claims whatsoever arising from that litigation or the breach or default that gave rise to that litigation and will pay all costs and expenses including the full amount of any legal fees, accountants and expert witness fees, costs of investigation, travel and living expenses incurred or paid by the Franchisor in connection with such litigation. Where any provision of this Agreement requires payment of legal fees, the fees payable will be on the basis of an attorney and his own client, and will include all disbursements and taxes.

ARTICLE 20 - GUARANTEE

20.1 Guarantee and Indemnity

In consideration of the Franchisor entering into this Agreement with the Franchisee and in consideration of the sum of two dollars ($2.00) and other good and valuable consideration, (the receipt and sufficiency whereof is hereby acknowledged by the Guarantor(s)) the Guarantor(s) hereby unconditionally guarantees to the Franchisor that the Franchisee will pay all amounts to be paid and otherwise observe and perform all terms and conditions to be so observed and performed, either in this Agreement and/or in any other agreement between the Franchisor and the Franchisee. If the Franchisee will default in making any such payments or in the observance or performance of any such obligations, the Guarantor(s) hereby covenants and agrees to pay to the Franchisor forthwith upon demand all amounts not so paid by the Franchisee and all damages that may arise in consequence of any such non-observance or non-performance. Without in any way restricting or limiting the guarantee given by the Guarantor(s) as set out above or any other rights and remedies to which the Franchisor may be entitled, the Guarantor(s) hereby covenants and agrees to indemnify and save the Franchisor harmless against any and all liabilities, losses, suits, claims, demands, costs, fines and actions of any kind or nature whatsoever to which the Franchisor will or may become liable for, or suffer, by reason of any breach, violation or non-performance by the Franchisee of any term or condition of this Agreement, any lease for the Location, or any other agreement made between the Franchisee and the Franchisor. With respect to the guarantee and indemnification provided for herein by the Guarantor(s), the Guarantor(s) covenants and agrees to execute and deliver such separate form of guarantee and/or indemnity evidencing its obligations under the provisions of this section as the Franchisor will in its reasonable discretion determine.

20.2 Waiver of Rights to Proceed

In the enforcement of any of its rights against the Guarantor(s), the Franchisor may in its discretion proceed as if the Guarantor(s) was the primary obligor under this Agreement, any lease for the Location, or any other agreement made between the Franchisee and the Franchisor. The Guarantor(s) hereby waives any right to require the Franchisor to proceed against the Franchisee or to proceed against or to exhaust any security (if any) held from the Franchisee, or to pursue any other remedy whatsoever which may be available to the Franchisor before proceeding against the Guarantor(s). Where two or more individuals have given this guarantee, then their liability will be joint and several. Each Guarantor waives the benefits of division and discussion and acknowledges that his obligations as Guarantor are indivisible. Each Guarantor acknowledges that his guarantee is irrevocable at all times and is a continuing guarantee which will remain in effect until the complete performance of all of the obligations of the Franchisee under this Agreement and/or any other agreement between the Franchisor and the Franchisee and until the Franchisor has released all Guarantors from their obligations in writing.

20.3 Any Dealings Binding on Guarantor(s)

No dealings of whatsoever kind between the Franchisor and the Franchisee and/or any party from whom the right to occupy the Location has been obtained and/or any other persons as the Franchisee may see fit, whether with or without notice to the Guarantor(s), will exonerate, release, discharge or in any way reduce the obligations of the Guarantor(s) in whole or in part, and in particular, and without limiting the generality of the foregoing, the Franchisor may modify or amend this Agreement or any lease for the Location, grant any indulgence, release, postponement or extension of time, waive any term or condition of this Agreement or any lease for the Location or any obligation of the Franchisee, take or release any securities or other guarantees for the performance by the Franchisee of its obligations and otherwise deal with the Franchisee and/or any party from whom the right to occupy the Location has been obtained and/or any other persons as the Franchisor may see fit without affecting, lessening or limiting in any way the liability of the Guarantor(s). The Guarantor(s) hereby expressly waives notice of all or any default of the Franchisee.

20.4 Settlement Binding on Guarantor(s)

Any settlement made between the Franchisor and/or the Franchisee and/or any party from whom the right to occupy the Location has been obtained and/or any other persons as the Franchisor may see fit to deal with, or any determination made pursuant to this Agreement or any lease for the Location which is expressed to be binding upon the Franchisee, will be binding upon the Guarantor(s).

20.5 Bankruptcy of the Franchisee

Notwithstanding any assignment for the general benefit of creditors or any bankruptcy or any other act of insolvency by the Franchisee and notwithstanding any rejection, disaffirment or disclaimer of this Agreement, the Guarantor(s) will continue to be fully liable hereunder.

20.6 Guarantor's Covenants Binding

Without in any way limiting the generality of any other section of this Agreement, the covenants and agreement of the Guarantor(s) contained in this section will enure to the benefit of and be binding upon the Guarantor(s) and the heirs, executors, administrators, successors and assigns of the Guarantor(s).

20.7 Guarantor(s) to be Bound

The Guarantor(s) acknowledges reviewing all of the provisions of this Agreement and agrees to abide and be bound by all of the provisions of the Agreement insofar as they apply to him or them.

ARTICLE 21 - STATUS OF PARTIES

21.1 Independent Contractor

This Agreement does not create a fiduciary relationship. The Franchisee will be an independent contractor. Nothing in this Agreement is intended to constitute either party an agent, legal representative, subsidiary, joint venturer, joint employer, partner, employee or servant of the other for any purpose whatsoever. Franchisor shall have no control over the essential terms and conditions of employment of Franchisee's employees, including but not limited to: hiring, firing, discipline, supervision, direction, wages, hours, number of workers, scheduling, seniority, assigning work, or determining the manner or method of performance. The Franchisee will have the right to profit from its efforts, commensurate with its status as owner of the Franchised Business, and correspondingly will bear the risk of loss or failure that is characteristic of this status notwithstanding the affiliation with the System created by this Agreement.

21.2 Holding Out to Public

During the term or any renewal of this Agreement, the Franchisee will hold itself out to the public as an independent contractor operating the Franchised Business pursuant to a license from the Franchisor.

The Franchisee agrees to take such affirmative action as may be necessary to do so, as the Franchisor may specify in the Manual or otherwise in writing.

21.3 No Liability

It is understood and agreed that nothing in this Agreement authorizes the Franchisee to make any contract, agreement, warranty or representation on the Franchisor's behalf, or to incur any debt or other obligation in the Franchisor's name, and that the Franchisor will in no event assume liability for, or be considered liable as a result of, any such action, or by reason of any act or omission of the Franchisee in its conduct of the Franchised Business or any claim or judgment against the Franchisee. The Franchisee will indemnify and hold the Franchisor harmless against any and all claims arising directly or indirectly from, as a result of, or in connection with the Franchisee's operation of the Franchised Business, as well as the costs, including legal fees, of defending against them.

21.4 Identification

The Franchisee will conspicuously identify itself and the Franchised Business in all dealings with its customers, contractors, suppliers, public officials and others as an independent Franchisee of the Franchisor, and will place such notice of independent ownership on all forms, business cards, stationery, advertising, signs, checks and other materials and in such fashion as the Franchisor may, in its discretion, require from time to time in the Manual or otherwise.

ARTICLE 22 - GENERAL PROVISIONS

22.1 Amendments

Any amendment or modification of this Agreement is invalid unless made in writing and signed by the Franchisor, the Franchisee and the Guarantors.

22.2 Further Assurances

Each of the parties agrees to sign and deliver such other documents, cause such meetings to be held, resolutions passed and by-laws enacted, exercise their vote and influence and do and cause to be done and any other acts and things necessary or desirable in order to give full effect to this Agreement.

22.3 Notice

Any notice required or permitted to be given under this Agreement will be in writing and may be given by personal service, sent by pre-paid courier or by pre-paid certified mail, in a sealed envelope addressed to:

The Franchisee:

____
____
____

The Franchisor:

Project Lean Nation Franchising, Inc.
14 Franklin Street, Suite 1403
Rochester, New York 14604

The address given for the delivery of a notice may be changed at any time by either party by written notice in accordance with this section. Any notice delivered personally or by courier will be considered received on the day delivered. Any notice sent by certified mail will be considered received on the fifth (5th) business day following the date of mailing.

22.4 Written Consent

Whenever this Agreement requires the prior approval or consent of the Franchisor, the Franchisee will make a timely written request to the Franchisor for such approval or consent, and such approval or consent will be obtained in writing. The Franchisor may grant or deny its approval or consent in its sole, absolute and unfettered discretion, with or without reason or consideration.

22.5 No Waiver

No failure of the Franchisor to execute any power reserved to it by this Agreement, or to insist upon strict compliance by the Franchisee with any obligation or condition of this Agreement, and no custom or practice of the parties that differs from the terms of this Agreement, will constitute a waiver of the Franchisor's right to demand exact compliance with any of the terms of this Agreement. Waiver by the Franchisor of any particular default by the Franchisee will not affect or impair the Franchisor's rights with respect to any subsequent default of the same, similar or different nature, nor will any delay, forbearance or omission of the Franchisor to exercise any power or right arising out of any breach or default by the Franchisee of any of the terms, provisions or covenants, affect or impair the Franchisor's right to exercise any of its powers or rights, nor will such constitute a waiver by the Franchisor of any right under this Agreement, or the right to declare any subsequent breach or default and to terminate this Agreement prior to the expiration of its term. Subsequent acceptance by the Franchisor of any payments due to it under this Agreement will not be considered to be a waiver by the Franchisor of any preceding breach of the Franchisee of any terms, covenants or conditions of this Agreement.

22.6 Uncontrollable Circumstances

Delays in the performance of any duties under this Agreement that are not within the reasonable control of the parties including fire, flood, natural disaster, pandemic, act of God, governmental acts or orders or civil disorder, including strikes, will not cause a default under this Agreement and the other party will, upon notice, extend the time for performance for the period of such delay or for such other reasonable period of time as may reasonably be required.

22.7 Governing Law

This Agreement will be interpreted in accordance with the laws of New York.

22.8 Jurisdiction and Venue

The parties agree that, subject to the arbitration provisions of this Agreement, any permitted action brought by either party against the other will be brought in the state of New York and will be commenced and continued in the state of New York.

22.9 Counterparts

This Agreement may be signed and delivered in counterparts, each of which will be considered to be an original, and all of which together will constitute one and the same instrument.

22.10 Entire Agreement

THIS AGREEMENT, WHEN FULLY EXECUTED, WILL SUPERSEDE ANY AND ALL PRIOR AND EXISTING AGREEMENTS, UNDERSTANDINGS, NEGOTIATIONS AND DISCUSSIONS, EITHER ORAL OR IN WRITING, BETWEEN THE PARTIES WITH RESPECT TO THE SUBJECT MATTER OF THIS AGREEMENT. EXCEPT AS SPECIFICALLY SET OUT IN THIS AGREEMENT, THERE ARE NO REPRESENTATIONS, WARRANTIES, UNDERTAKINGS, PROVISOES, INDUCEMENTS, COVENANTS OR AGREEMENTS WHETHER DIRECT, INDIRECT, COLLATERAL, EXPRESS OR IMPLIED MADE BY THE FRANCHISOR TO THE FRANCHISEE.

22.11 Disclaimer

THE FRANCHISEE ACKNOWLEDGES THAT IT HAS CONDUCTED AN INDEPENDENT INVESTIGATION OF THE FRANCHISED BUSINESS, AND RECOGNIZES THAT THE BUSINESS VENTURE CONTEMPLATED BY THIS AGREEMENT IS SPECULATIVE AND INVOLVES BUSINESS RISKS AND THAT ITS SUCCESS WILL BE LARGELY DEPENDENT UPON THE ABILITIES OF THE FRANCHISEE. THE FRANCHISOR EXPRESSLY DISCLAIMS THE MAKING OF, AND THE FRANCHISEE ACKNOWLEDGES THAT IT HAS NOT RECEIVED, ANY REPRESENTATION, WARRANTY, PROMISE, INDUCEMENT OR GUARANTEE, EXPRESS OR IMPLIED, ORAL OR WRITTEN, AS TO THE POTENTIAL VOLUME, PROFITS OR SUCCESS OF THE BUSINESS VENTURE CONTEMPLATED BY THIS AGREEMENT OR OTHERWISE WITH RESPECT TO THE SUBJECT MATTER OF THIS AGREEMENT.

22.12 Investigation and Voluntary Agreement

THE FRANCHISEE ACKNOWLEDGES THAT IT HAS RECEIVED, READ AND UNDERSTOOD THIS AGREEMENT. THE FRANCHISEE ACKNOWLEDGES THAT THE FRANCHISOR HAS PROVIDED THE FRANCHISEE AMPLE TIME AND OPPORTUNITY TO CONSULT WITH ADVISORS OF ITS OWN CHOOSING ABOUT THE POTENTIAL BENEFITS AND RISKS OF ENTERING INTO THIS AGREEMENT. THE FRANCHISEE IS ENTERING INTO THIS AGREEMENT VOLUNTARILY, AND WITHOUT THREAT, DURESS OR COMPULSION WHATSOEVER.

22.13 Language Clause

The parties to this Agreement acknowledge having required that this Agreement as well as all notices, documents or agreements related to this Agreement be drafted in English. Les parties aux présentes reconnaissent avoir exigé que la présente convention ainsi que tous avis, documents ou ententes s'y rapportant soient rédigés en anglais.

22.14 Date of Execution

This Agreement has been signed, sealed and delivered by the parties __________, 20__.

Project Lean Nation Franchising, Inc. (the "Franchisor"):

____
Tim Dougherty, President

____________________________ (the "Franchisee"):

____

Guarantors:

____

____

Schedule 1 -- Irrevocable Power of Attorney - Telephone

Appointment

The undersigned hereby irrevocably nominates, constitutes and appoints Project Lean Nation Franchising, Inc., a New York corporation with its principal office at 14 Franklin Street, Suite 1403, Rochester, New York 14604 ("Project LeanNation"), its true and lawful Attorney in its name, place and stead, and for the sole use and benefit of Project LeanNation, in connection with any and all telephone numbers or telephone directory advertisement or listings containing or using the name "Project LeanNation" or any other trade-names or trade-marks now or in the future used or owned by Project LeanNation;

Scope of Powers

For all and every of the purposes set out above, the undersigned grants and gives to Project LeanNation as our Attorney full and absolute power and authority to do and execute all acts, deeds, matters and things necessary to be done, and also to commence, institute and prosecute all actions, suits and other proceedings which may be necessary or expedient as fully and effectually to all intents and purposes as we could do if personally present and acting therein, and also with full power and authority to Project LeanNation as our Attorney to appoint a substitute or substitutes and such substitution at pleasure to be revoked. We hereby ratify, confirm and agree to ratify and confirm and allow all and whatsoever our said Attorney or said substitute or substitutes will lawfully do or cause to be done in respect of the aforesaid purposes.

Date of Execution

This irrevocable Power of Attorney has been executed on the date set forth below.

IN WITNESS WHEREOF, the Franchisee on behalf of itself and its equity owners acknowledges that it has read and understands the contents of this Schedule, that it has had the opportunity to obtain the advice of counsel, and that it intends to comply with this Schedule and be bound by it. The parties have duly executed and delivered this Power of Attorney on ________________, 20__.

PROJECT LEAN NATION FRANCHISING, INC. :	**FRANCHISEE :**
By:_______________________	By:_________________________
Name:____________________	Name:______________________
Title: _____________________	Title:_______________________

SCHEDULE 2: IRREVOCABLE POWER OF ATTORNEY – LEASE

Appointment

The undersigned hereby irrevocably nominates, constitutes and appoints Project Lean Nation Franchising, Inc., a New York corporation with its principal office at 14 Franklin Street, Suite 1403, Rochester, New York 14604 ("Project LeanNation"), its true and lawful Attorney in its name, place and stead, and for the sole use and benefit of Project LeanNation, in connection with any and all leases, subleases, or assignments of real property for a franchised Project LeanNation Location (the "Franchised Business");

Scope of Powers

For all and every of the purposes set out above, the undersigned grants and gives to Project LeanNation as our Attorney full and absolute power and authority to do and execute all acts, deeds, matters and things necessary to be done, and also to commence, institute and prosecute all actions, suits and other proceedings which may be necessary or expedient as fully and effectually to all intents and purposes as we could do if personally present and acting therein, and also with full power and authority to Project LeanNation as our Attorney to appoint a substitute or substitutes and such substitution at pleasure to be revoked. We hereby ratify, confirm and agree to ratify and confirm and allow all and whatsoever our said Attorney or said substitute or substitutes will lawfully do or cause to be done in respect of the aforesaid purposes.

Date of Execution

This irrevocable Power of Attorney has been executed on the date set forth below.

IN WITNESS WHEREOF, the Franchisee on behalf of itself and its equity owners acknowledges that it has read and understands the contents of this Schedule, that it has had the opportunity to obtain the advice of counsel, and that it intends to comply with this Schedule and be bound by it. The parties have duly executed and delivered this Power of Attorney on ________________, 20__.

PROJECT LEAN NATION FRANCHISING, INC. :	**FRANCHISEE :**
By:_______________________	By:_________________________
Name:____________________	Name:______________________
Title: _____________________	Title:______________________

SCHEDULE 3: GUARANTEE AGREEMENT

PERSONAL GUARANTY

For value received, the undersigned do hereby jointly and severally (if more than one undersigned) and unconditionally guaranty unto Project Lean Nation Franchising, Inc., a New York corporation with its principal office at 14 Franklin Street, Suite 1403, Rochester, New York 14604, and its successors and assigns (the "Franchisor") the full payment and performance of ______________, a(n) ____________ (the "Franchisee") under the terms and covenants of that certain Franchise Agreement between Franchisor and Franchisee, dated ____________, 20__ (the "Agreement") including, without limitation, interest and all other sums due thereunder and attorneys' fees and costs incurred in the enforcement of the Agreement or this Personal Guaranty.

The obligations of the undersigned pursuant to this Personal Guaranty are joint and several, primary, and independent of the obligation of Franchisee. This Personal Guaranty is a guarantee of payment and performance and not of collection, and a separate action or actions may be brought and prosecuted against the undersigned regardless of whether an action is brought against Franchisee or whether Franchisee is joined in any such action or actions. This is a continuing guaranty relating to the Agreement, including indebtedness arising under successor agreements or other transactions that continue the Agreement or from time to time renew or extend it. The undersigned authorizes Franchisor without notice or demand and without affecting their liability hereunder from time to time to: (a) change the amount of or the time for payment or any of the other terms and covenants of the Agreement; (b) take and hold security for the payment of this Personal Guaranty, and to renew, compromise, exchange, transfer, enforce, waive and release any such security; (c) apply such security and direct the order or manner of sale thereof as Franchisor in its discretion may determine; (d) release or substitute any one or more of the undersigned guarantors; (e) bid and purchase at any sale of security for this Personal Guaranty; (f) assign or transfer all or any part of its interest in the Agreement; and (g) assign this Personal Guaranty in whole or in part. The undersigned waive any right to require Franchisor to proceed against Franchisee, or proceed against or exhaust security for the indebtedness evidenced hereby, or pursue any other remedy in Franchisor's power whatsoever. Each of the undersigned, if constituting married persons, expressly agrees that recourse may be made against their marital community and their separate property and in such order and manner as Franchisor may elect. The undersigned waive any defense arising by reason of any disability or defense of Franchisee or by reason of the cessation from any cause whatsoever of the liability of Franchisee. The undersigned waive all presentments, demands or performance, notice of nonperformance, protest, notice of protest, notices of dishonor and notices of acceptance of this Personal Guaranty and of the existence, creation or incurring of new or additional obligations. Until all obligations of Franchisee under the Agreement have been paid and satisfied in full, the undersigned shall have no right of subrogation and waive any right to enforce any remedy which Franchisor now has or hereafter may have against Franchisee, and further waive any benefit of, and any right to participate in any security now or hereafter held by Franchisor. This Personal Guaranty shall bind the undersigned's heirs, administrators, personal representatives, successors, and assigns, and shall inure to the benefit of Franchisor and its successors and assigns including, without limitation, any party to whom Franchisor may assign any interest in the Agreement, and the undersigned hereby waives notice of any such assignment. All of Franchisor’s rights are cumulative and not alternative. This Personal Guaranty shall be governed by and construed and enforced under New York law.

IN WITNESS WHEREOF, the Franchisee on behalf of itself and its equity owners acknowledges that it has read and understands the contents of this Schedule, that it has had the opportunity to obtain the advice of counsel, and that it intends to comply with this Schedule and be bound by it.

Dated: __________

PROJECT LEAN NATION FRANCHISING, INC. :	**GUARANTOR :**
By:______________________	______________________
Name:____________________	Name:
Title: ____________________	

SCHEDULE 4: NON-DISCLOSURE AGREEMENT

NON-DISCLOSURE AGREEMENT

The undersigned party (the "Receiving Party") understands that Project Lean Nation Franchising, Inc., a New York corporation with its principal office at 14 Franklin Street, Suite 1403, Rochester, New York 14604 (the "Disclosing Party") has disclosed or may disclose information relating to the Disclosing Party's business which to the extent previously, presently, or subsequently disclosed to the Receiving Party is hereinafter referred to as "Proprietary Information" of the Disclosing Party

In consideration of the parties' discussions and any access of the Receiving Party to Proprietary Information of the Disclosing Party, the Receiving Party hereby agrees as follows:

1. The Receiving Party agrees: (i) to hold the Disclosing Party's Proprietary Information in confidence and to take reasonable precautions to protect such Proprietary Information (including, without limitation, all precautions the Receiving Party employs with respect to its confidential materials); (ii) not to divulge any such Proprietary Information or any information derived therefrom to any third person, except to a professional advisor such as a lawyer or accountant (and then solely for the purposes in (iii) below); (iii) not to make any use whatsoever at any time of such Proprietary Information except to evaluate its relationship with the Disclosing Party; (iv) not to copy any such Proprietary Information; and (v) not to export or re-export (within the meaning of U.S. or other export control laws or regulations) any such Proprietary Information or product thereof. Without granting any right or license, the Disclosing Party agrees that the foregoing shall not apply with respect to any information after five years following the disclosure thereof or any information that the Receiving Party can document (i) is or becomes (through no improper action or inaction by the Receiving Party or any affiliate, agent, consultant or employee) generally available to the public, or (ii) was in its possession or known by it without restriction prior to receipt from the Disclosing Party or (iii) was rightfully disclosed to it by a third party without restriction, or (iv) was independently developed without use of any Proprietary Information of the Disclosing Party by employees of the Receiving Party who have had no access to such information. The Receiving Party may make disclosures required by law or court order provided the Receiving Party uses diligent reasonable efforts to limit disclosure and to obtain confidential treatment or a protective order and has allowed the Disclosing Party to participate in the proceeding. The Receiving Party, it affiliates and their respective directors, officers, and employees shall refrain from using for any purpose any "residuals" from access to the Proprietary Information. "Residuals" means information in non-tangible form which may be retained by persons who had access to Proprietary Information, including ideas, concepts, know-how, methods or techniques.

2. Immediately upon a request by the Disclosing Party at any time the Receiving Party will turn over to the Disclosing Party all Proprietary Information of the Disclosing Party and all documents or media containing any such Proprietary Information and any and all copies or extracts thereof. The Receiving Party understands that nothing herein (i) requires the disclosure of any Proprietary Information of the Disclosing Party or (ii) requires the Disclosing Party to proceed with any transaction or relationship.

3. This Agreement applies only to disclosures made before the first anniversary of this Agreement. The Receiving Party acknowledges and agrees that due to the unique nature of the Disclosing Party's Proprietary Information, there can be no adequate remedy at law for any breach of its obligations hereunder, which breach may result in irreparable harm to the Disclosing Party, and therefore, that upon any such breach or any threat thereof, the Disclosing Party shall be entitled to appropriate

equitable relief in addition to whatever remedies it might have at law. In the event that any of the provisions of this Agreement shall be held by a court or other tribunal of competent jurisdiction to be illegal, invalid or unenforceable, such provisions shall be limited or eliminated to the minimum extent necessary so that this Agreement shall otherwise remain in full force and effect. This Agreement shall be governed by the law of the State of New York without regard to the conflicts of law provisions thereof. This Agreement supersedes all prior discussions and writings and constitutes the entire agreement between the parties with respect to the subject matter hereof. The prevailing party in any action to enforce this Agreement shall be entitled to reasonable costs and attorney's fees. No waiver or modification of this Agreement will be binding up a party unless made in writing and signed by a duly authorized representative of such party and no failure or delay in enforcing any right will be deemed a waiver.

Receiving Party:	Date:
______________________________	____________
Authorized representative of	
______________________________	
Disclosing Party:	Date:
______________________________	____________
Authorized representative of Project Lean Nation Franchising, Inc.	
______________________________	

SCHEDULE 5: DESIGNATED TERRITORY

Location: ____

Designated Territory:__________________________________

Designated Market Area: _______________________________

SCHEDULE 6: AREA DEVELOPMENT AGREEMENT

AREA DEVELOPMENT AGREEMENT

This **AREA DEVELOPMENT AGREEMENT** (the "Agreement') is entered on this date of **________**, 202**__** (the "Effective Date") between Project Lean Nation Franchising, Inc.**,** a New York corporation ("Franchisor") and **___________** a [limited liability company/corporation/individual] ("Developer") (collectively the "Parties").

INTRODUCTION:

WHEREAS, the Parties hereto have entered into a franchise agreement dated even herewith (the "Franchise Agreement"); and

WHEREAS, the Parties wish to expand the number of franchises and the territory called for in the Franchise Agreement.

NOW, THEREFORE, in consideration of Ten Dollars ($10.00) and other good and valuable consideration, the receipt of which is hereby acknowledged, the parties hereto agree as follows:

AGREEMENT

1. Grant

a. Franchisor grants Developer the right, and Developer assumes the duty to open and operate a **_____________** (**__**) franchises (each a "Business' and collectively, the "Businesses") within the Development Area.

b. This size of your Development Area may substantially vary from other Developers based on: (i) the number of Business we grant you the right to open and operate; and (ii) the geographic location and demographics of the general area where we mutually agree you will be opening these Businesses. The boundaries of your Development Area may be described in terms of zip codes, streets, landmarks (both natural and man-made) or county lines, or otherwise delineated on a map attached to Exhibit 1.

c. The rights granted by Franchisor are personal to Developer and its authorized owners.

2. Fees

a. Development Fee. You must pay us a one-time Development Fee in a lump sum ("Development Fee") upon your execution of this Area Development Agreement. Your Development Fee will depend on the number of Businesses you commit to develop and open within the Territory and is calculated as follows: (i) $45,000 per Business if you agree to open and operate between three (3) and five (5) Businesses; (ii) $40,000 per Business if you agree to open and operate between six (6) and nine (9) Businesses; and (iii) $35,000 per Business if you agree to open and operate ten (10) or more Businesses. You have committed and we have approved you to open **________**(**__**) Businesses, therefor your Development Fee due at signing is **_______________** ($**__________**).

b. Franchise Fees. Upon the signing of this Area Development Agreement Developer must pay Franchisor the franchise fee for all of the Businesses granted in Section 1 (a) above in the amount of **___________________**Dollars ($**_________**).

c. All amounts due Franchisor under this Agreement are fully-earned by Franchisor when paid and are non-refundable, in whole or in part.

3. Term and Development Area

a. The term of this Agreement shall commence on the Effective Date and shall end on the earlier of (1) ______________; or (2) the opening of all of the Businesses set forth in this Development Agreement (the "Term") shall be the same as is in the Franchise Agreement.

b. The Development Area under this Agreement, listed on Exhibit 1 hereto, shall be exclusive during the Term of this Area Development Agreement as long as the Developer is not in default of any term of this Area Development Agreement or any Franchise Agreement signed the Businesses. This Development Area description shall supersede any such conflicting descriptions in the Franchise Agreement including, but not limited to, Section 2.4 and Schedule 5 thereof.

4. Development Schedule and Conditions

a. The development schedule ("Development Schedule") contained below and in Exhibit #2 sets forth the required opening dates for the Business that Developer must develop under this Agreement. At all times during the Development Schedule, Developer must continuously operate or cause to be operated the number of Businesses then required to be operated under the Development Schedule unless the parties, in writing, agree otherwise.

b. The mechanics and timetable for the Development Schedule shall be as follows:

Developer agrees to open and have in full operation within ninety (90) days of each date specified below (each a "Required Date") not less than the number of fully opened and operating Businesses set forth opposite that required date.

Date:	Number of Businesses:

c. Neither party shall be deemed in default of this Agreement to the extent that performance of its obligations or attempts to cure any breach are delayed or prevented by reason of any act of God, fire, natural disaster, accident, act of government, strikes, unavailability of material, facilities, pandemic, epidemic, telecommunications services or supplies or any other cause beyond the reasonable control of such party ("Force Majeure"). In the event of such a Force Majeure, the party shall give the other party prompt written notice within ten (10) days of the Force Majeure. In addition, the time for performance or cure shall be extended for a period equal to the duration of the Force Majeure.

d. Developer is responsible for locating and presenting to us proposed sites for Businesses in the Development Area. We will use reasonable efforts to review and evaluate the proposed sites within

30 days after we receive all requested information and materials to evaluate the site. We will approve the proposed site for any Business if it meets our then current standards. If we accept a proposed site, you (or your affiliate) must timely sign a separate Franchise Agreement for the site. Each Business you timely open and commence operating under our then-current form of franchise agreement will be operated: (i) from a distinct site located within the Development Area; and (ii) within its own designated territory that we will define within the Franchise Agreement once the site for that Business has been approved.

5. Time is of the Essence

Time is of the essence in Developer's performance of this Agreement. Franchisor has granted Developer the development rights contained in this Agreement based on Developer's representations and assures that Developer will timely satisfy all the conditions and perform all the obligations in this Agreement. If for any reason Franchisor grants Developer an extension of time of any performance hereunder, this extension will not waive any of Franchisor's rights and remedies set forth in this Agreement.

6. Default and Termination

- **a.** Each of the following events and conditions is an Event of Default under this Agreement:
- **b.** Developer becomes insolvent or makes a general assignment for the benefit of creditors; Developer files a petition in bankruptcy, or such a petition is filed against Developer; Developer is declared or adjudicated a bankrupt; a receiver or trustee in bankruptcy of Developer or other custodian for Developer's business or assets is appointed; or, proceedings to be adjudged bankrupt or insolvent or for a composition with creditors is instituted by or against the Developer; Developer admits in writing an inability to pay debts generally as they become due or becomes an "insolvent person" as that term is defined in the New York State Debtor and Creditors Law; an application is made with respect to Developer under the Bankruptcy Act; or a final judgment in excess of $10,000 USD remains unsatisfied or of record for thirty (30) days or longer;
- **c.** If after fifteen (15) days written notice and demand for payment, Developer fails to pay Franchisor, or any of Franchisor's affiliates, any amounts due under this Agreement, or any other agreement between such parties when due and payable;
- **d.** Developer fails to fully open and operate any Business on or before the Required Opening Date in accordance with the terms of this Agreement. Franchisor may however, for good cause shown and at its sole discretion, extend any required opening date;
- **e.** At any time during the Term, Developer fails to fully open and/or operate the number of Businesses then required by Section 4 of this Agreement;
- **f.** Developer, or any of its principals, misrepresents or withholds any information Franchisor considers material in any application submitted to Franchisor for purposes of inducing Franchisor to enter this Agreement;
- **g.** Except as otherwise provided in this Section or elsewhere in this Agreement to the contrary, failure to comply with any other term or condition of this Agreement within thirty (30) days after written notice and demand to so comply;

h. Any default under the Franchise Agreement, or any franchise agreement between Developer and Franchisor that remains uncured withing thirty (30) days after written notice of such default;

i. If an Event of Default occurs, Franchisor may thereupon terminate this Agreement, together with all Developer's rights hereunder. Such termination is effective thirty days (30) after Franchisor's delivery of notice of termination to Developer if by this date the Event of Default has not been cured.

7. Effect

This Agreement is hereby made part of and incorporated within the Franchise Agreement. Any capitalized term not defined in this Agreement shall have the meaning set forth in the Franchise Agreement.

INTENDING TO BE LEGALLY BOUND AND FOR A VALUABLE CONSIDERATION, the parties have executed and delivered this Agreement on the date written above.

FRANCHISOR:	DEVELOPER:
By: ___________________________	By: ___________________________
Name: _________________________	Name: _________________________
Title: __________________________	Title: __________________________

EXHIBIT 1

Description of Development Area

The Development Area under this Agreement shall be as follows:

EXHIBIT 2

Development Schedule

Subject to Section 4 above, Developer is obligated to open and maintain in operation the number of Businesses indicated:

Total Number of Open Businesses	**Required Date**

If any Business that opens in accordance with the Development Schedule subsequently closes or otherwise ceases operating, Developer within six (6) months therefrom, must open a replacement Business. Such Business is in addition to the remaining Businesses to be developed under the Development Schedule.

EXHIBIT “D”

TO
FRANCHISE DISCLOSURE DOCUMENT

Table of Contents to Manual

[See Attached]

TABLE OF CONTENTS

EXHIBIT "E"

TO
FRANCHISE DISCLOSURE DOCUMENT

List of Franchisees

CURRENT FRANCHISEES

Store Location Name		FP'S Name	Telephone#	Address	State
	Canandaigua	Sam & Chris Mandrino	5855774960	39 Eastern Blvd Canandaigua, NY 14424	New York
2	Binghamton	Greg Rollo & David Kipper	6076083848	33 South Washington St. Binghamton, NY	New York
3	Crown Point	Jeremy & Brittney Bowen	7088326119	10005 Wisteria Lane St John, IN 46373	Indiana
4	Springdale	Logan & Skye Rose	4793001278	1610 Grace Place Bentonville, AR 72713	Arkansas
5	Greenville	Jeremy Batt	8644005319	18 Santee Court Simpsonville, SC 29680	North Carolina
6	Syracuse	Raisa Zhovklaya	3153840878	167 Lookout Circle Syracuse, NY 13209	New York
7	Ballantyne	Alexandra & Kevin Sampson	9803855499	11406 Glanmire Drive Matthews, NC 28105	North Carolina
8	Cumming	MeKenna & Patrick Hartman	4704440387	3040 Ascot Lane Roswell, GA 30076	Georgia
9	Intown	Shane Lucas & Sam Stowell	4707819229	1080 Peachtree St NE Unit 2308 Atlanta, GA 30309	Georgia
10	Prosper	Mo and Deepal	4696945633	5116 Prospect St McKinney, Texas 75071	**Texas**
11	Tyler	Lindy & Keith O'Brein	9034004390	2246 county road 4120 Jacksonville, TX 75766	**Texas**
12	Marlton	Heather & Joe Hirsh	8567545899	24 Horseshoe Drive Mount Laurel Township, NJ 08054	New Jersey
13	University City	Domonique & Tim Williams	7042722632	2702 Ensemble Ct Charlotte, NC 28262	North Carolina
14	**Frisco**	Michael Smith	9458000643	PO Box 280 Broken Bow, OK 74728	**Texas**
15	Fort Mill	Alexandra Trull & Chris Ramsey	8038595535	1750 HWY 160 W STE 101 PMB 261 Fort Mill, SC 29708	South Carolina
16	**Rincon**	Jamie & Mary Cain	9122998980	614 Towne Park Loop Rincon, GA 31326	Georgia
17	North Raleigh	Jeff Ragone	9847779309	9600-9650 Strickland Rd STE 111 Raleigh, NC, 27615	North Carolina
18	Rochester	Tim & Leslie Dougherty	5855145535	1900 South Clinton Ave Rochester, NY 14618	New York
19	South End	Brantley Belk	9808905825	2210 Hawkins St Charlotte, NC 28203	North Carolina
20	Mount Pleasant	Joy Wunrow & Larin Childress	8434169593	607 Johnnie Dodds Blvd. Mt Pleasant, SC 29464	South Carolina
21	Plaza Midwood	Morgan Barden	9808905611	904 Pecan Ave. Suite 102 Charlotte, NC 28205	North Carolina
22	SouthPark	Craig Voelker	9808905821	1730 East Woodlawn Rd. STE D Charlotte, NC 28209	North Carolina
23	Concord	Tori Hetman	9808905774	11129 Harris Road Huntersville, NC 28078	North Carolina
24	Alpharetta	MeKenna & Patrick Hartmann	6789447240	3040 Ascot Lane Roswell, GA 30076	Georgia
25	Tallahassee	Jon Denton & Ryan Meyers	9124326321	174 Lori Lane Aberdeen, NC 28315	Flordia
26	MeadowBrook	Jim Safron & Nicole Rosado	6592427880	1916 blackridge Rd. Hoover, AL 35244	Alabama

27	**Newnan**	Ezzie Raulls	4709996702	792 Argonne Avenue Northeast Atlanta, Georgia 30308	Georgia
28	Lawrenceville	James Keen & Laura Bader	4707699950	513 Sea Dunes Court Loganville, Georgia 30052	Georgia
29	Short Pump	Jessika & Mike Wolfe	8046004992	3902 Pumpkin Seed Lane Glen Allen, Virginia 23060	Virginia
30	Coppell	Michael Smith	9458006089	PO Box 280 Broken Bow, OK 74728	Texas
31	Polaris	Andy & Heather Brinkman	3803339785	6473 Sherman Road, Galena, Ohio 43021	Ohio
32	Des Moines	James Eaton	3196544337	166 North rigby, Idaho 83442	Iowa
33	Cumberland	Sharmaine & Rob Thomas	4075545260	265 Aventine Lane, Smyrna, Georgia 30082	Georgia
34	Carmel	Maggie & Ben Browning	3174635400	520 Super Star Court Carmel, IN 46032	Indiana
35	Fayetteville	Raisa Zhovklaya	3153840878	167 Lookout Circle Syracuse, NY 13209	New York
36	Belmont	Kyle & Ashley Watford	7048136791	2836 S Hope Rd Belmont, NC 28056	North Carolina
37	Chesterfield	Troy Dorner	3146301909	16227 Surfview Ct. Wildwood, MO 63040	Missouri
38	Des Peres	Troy Dorner	3146301909	16227 Surfview Ct. Wildwood, MO 63040	Missouri
39	Sunset Hills	Troy Dorner	3146301909	16227 Surfview Ct. Wildwood, MO 63040	Missouri
40	Parkland	Chris Mackenzie	9542356220	12267 NW 49th St Coral Springs, FL 33076	Florida
41	Buckhead	Shane Lucas & Sam Stowell	4707819229	1080 Peachtree St NE Unit 2308 Atlanta, GA 30309	Georgia

AFFILIATE OWNED

Rochester, New York
Project Lean Nation, Inc.
1900 South Clinton Ave.
Rochester, NY 14618

FORMER FRANCHISEES

Project LeanNation James Island
Charleston, South Carolina
(843) 408-0530

EXHIBIT “F”

TO
FRANCHISE DISCLOSURE DOCUMENT

<u>Financial Statements</u>

[See Attached]

Project Lean Nation Franchising Inc
Balance Sheet
As of January 31, 2025

	Jan 31, 25
ASSETS	
Current Assets	
Checking/Savings	
Checking CNB #7970	278,296.16
Total Checking/Savings	278,296.16
Other Current Assets	
Prepaid Expenses	122,088.04
Total Other Current Assets	122,088.04
Total Current Assets	400,384.20
Fixed Assets	
Furniture and Equipment	11,935.47
Accumulated Depreciation	-2,471.00
Total Fixed Assets	9,464.47
Other Assets	
Security Deposit	1,990.00
Note Receivable	30,400.00
Stripe Fees & Reimb	2,636.19
Investment - Coinbase	280,000.00
Total Other Assets	315,026.19
TOTAL ASSETS	**724,874.86**
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Credit Cards	
Amex #11001	59,895.68
Amex	2,108.36
Total Credit Cards	62,004.04
Other Current Liabilities	
Corporate Taxes Payable	31,954.00
Total Other Current Liabilities	31,954.00
Total Current Liabilities	93,958.04
Long Term Liabilities	
D/T/F PLN	439,000.00
Total Long Term Liabilities	439,000.00
Total Liabilities	532,958.04
Equity	
Capital Stock	50,000.00
Retained Earnings	120,232.37
Net Income	21,684.45
Total Equity	191,916.82
TOTAL LIABILITIES & EQUITY	**724,874.86**

Project Lean Nation Franchising Inc
Profit & Loss
October 2024 through January 2025

	Oct '24 - Jan 25
Ordinary Income/Expense	
Income	
Royalty Fee Income	432,442.51
Franchise Fee Income	60,000.00
Total Income	492,442.51
Cost of Goods Sold	63,290.91
Gross Profit	429,151.60
Expense	
Advertising and Promotion	103,815.61
Automobile Expense	9,941.19
Bank Service Charges	8,141.68
Comissions	19,760.00
Computer and Internet Expenses	24,809.68
Consulting	19,818.81
Dues and Subscriptions	3,544.64
Insurance Expense	28.92
Interest Expense	116.12
Meals and Entertainment	12,760.17
Office Expense	10,153.57
Payroll	120,007.96
Professional Fees	18,037.83
Rent Expense	10,778.07
Repairs and Maintenance	95.15
Telephone Expense	517.50
Training	214.38
Travel Expense	43,026.16
Utilities	2,020.46
Total Expense	407,587.90
Net Ordinary Income	21,563.70
Other Income/Expense	
Other Income	
Interest Income	120.75
Total Other Income	120.75
Net Other Income	120.75
Net Income	**21,684.45**

NACCA & CAPIZZI
CERTIFIED PUBLIC ACCOUNTANTS

CONSENT

Nacca & Capizzi, LLP consents to the use in the Franchise Disclosure Document issued by Project Lean Nation Franchising, Inc. ("Franchisor") January 24, 2025, as it may be amended, of our report dated January 24, 2025, relating to the financial statements of Franchisor for the period ending September 30, 2024.

Nacca & Capizzi

Nacca & Capizzi, LLP

January 24, 2025

2430 RIDGEWAY AVE. ROCHESTER, NY 14626
Phone: 585•225•9290 Fax: 585•227•0617
WWW.NACCACPAS.COM

INDEPENDENT AUDITOR'S REPORT

To the Management
of Project Lean Nation Franchising, Inc.

Opinion

We have audited the accompanying financial statements of Project Lean Nation Franchising, Inc. (a New York corporation), which comprise the balance sheet as of September 30, 2024, and the related statements of income, changes in stockholder's equity, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Project Lean Nation Franchising, Inc. as of September 30, 2024, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Project Lean Nation Franchising, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

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

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

Nacca & Capizzi

Nacca & Capizzi, LLP

January 24, 2025

PROJECT LEAN NATION FRANCHISING, INC.
Balance Sheet
September 30, 2024

ASSETS	
CURRENT ASSETS	
Cash	$ 436,543
Prepaid Expenses	924
Total Current Assets	437,467
PROPERTY AND EQUIPMENT	
Furniture and Equipment	10,754
Less: Accumulated Depreciation	(2,471)
Property and Equipment - Net	8,283
OTHER ASSETS	
Note Receivable	25,000
Security Deposits	1,990
Total Other Assets	26,990
TOTAL ASSETS	$ 472,740
LIABILITIES AND EQUITY	
CURRENT LIABILITIES	
Accrued Expenses	$ 25,647
Credit Cards Payable	33,906
Taxes Payable	36,954
Total Current Liabilities	96,507
LONG-TERM LIABILITIES	
Due to Related Party	206,000
Total Long-Term Liabilities	206,000
TOTAL LIABILITIES	302,507
STOCKHOLDER'S EQUITY	
Capital Stock	50,000
Retained Earnings	120,233
Total Stockholder's Equity	170,233
TOTAL LIABILITIES AND EQUITY	$ 472,740

PROJECT LEAN NATION FRANCHISING, INC.
Income Statement
For the Year Ended September 30, 2024

REVENUE	
Royalty Revenue	$ 1,243,198
Franchise Fee Revenue	300,833
Total Revenue	1,544,031
COST OF REVENUE	
Franchisor Marketing and Onboarding	25,650
Management Fees	201,684
Franchise Development Expenses	98,292
Subcontractor Expenses	11,058
Total Cost of Revenues	336,684
GROSS PROFIT	1,207,347
GENERAL AND SELLING EXPENSES	
Payroll	338,021
Payroll Taxes	35,594
Commissions	31,000
Consulting Fees	194,051
Advertising and Promotion	136,386
Automobile Expense	3,955
Bank Fees	7,425
Computer and Internet Expense	174,754
Depreciation Expense	1,505
Dues and Subscriptions	19,304
Insurance Expense	633
Meals and Entertainment	25,162
Office Supplies	15,677
Professional Fees	21,305
Rent Expense	21,229
Repairs and Maintenance	1,486
Telephone and Utilities	7,167
Travel Expense	113,737
Total General and Selling Expenses	1,148,391
INCOME FROM OPERATIONS	58,956
Interest Income	1,442
Interest Expense	(493)
Provision for Income Taxes	(19,934)
NET INCOME	$ 39,971

PROJECT LEAN NATION FRANCHISING, INC.
Statement of Stockholder's Equity
Year Ended September 30, 2024

	Total	Capital Stock	Retained Earnings
Beginning Balance	$ 121,496	$ 50,000	$ 80,262
Net Income	39,971	0	39,971
Ending Balance	$ 161,467	$ 50,000	$ 120,233

PROJECT LEAN NATION FRANCHISING, INC.
Statement of Cash Flows
For the Year Ended September 30, 2024

OPERATING ACTIVITIES		
Net Income	$	39,971
Adjustment for Noncash Items:		
Depreciation		1,505
Adjustments to Reconcile Net Income:		
(Increase) Decrease in Assets:		
Prepaid Expenses		(924)
Security Deposits		(1,990)
Increase (Decrease) in Liabilities:		
Accrued Expenses		25,647
Credit Cards Payable		29,316
Taxes Payable		14,934
NET CASH PROVIDED BY OPERATING ACTIVITIES		108,459
INVESTING ACTIVITIES		
Purchase of Property and Equipment		(6,459)
NET CASH USED FOR INVESTING ACTIVITIES		(6,459)
FINANCING ACTIVITIES		
Issuance of Note Receivable		(25,000)
Change in Due to Related Party		80,000
NET CASH PROVIDED BY FINANCING ACTIVITIES		55,000
CHANGE IN CASH		157,000
CASH – Beginning of Period		279,543
CASH – End of Period	$	436,543

SUPPLEMENTAL DISCLOSURES
For the Year Ended September 30, 2024

The Company Paid Income Tax of	$	0
The Company Paid Interest of		0

Project Lean Nation Franchising, Inc.
Notes to Financial Statements
September 30, 2024

NOTE 1 - NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

The Company was incorporated in October 2020 as a New York corporation. The Company operates as a franchisor of Project Lean Nation health food retail stores throughout the United States.

The financial statements of the Company have been prepared using the accrual basis of accounting applicable to a going concern which contemplates that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business.

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Use of Estimates

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

Cash

The Company maintains an account with a bank. The Federal Deposit Insurance Corporation does not insure any amount in excess of $250,000. The uninsured amount as of September 30, 2024 is $186,543. For purposes of the statement of cash flows, the Company considers all highly liquid investments with significant interest rate risk purchased with a maturity of three months or less to be cash equivalents. There are no investments of this type as of September 30, 2024.

Revenue Recognition

The Company enters into franchise agreements with franchisees, granting them the right to operate a franchised business using the Company's trade name, trademarks, and proprietary systems. The franchise agreements include multiple performance obligations, which are outlined below:

Initial Franchise Fee:

- The initial, non-refundable franchise fee is $30,000 for agreements executed prior to February 2025. Beginning in February 2025, the initial franchise fee increases to $60,000.
- The franchise fee provides franchisees with a limited license to use the Company's trade name and trademarks, as well as access to initial onboarding and training services.
- The Company evaluates whether the license and other services are distinct. The limited license is considered a functional license satisfied at a point in time when control is transferred to the franchisee upon execution of the franchise agreement and delivery of the rights.
- Revenue allocated to the limited license is recognized at the commencement of the franchise agreement.

Royalty Fees:

The Company earns ongoing royalty fees based on a percentage of the franchisee's sales. These fees represent variable consideration and are recognized as revenue when the underlying sales occur. The Company uses the sales reports provided by franchisees to measure and record royalty revenue.

NOTE 1 - NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Revenue Recognition - continued

Renewal Fees:
Upon expiration of a franchise agreement, a franchisee may renew their agreement, subject to the Company's approval and payment of a renewal fee. Renewal fees are recognized as revenue at a point in time when the renewal agreement becomes effective and the performance obligation to provide continued franchise rights is satisfied.

Provision for Uncollectible Amounts:
The Company assesses the collectibility of franchise fees and royalty fees on an ongoing basis. Estimated uncollectible amounts are recorded as a reduction of revenue, with corresponding adjustments charged to general and administrative expenses. All revenue is considered collectible, therefore no allowance is recorded as of September 30, 2024.

Contract Balances:
The Company records deferred revenue when consideration is received prior to satisfying performance obligations, such as payments for initial franchise fees allocated to onboarding and training. Deferred revenue is recognized as revenue when the associated performance obligations are satisfied.

Significant Judgments:
- The Company allocates the transaction price of the initial franchise fee to the performance obligations based on their relative standalone selling prices, which are determined using observable inputs or estimated costs.
- Royalty fees are recognized based on actual sales as reported by franchisees, as this method most accurately reflects the value transferred to the Company.

For the year ended September 30, 2024, the Company recognized $1,243,198 in royalty revenue.

Advertising
The Company expenses all advertising costs when incurred.

Depreciation
Depreciation is calculated using the straight-line method for financial statement reporting purposes over estimated useful lives ranging from 5 to 39 years. Maintenance and repairs are expensed as incurred.

Compensated Absences
No provision for compensated absences has been made because the Company has no written policy, and the amount of such provision is not estimable.

NOTE 1 - NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Income Taxes

Income taxes are accounted for using the asset and liability method. Under this method, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities, and their respective tax-basis carrying amounts. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period in which the enactment date occurs.

The determination of current and deferred income taxes is a critical accounting estimate which is based on complex analyses of many factors including interpretation of federal and state income tax laws; the evaluation of uncertain tax positions; differences between the tax and financial reporting bases of assets and liabilities (temporary differences); estimates of amounts due or owed, such as the timing of reversal of temporary differences; and current financial accounting standards.

Additionally, there can be no assurance that estimates and interpretations used in determining income tax liabilities will not be challenged by federal and state taxing authorities. Actual results could differ significantly from the estimates and tax law interpretations used in determining the current and deferred income tax liabilities.

The Company believes that it has appropriate support for the positions taken on its tax returns. Therefore, as of September 30, 2024, the Company had no uncertain tax positions that qualify for either recognition or disclosure in the financial statements.

Date of Management's Review

Management has evaluated subsequent events through January 24, 2025, the date that the financial statements were available to be issued.

NOTE 2 – NOTE RECEIVABLE

During the fiscal year ended September 30, 2024, the Company issued a $25,000 note receivable. The note was non-interest-bearing and was provided to a third party to support operational needs. The note was fully repaid prior to the issuance of these financial statements.

Management has evaluated the note receivable for any potential impairment and determined that no loss was incurred, as the full amount was collected.

NOTE 3 – RELATED PARTY TRANSACTIONS

The Company borrowed money from Project Lean Nation, a related party. These funds were used for working capital and no repayment schedule has been established. As of September 30, 2024, the Company owed $206,000 to this related party.

NOTE 4 – INCOME TAXES

Provisions for income taxes is comprised of the following elements:

Current tax expense:

Federal	$ 14,233
State	5,701
	$ 19,934

The Company has no deferred income taxes as of and for the year ended September 30, 2024.

NOTE 5 – OPERATING LEASE

The Company entered into a lease agreement for office space located in Rochester, NY. The lease term ends on April 30, 2025. Under the terms of the lease, the monthly base rent is $2,310, plus utilities. The lease agreement specifies that the premises are to be used solely for office purposes. The lease has been evaluated under the provisions of ASC 842, *Leases*. Given the short-term nature of the lease (less than twelve months), it qualifies for the short-term lease exception. Accordingly, the Company will recognize lease payments as an expense on a straight-line basis over the lease term, and no right-of-use asset or lease liability will be recorded on the balance sheet. For the year ended September 30, 2024, rent expense under this lease was $11,029

The Company rented office space under a month-to-month agreement. The monthly rental payment was $1,700, and the lease did not require any long-term commitment or security deposit. All payments were made on time and expensed as incurred. This month-to-month agreement terminated on April 30, 2024, when the Company entered into a formal lease agreement for new office space. For the year ended September 30, 2024, rent expense under this lease was $10,984.

NOTE 6 - CAPITAL STOCK

The Company has two hundred shares of no par value, voting capital stock authorized. As of September 30, 2024, there were 100 shares issued and outstanding and were held as follows:

	Number of Shares	Value
Tim Dougherty	100	$ 50,000

NACCA & CAPIZZI
CERTIFIED PUBLIC ACCOUNTANTS

CONSENT

Nacca & Capizzi, LLP consents to the use in the Franchise Disclosure Document issued by Project Lean Nation Franchising, Inc. ("Franchisor") February 19, 2024, as it may be amended, of our report dated February 19, 2024, relating to the financial statements of Franchisor for the period ending September 30, 2023 .

Nacca & Capizzi

Nacca & Capizzi, LLP

Member of
American Institute of Certified Public Accountants | New York State Society of Certified Public Accountants
2430 Ridgeway Avenue • Rochester, NY 14626 • Phone: 585.225.9290 • Fax: 585.227.0617
WWW.NACCACPAS.COM

INDEPENDENT AUDITOR'S REPORT

To the Management
of Project Lean Nation Franchising, Inc.

Opinion

We have audited the accompanying financial statements of Project Lean Nation Franchising, Inc. (a New York corporation), which comprise the balance sheet as of September 30, 2023, and the related statements of income, changes in stockholder's equity, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Project Lean Nation Franchising, Inc. as of September 30, 2023, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Project Lean Nation Franchising, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material

misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

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

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

Nacca & Capizzi

Nacca & Capizzi, LLP

February 19, 2024

PROJECT LEAN NATION FRANCHISING, INC.
Balance Sheet
September 30, 2023

ASSETS	
CURRENT ASSETS	
Cash	$ 279,543
Total Current Assets	279,543
PROPERTY AND EQUIPMENT	
Furniture and Equipment	4,295
Less: Accumulated Depreciation	(966)
Property and Equipment - Net	3,329
TOTAL ASSETS	$ 282,872
LIABILITIES AND EQUITY	
CURRENT LIABILITIES	
Credit Cards Payable	$ 4,590
Taxes Payable	22,020
Total Current Liabilities	26,610
LONG-TERM LIABILITIES	
Due to Related Party	126,000
Total Long-Term Liabilities	126,000
TOTAL LIABILITIES	152,610
STOCKHOLDER'S EQUITY	
Capital Stock	50,000
Retained Earnings	80,262
Total Stockholder's Equity	130,262
TOTAL LIABILITIES AND EQUITY	$ 282,872

PROJECT LEAN NATION FRANCHISING, INC.
Income Statement
For the Year Ended September 30, 2023

REVENUE	
Royalty Revenue	$ 619,621
Franchise Fee Revenue	260,000
Total Revenue	879,621
GENERAL AND SELLING EXPENSES	
Management Fee	58,975
Franchise Development Expense	179,128
Payroll	229,225
Payroll Taxes	22,469
Commissions	31,000
Advertising and Promotion	25,728
Automobile Expense	8,384
Bank Fees	370
Computer and Internet Expense	64,244
Depreciation Expense	859
Dues and Subscriptions	1,383
Insurance Expense	1,025
Meals and Entertainment	22,730
Office Supplies	18,569
Professional Fees	40,079
Rent Expense	1,530
Repairs and Maintenance	1,146
Telephone and Utilities	2,852
Travel Expense	74,356
Total General and Selling Expenses	784,052
INCOME FROM OPERATIONS	95,569
Interest Income	1,297
Provision for Income Taxes	(25,370)
NET INCOME	$ 71,496

PROJECT LEAN NATION FRANCHISING, INC.
Statement of Stockholder's Equity
Year Ended September 30, 2023

	Total	Capital Stock	Retained Earnings
Beginning Balance	$ 50,000	$ 50,000	$ 8,766
Net Income	71,496	0	71,496
Ending Balance	$ 121,496	$ 50,000	$ 80,262

PROJECT LEAN NATION FRANCHISING, INC.
Statement of Cash Flows
For the Year Ended September 30, 2023

OPERATING ACTIVITIES		
Net Income	$	71,496
Adjustment for Noncash Items:		
Depreciation		859
Adjustments to Reconcile Net Income:		
Increase (Decrease) in Liabilities:		
Credit Cards Payable		2,031
Taxes Payable		20,214
NET CASH PROVIDED BY OPERATING ACTIVITIES		94,600
CHANGE IN CASH		94,600
CASH – Beginning of Period		184,943
CASH – End of Period	$	279,543

SUPPLEMENTAL DISCLOSURES
For the Year Ended September 30, 2023

The Company Paid Income Tax of	$	5,000
The Company Paid Interest of		0

Project Lean Nation Franchising, Inc.
Notes to Financial Statements
September 30, 2023

NOTE 1 - NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

The Company was incorporated in October 2020 as a New York corporation. The Company operates as a franchisor of Project Lean Nation health food retail stores throughout the United States.

The financial statements of the Company have been prepared using the accrual basis of accounting applicable to a going concern which contemplates that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business.

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Use of Estimates

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

Cash

The Company maintains an account with a bank. The Federal Deposit Insurance Corporation does not insure any amount in excess of $250,000. The uninsured amount as of September 30, 2023 is $29,543. For purposes of the statement of cash flows, the Company considers all highly liquid investments with significant interest rate risk purchased with a maturity of three months or less to be cash equivalents. There are no investments of this type as of September 30, 2023.

Revenue Recognition

The Company executes franchise agreements that set the terms of its arrangement with each franchisor. The franchise agreements require the franchisee to pay an initial, non-refundable fee of $30,000 and continuing fees based upon a percentage of sales. Subject to the Company's approval and payment of a renewal fee, a franchisee may generally renew its agreement upon its expiration. Direct costs of sales and servicing of franchise agreements are charged to general and administrative expenses as incurred.

When an individual franchise is sold, franchisor grants to franchisee a limited license to use the trade name 'Project LeanNation', as well as the trademarks and service marks for online and retail store services featuring frozen or refrigerated prepared meals consisting primarily of vegetables and meat, fish or poultry. Continuing fees are recognized as earned, with an appropriate provision for estimated uncollectible amounts charged to general and administrative expense. The Company recognizes renewal fees in income when a renewal agreement becomes effective.

Royalty fees included in revenues for the year ended September 30, 2023, were $619,621.

Advertising

The Company expenses all advertising costs when incurred.

NOTE 1 - NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Depreciation

Depreciation is calculated using the straight line method for financial statement reporting purposes over estimated useful lives ranging from 5 to 39 years. Maintenance and repairs are expensed as incurred.

Compensated Absences

No provision for compensated absences has been made because the Company has no written policy, and the amount of such provision is not estimable.

Income Taxes

Income taxes are accounted for using the asset and liability method. Under this method, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities, and their respective tax-basis carrying amounts. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period in which the enactment date occurs.

The determination of current and deferred income taxes is a critical accounting estimate which is based on complex analyses of many factors including interpretation of federal and state income tax laws; the evaluation of uncertain tax positions; differences between the tax and financial reporting bases of assets and liabilities (temporary differences); estimates of amounts due or owed, such as the timing of reversal of temporary differences; and current financial accounting standards.

Additionally, there can be no assurance that estimates and interpretations used in determining income tax liabilities will not be challenged by federal and state taxing authorities. Actual results could differ significantly from the estimates and tax law interpretations used in determining the current and deferred income tax liabilities.

The Company believes that it has appropriate support for the positions taken on its tax returns. Therefore, as of September 30, 2022, the Company had no uncertain tax positions that qualify for either recognition or disclosure in the financial statements.

Date of Management's Review

Management has evaluated subsequent events through February 19, 2024, the date that the financial statements were available to be issued.

NOTE 3 – RELATED PARTY TRANSACTIONS

The Company borrowed money from Project Lean Nation, a related party. These funds were used for working capital and no repayment schedule has been established. As of September 30, 2023, the Company owed $126,000 to this related party.

NOTE 4 – INCOME TAXES

Provisions for income taxes is comprised of the following elements:

Current tax expense:

Federal	$ 18,957
State	6,413
	$ 25,370

The Company has no deferred income taxes as of and for the year ended September 30, 2023.

NOTE 5 - CAPITAL STOCK

The Company has two hundred shares of no par value, voting capital stock authorized. As of September 30, 2023, there were 100 shares issued and outstanding and were held as follows:

	Number of Shares	Value
Tim Dougherty	100	$ 50,000

NACCA & CAPIZZI
CERTIFIED PUBLIC ACCOUNTANTS

December 4, 2023

Management of
Project Lean Nation Franchising, Inc.
Rochester, New York

Dear Tim:

We are pleased to confirm our understanding of the services you have asked our firm to perform for Project Lean Nation Franchising, Inc. for the year ended December 31, 2023. Please read this letter carefully because it is important to both our firm and you that you understand and accept the terms under which we have agreed to perform our services as well as management's responsibilities under this agreement.

Financial Statement Services

We will prepare and audit the balance sheets of Project Lean Nation Franchising, Inc. as of December 31, 2023, and the related statements of income, retained earnings, and cash flows for the year then ended, and the related financial statement disclosures. Our audit will be conducted with the objective of our firm expressing an opinion on the financial statements.

Our audit will be conducted in accordance with U.S. generally accepted auditing standards (GAAS). Our professional standards as defined by GAAS require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements, including the disclosures, are free from material misstatement whether due to fraud or error, and are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP). Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

As such, our audit will involve performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements and will include tests of the accounting records of Project Lean Nation Franchising, Inc. and other procedures we consider necessary. The procedures we determine necessary will depend on our professional judgment as auditors and will be based, in part, on our assessment of the risks of material misstatement of the financial statements and disclosures, whether due to fraud or error.

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An audit also includes evaluating the appropriateness of accounting policies used, and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements, including disclosures. If appropriate, our procedures will therefore include tests of documentary evidence that support the transactions recorded in the accounts, tests of the physical existence of inventories, and direct confirmation of cash, investments, and certain other assets and liabilities by correspondence with third parties (e.g., creditors or financial institutions). As part of our audit process, we will request written representations from your attorneys, and they may bill you for responding. At the conclusion of our audit, we will also request certain written representations from you about the financial statements and related matters.

Because of the inherent limitations of an audit, together with the inherent limitations of a system of internal control, an unavoidable risk exists that some material misstatements may not be detected by our firm, even though our audit is properly planned and performed in accordance with GAAS. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, or the override of controls. An audit is not designed to provide an opinion on a system of internal control nor to identify internal control deficiencies.

In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements or disclosures. However, we will inform you of any material errors that come to our attention, and we will inform you, or the appropriate level of management, of any fraudulent financial reporting or misappropriation of assets that comes to our attention. We will also inform you of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential.

In making our risk assessments, we will gain an understanding of your system of internal control relevant to the preparation and fair presentation of your entity's financial statements in order to design audit procedures that are appropriate in the circumstances. However, our audit procedures are not designed for the purpose of expressing an opinion on the effectiveness of your entity's system of internal control, and accordingly we will express no such opinion. We will communicate to you in writing concerning any significant deficiencies or material weaknesses in the system of internal control relevant to your financial statements that we identify during the audit. Our responsibility as auditors is, of course, limited to the period covered by our audit and does not extend to any other periods.

Also, based on the audit evidence we obtain, we will conclude whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the company's ability to continue as a going concern for a reasonable period of time.

As this engagement is not designed to be a fraud audit, management understands and accepts the inherent limitations of the audit services described in this agreement.

Lisa Capizzi, CPA is the engagement partner for the audit services specified in this letter. Her responsibilities include supervising Nacca & Capizzi, LLP's services performed as part of this engagement and signing or authorizing another qualified firm representative to sign the audit report.

Responsibilities of Management

By your signature below, you acknowledge that management understands and agrees to assume all of the responsibilities stipulated in this section. As part of our engagement, we may advise you about appropriate accounting principles and their application; however, the final responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP remains with you. As such, management is responsible for adjusting the financial statements to correct material misstatements, including inadequate, incomplete or omitted disclosures, and for confirming to us in the representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. Other management responsibilities include maintaining adequate records, selecting and applying accounting principles, and safeguarding assets.

You also acknowledge that you are responsible for the design, implementation, and maintenance of a system of internal control relevant to the preparation and fair presentation of financial statements and disclosures that are free from material misstatement, including omissions, whether due to fraud or error. This responsibility includes having appropriate programs and controls in place to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the company that involves management, employees who have significant roles in your system of internal control, and others where fraud could have a material impact on the financial statements or disclosures. You are also responsible for informing us of your knowledge of any allegations of fraud or suspected fraud affecting the company received in communications from employees, former employees, regulators, or others. In addition, you are responsible for identifying and ensuring that the company complies with applicable laws and regulations. You agree that management will confirm its understanding of its responsibilities as defined in this letter to us in a management representation letter.

Management's responsibilities also include designating qualified individuals, preferably within senior management, with suitable skill, knowledge, and/or experience to be responsible and accountable for overseeing the preparation of your financial statements and disclosures, and any other nonattest services we perform as part of this engagement, as well as evaluating the adequacy and results of those services and accepting responsibility for them.

Management is responsible for providing us with access to all information it is aware of that is relevant to the preparation and fair presentation of the financial statements and disclosures such as financial records, documentation and related information; for the accuracy and completeness of that information (including information from outside of general and subsidiary ledgers); and for informing us of events occurring or facts discovered subsequent to the date of the financial statements that may affect them. This responsibility also includes providing us with any additional information that we may request from management for the purpose of the audit; as well as allowing us unrestricted access to individuals within the organization from whom we may determine it necessary to obtain audit evidence, including access to your designated employees who will type all confirmations we request.

Written Report

We expect to issue a written report upon completion of our audit of Project Lean Nation Franchising, Inc.'s financial statements. Our report will be addressed to the board of directors of Project Lean Nation Franchising, Inc. We cannot provide assurance that an unmodified opinion will be expressed. Circumstances may arise in which it is necessary for us to modify our opinion, add a separate section, or add an emphasis-of-matter or other-matter paragraphs, decline to express an opinion, or withdraw from the engagement.

Other Matters

In accordance with the terms and conditions of this agreement, Project Lean Nation Franchising, Inc. shall be responsible for the accuracy and completeness of all data, information and representations provided to us for purposes of this engagement. Because of the importance of oral and written management representations to the effective performance of our services, Project Lean Nation Franchising, Inc. releases and indemnifies our firm and its personnel from any and all claims, liabilities, costs and expenses attributable to any misrepresentation by management and its representatives.

Our fees for these services will be based on the actual time spent at our standard hourly rates, plus travel and other out-of-pocket costs, such as report production, typing, and postage. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Billings become delinquent if not paid within 30 days of the invoice date. If billings are past due in excess of 15 days, at our election, we may stop all work until your account is brought current, or withdraw from this engagement. Project Lean Nation Franchising, Inc. acknowledges and agrees that we are not required to continue work in the event of Project Lean Nation Franchising, Inc.'s failure to pay on a timely basis for services rendered as required by this engagement letter. Project Lean Nation Franchising, Inc. further acknowledges and agrees that in the event we stop work or withdraw from this engagement as a result of Project Lean Nation Franchising, Inc.'s failure to pay on a timely basis for services rendered as required by this engagement letter, we shall not be liable for any damages that occur as a result of our ceasing to render services.

In addition, you further agree that in the event our firm or any of its employees or agents is called as a witness or requested to provide any information whether oral, written, or electronic in any judicial, quasi-judicial, or administrative hearing or trial regarding information or communications that you have provided to this firm, or any documents and workpapers prepared by Nacca & Capizzi, LLP in accordance with the terms of this agreement, you agree to pay any and all reasonable expenses, including fees and costs for our time at the rates then in effect, as well as any legal or other fees that we incur as a result of such appearance or production of documents.

We may from time to time and depending on the circumstances and nature of the services we are providing, share your confidential information with third-party service providers, some of whom may be cloud-based, but we remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality terms with all service providers to maintain the confidentiality of your information and will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure appropriate confidentiality terms with a third-party service provider, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Although we will use our best efforts to make the sharing of your information with such third parties secure from unauthorized access, no completely secure system for electronic data transfer exists. As such, by your signature below, you understand that the firm makes no warranty, expressed or implied, on the security of electronic data transfers.

In connection with this engagement, we may communicate with you or others via email transmission. We take reasonable measures to secure your confidential information in our email transmissions. However, as email can be intercepted and read, disclosed, or otherwise used or communicated by an unintended third party, or may not be delivered to each of the parties to whom it is directed and only to such parties, we cannot guarantee or warrant that email from us will be properly delivered and read only by the addressee. Therefore, we specifically disclaim and waive any liability or responsibility whatsoever for interception or unintentional disclosure or communication of email transmissions, or for the unauthorized use or failed delivery of email transmitted by us in connection with the performance of this engagement. In that regard, you agree that we shall have no liability for any loss or damage to any person or entity resulting from the use of email transmissions, including any consequential, incidental, direct, indirect, or special damages, such as loss of sales or anticipated profits, or disclosure or communication of confidential or proprietary information.

It is our policy to keep records related to this engagement for 7 years. However, Nacca & Capizzi, LLP does not keep any original client records, so we will return those to you at the completion of the services rendered under this engagement. It is your responsibility to retain and protect your records (which includes any work product we provide to you as well as any records that we return) for possible future use, including potential examination by government or regulatory agencies. Nacca & Capizzi, LLP does not accept responsibility for hosting client information; therefore, you have the sole responsibility for ensuring you retain and maintain in your possession all your financial and non-financial information, data and records.

By your signature below, you acknowledge and agree that upon the expiration of the 7-year period, Nacca & Capizzi, LLP shall be free to destroy our records related to this engagement.

We appreciate the opportunity to be of service to Project Lean Nation Franchising, Inc. and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Very truly yours,

Nacca & Capizzi

Nacca & Capizzi, LLP

Acknowledged and agreed on behalf of Project Lean Nation Franchising, Inc. by:

Tim Dougherty

Tim Dougherty, President

Feb 21 2024

Date

February 19, 2024

Nacca & Capizzi, LLP
2430 Ridgeway Avenue
Rochester, NY 14626

This representation letter is provided in connection with your audit of the financial statements of Project Lean Nation Franchising, Inc., which comprise the balance sheet as of September 30, 2023, and the related statement of income, stockholders' equity, and cash flows for the year then ended, and the disclosures (collectively, the "financial statements"), for the purpose of expressing an opinion as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of February 19, 2024, the following representations made to you during your audit.

Financial Statements

1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated December 4, 2023, including our responsibility for the fair presentation of the financial statements.

2) The financial statements referred to above are fairly presented in conformity with U.S. GAAP.

3) We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

4) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.

5) Significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.

6) Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with U.S. GAAP.

7) All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.

8) The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements as a whole. A list of the uncorrected misstatements is attached to the representation letter.

9) We are in agreement with the adjustments you have proposed and have recorded them to the Company's accounts.

10) The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.

11) There are no pending litigation, claims, or assessments against Project Lean Nation Franchising, Inc. as of February 19, 2024.

12) Significant estimates and material concentrations have been properly disclosed in accordance with U.S. GAAP.

13) Material concentrations have been properly disclosed in accordance with U.S. GAAP.

14) Guarantees, whether written or oral, under which the Company is contingently liable, have been properly recorded or disclosed in accordance with U.S. GAAP.

Information Provided

15) We have provided you with:
   a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records (including information obtained from outside of the general and subsidiary ledgers), documentation, and other matters.
   b) Additional information that you have requested from us for the purpose of the audit.
   c) Unrestricted access to persons within the Company from whom you determined it necessary to obtain audit evidence.
16) All material transactions have been recorded in the accounting records and are reflected in the financial statements.
17) We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
18) We have no knowledge of any fraud or suspected fraud that affects the Company and involves:
   a) Management,
   b) Employees who have significant roles in internal control, or
   c) Others where the fraud could have a material effect on the financial statements.
19) We have no knowledge of any allegations of fraud or suspected fraud affecting the Company's financial statements communicated by employees, former employees, analysts, regulators, or others.
20) We have no knowledge of any instances of noncompliance or suspected noncompliance with laws and regulations whose effects should be considered when preparing financial statements.
21) We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.
22) We have disclosed to you the identity of the Company's related parties and all the related party relationships and transactions of which we are aware.
23) The Company has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
24) In regard to the financial statement preparation services performed by you, we have—
    1) Assumed all management responsibilities.
    2) Designated an individual (within senior management) with suitable skill, knowledge, or experience to oversee the services.
    3) Evaluated the adequacy and results of the services performed.
    4) Accepted responsibility for the results of the services.

Tim Dougherty

Signature: ____

President

Title: ____

Feb 21 2024

NACCA & CAPIZZI
CERTIFIED PUBLIC ACCOUNTANTS

Audit Trail

Document Details

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Document Viewed	Document Viewed by Tim Dougherty (tim@projectleannation.com) IP: 38.49.78.83	Feb 20 2024 01:49PM UTC
Document Viewed	Document Viewed by Tim Dougherty (tim@projectleannation.com) IP: 166.194.188.7	Feb 21 2024 04:39PM UTC
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CERTIFIED PUBLIC ACCOUNTANTS

CONSENT

Nacca & Capizzi, LLP consents to the use in the Franchise Disclosure Document issued by Project Lean Nation Franchising, Inc. ("Franchisor") April 1, 2023, as it may be amended, of our report dated April 1, 2023, relating to the financial statements of Franchisor for the period ending September 30, 2022 .

Nacca & Capizzi

Nacca & Capizzi, LLP

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INDEPENDENT AUDITOR'S REPORT

To the Management
of Project Lean Nation Franchising, Inc.

Opinion

We have audited the accompanying financial statements of Project Lean Nation Franchising, Inc. (a New York corporation), which comprise the balance sheet as of September 30, 2022, and the related statements of operation, changes in stockholder's equity, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Project Lean Nation Franchising, Inc. as of September 30, 2022, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Project Lean Nation Franchising, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material

misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

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

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

Nacca & Capizzi

Nacca & Capizzi, LLP

April 1, 2023

PROJECT LEAN NATION FRANCHISING, INC.
Balance Sheet
September 30, 2022

ASSETS	
CURRENT ASSETS	
Cash	$ 184,943
Total Current Assets	184,943
PROPERTY AND EQUIPMENT	
Furniture and Equipment	4,295
Less: Accumulated Depreciation	(107)
Property and Equipment - Net	4,188
TOTAL ASSETS	$ 189,131
LIABILITIES AND EQUITY	
CURRENT LIABILITIES	
Credit Cards Payable	$ 2,560
Taxes Payable	1,806
Total Current Liabilities	4,366
LONG-TERM LIABILITIES	
Due to Related Party	126,000
Total Long-Term Liabilities	126,000
TOTAL LIABILITIES	130,366
STOCKHOLDER'S EQUITY	
Capital Stock	50,000
Retained Earnings	8,765
Total Stockholder's Equity	58,765
TOTAL LIABILITIES AND EQUITY	$ 189,131

PROJECT LEAN NATION FRANCHISING, INC.
Statement of Operations
For the Year Ended September 30, 2022

REVENUE	
License Fee Revenue	$ 285,832
Franchise Fee Revenue	270,000
Total Revenue	555,832
GENERAL AND SELLING EXPENSES	
Management Fee	144,000
Franchise Development Expense	67,348
Payroll	100,378
Payroll Taxes	9,152
Commissions	43,933
Advertising and Promotion	14,094
Automobile Expense	12,180
Bank Fees	110
Computer and Internet Expense	12,267
Depreciation Expense	107
Dues and Subscriptions	1,072
Insurance Expense	239
Meals and Entertainment	36,367
Office Supplies	13,756
Professional Fees	25,498
Repairs and Maintenance	3,620
Travel Expense	59,206
Utilities	1,925
Total General and Selling Expenses	545,252
INCOME FROM OPERATIONS	10,580
Interest Income	328
Provision for Income Taxes	(1,806)
NET INCOME	$ 9,102

PROJECT LEAN NATION FRANCHISING, INC.
Statement of Stockholder's Equity
Year Ended September 30, 2022

	Total	Capital Stock	Retained Earnings
Beginning Balance	$ 50,000	$ 50,000	$ (337)
Net Income	9,102	0	9,102
Ending Balance	$ 59,102	$ 50,000	$ 8,765

PROJECT LEAN NATION FRANCHISING, INC.
Statement of Cash Flows
For the Year Ended September 30, 2022

OPERATING ACTIVITIES		
Net Income	$	9,102
Adjustment for Noncash Items:		
Depreciation		107
Adjustments to Reconcile Net Income:		
Increase (Decrease) in Liabilities:		
Credit Cards Payable		2,560
NYS Franchise Tax Payable		1,731
NET CASH PROVIDED BY OPERATING ACTIVITIES		13,500
INVESTING ACTIVITIES		
Purchase of Property and Equipment		(4,295)
NET CASH USED FOR INVESTING ACTIVITIES		(4,295)
FINANCING ACTIVITIES		
Change in Due to Related Party		124,000
NET CASH PROVIDED BY FINANCING ACTIVITIES		124,000
CHANGE IN CASH		133,205
CASH – Beginning of Period		51,738
CASH – End of Period	$	184,943

SUPPLEMENTAL DISCLOSURES
For the Year Ended September 30, 2022

The Company Paid Income Tax of	$	75
The Company Paid Interest of		0

NOTE 1 - NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations
The Company was incorporated in October 2020 as a New York corporation. The Company operates as a licensor of Project Lean Nation health food retail stores throughout the United States.

The financial statements of the Company have been prepared using the accrual basis of accounting applicable to a going concern which contemplates that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business.

Basis of Accounting
The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

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

Cash
The Company maintains an account with a bank. The Federal Deposit Insurance Corporation does not insure any amount in excess of $250,000. The uninsured amount as of September 30, 2022 is $0. For purposes of the statement of cash flows, the Company considers all highly liquid investments with significant interest rate risk purchased with a maturity of three months or less to be cash equivalents. There are no investments of this type as of September 30, 2022.

Revenue Recognition
The Company plans to execute license agreements that set the terms of its arrangement with each licensor. The license agreements require the licensee to pay an initial, non-refundable fee of $15,000 and continuing fees based upon a percentage of sales. Subject to the Company's approval and payment of a renewal fee, a licensee may generally renew its agreement upon its expiration. Direct costs of sales and servicing of license agreements are charged to general and administrative expenses as incurred.

When an individual license is sold, licensor grants to licensee a limited license to use the trade name 'Project LeanNation', as well as the trademarks and service marks for online and retail store services featuring frozen or refrigerated prepared meals consisting primarily of vegetables and meat, fish or poultry. Continuing fees are recognized as earned, with an appropriate provision for estimated uncollectible amounts charged to general and administrative expense. The Company recognizes renewal fees in income when a renewal agreement becomes effective.

License fees included in revenues for the year ended September 30, 2022, were $285,832.

Advertising
The Company expenses all advertising costs when incurred.

NOTE 1 - NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Depreciation

Depreciation is calculated using the straight line method for financial statement reporting purposes over estimated useful lives ranging from 5 to 39 years. Maintenance and repairs are expensed as incurred.

Compensated Absences

No provision for compensated absences has been made because the Company has no written policy, and the amount of such provision is not estimable.

Income Taxes

Income taxes are accounted for using the asset and liability method. Under this method, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities, and their respective tax-basis carrying amounts. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period in which the enactment date occurs.

The determination of current and deferred income taxes is a critical accounting estimate which is based on complex analyses of many factors including interpretation of federal and state income tax laws; the evaluation of uncertain tax positions; differences between the tax and financial reporting bases of assets and liabilities (temporary differences); estimates of amounts due or owed, such as the timing of reversal of temporary differences; and current financial accounting standards.

Additionally, there can be no assurance that estimates and interpretations used in determining income tax liabilities will not be challenged by federal and state taxing authorities. Actual results could differ significantly from the estimates and tax law interpretations used in determining the current and deferred income tax liabilities.

The Company believes that it has appropriate support for the positions taken on its tax returns. Therefore, as of September 30, 2022, the Company had no uncertain tax positions that qualify for either recognition or disclosure in the financial statements.

Date of Management's Review

Management has evaluated subsequent events through April 1, 2023, the date that the financial statements were available to be issued.

NOTE 3 – RELATED PARTY TRANSACTIONS

During the year ended September 30, 2022, the Company borrowed money from Project Lean Nation, a related party. These funds were used for working capital and no repayment schedule has been established. As of September 30, 2022, the Company owed $126,000 to this related party.

Project Lean Nation Franchising, Inc.
Notes to Financial Statements
September 30, 2022

NOTE 4 – INCOME TAXES

Provisions for income taxes is comprised of the following elements:

Current tax expense:

Federal	$1,306
State	500
	$1,806

The Company has no deferred income taxes as of and for the year ended September 30, 2022.

NOTE 5 - CAPITAL STOCK

The Company has two hundred shares of no par value, voting capital stock authorized. As of September 30, 2022, there were 100 shares issued and outstanding and were held as follows:

	Number of Shares	Value
Tim Dougherty	100	$ 50,000

NACCA & CAPIZZI
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Management
of Project Lean Nation Franchising, Inc.

Opinion

We have audited the accompanying financial statements of Project Lean Nation Franchising, Inc. (a New York corporation), which comprise the balance sheet as of September 30, 2022, and the related statements of operation, changes in stockholder's equity, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Project Lean Nation Franchising, Inc. as of September 30, 2022, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Project Lean Nation Franchising, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material

misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

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

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

Nacca & Capizzi

Nacca & Capizzi, LLP

April 1, 2023

NOTE 1 - NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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The determination of current and deferred income taxes is a critical accounting estimate which is based on complex analyses of many factors including interpretation of federal and state income tax laws; the evaluation of uncertain tax positions; differences between the tax and financial reporting bases of assets and liabilities (temporary differences); estimates of amounts due or owed, such as the timing of reversal of temporary differences; and current financial accounting standards.

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The Company believes that it has appropriate support for the positions taken on its tax returns. Therefore, as of September 30, 2022, the Company had no uncertain tax positions that qualify for either recognition or disclosure in the financial statements.

Date of Management's Review
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	$1,806

The Company has no deferred income taxes as of and for the year ended September 30, 2022.

NOTE 5 - CAPITAL STOCK

The Company has two hundred shares of no par value, voting capital stock authorized. As of September 30, 2022, there were 100 shares issued and outstanding and were held as follows:

	Number of Shares	Value
Tim Dougherty	100	$ 50,000

EXHIBIT “G”

TO
FRANCHISE DISCLOSURE DOCUMENT

AMENDMENT TO
DISCLOSURE DOCUMENT FOR PROJECT LEAN NATION FRANCHISING, INC.
FOR THE STATE OF WISCONSIN

N/A

EXHIBIT “H”

TO
FRANCHISE DISCLOSURE DOCUMENT

FRANCHISEE ORGANIZATIONS:

A. Franchisee Organizations We Have Created, Sponsored Or Endorsed: None

B. Independent Franchisee Associations: None

EXHIBIT “I”

TO
FRANCHISE DISCLOSURE DOCUMENT

REQUEST FOR CONSIDERATION OF A FRANCHISING AGREEMENT WITH

PROJECT LEAN NATION FRANCHISING, INC.

Project LeanNation.
Eat Clean. Live Lean.

The purpose of this Request for Consideration is for general information in evaluating your qualifications to be awarded a Project LeanNation Franchise. Should you qualify and mutual interest develops, a franchising agreement will be provided. Completing this Questionnaire does NOT obligate you to purchase a Project LeanNation Franchise.

PERSONAL DATA

Full Name: ____

Street Address: ____

Do You? Own ____Rent ____ #Years at Current Address:_____

City: ____________________________________State: __________________

Zip Code: __________

Daytime Phone: _______________________

Evening/Weekend Phone: _______________________

Best Time to Call: _____________________
Email:_____________________@________________.com

Fax #: ___________________

Spouse’s/Residential Partner’s Full Name: ______________________

Are You a Citizen or National of the United States? (Check One) Yes ___ No ___

If Requested, Will You Be Able to Provide Legal Documentation Proving Employment Eligibility Verification As Put Forth By The U.S. Department of Justice, Immigration and Naturalization Service?

(Check One) Yes ___ No ___

Date of Birth: (example 10/10/1951) ____

Explain if You Have Ever Been Convicted of a Crime or Pleaded Nolo Contendre (Except Traffic Misdemeanors):

Are you of legal age in your state and/or area of residence? Yes ___ No ___

EDUCATION / TRAINING / EXPERIENCE

Schools Attended	Years	Grade or Degree Attained

EDUCATION / TRAINING / EXPERIENCE, CONTINUED

What Additional Experience, Training, Qualifications or Skills Do You Feel We Should Be Aware of in Evaluating This Application?

____
____
____

EMPLOYMENT INFORMATION

Name of Employer: ____________________________

Type of Business: _____________________________

Street Address: ____

City: _________________________ State: ___________________

Zip Code: ______________

Telephone: ________________________

Supervisor's Name: _____________________________

OK to Contact Supervisor? (Check One) Yes ___ No ___

Job Title: ___________________

Dates of Employment: ________________ to __________________

Weekly Salary: _____________

Please Mention Your Most Significant Accomplishments With Employer:

FINANCIAL INFORMATION

You may also include a prepared financial statement if you have one available.

What Amount of Money Will You Have for Initial Working Capital?

Choose One

____ Under $24,999.99

____ $25,000 - $49,999.99

____ $50,000 - $74,999.00

____ $75,000 - $99,999.00

____ $100,000 or more

What is the Source of Those Funds? ____

____

Explain and Identify any Financial Partner of Other Source of Investment Capital for This Transaction, if Applicable: (A separate Request for Consideration must be submitted for any financial partner in the business is required.)

Have you filed for bankruptcy in the past seven (7) years? Yes ___ No ___

Is your credit score over 630? Yes ___ No ___ Don't Know ___

Have you ever had a vehicle repossessed? Yes ___ No ___

Do you plan on borrowing the money for the franchise purchase? Yes ___ No ___ Don't Know ___

BUSINESS/MANAGEMENT INFORMATION

Will This Be Your Sole Business Venture? Yes ___ No ___

Will This Business be Your Sole Source of Income? Yes ___ No ___

Will Your Spouse/Partner be Active in the Business? Yes ___ No ___

Describe Any Business You May Have Owned:

___

Other Business Affiliations (Membership, Certifications, Officer, Director, Partner, Etc.)

___

What Territory are you interested in securing?

___

Identify Your Strongest Business Skills

___

OTHER INFORMATION

How Would You Describe Your People Skills?

___

List three (3) character/personality qualities others would think of when you name is spoken and explain how would you apply each in the operation of your business.

___
___
___
___

How Did You Become Aware of This Franchise Opportunity?

___

Why Do You Believe You Can Successfully Operate a _____________Franchised Business?

___
___
___

Explain How Will a _________________Franchise Help You Achieve Your Goals:

___
___
___
___
___
___
___

AUTHORIZED REQUEST

Please read the following information thoroughly, initial each paragraph and sign below.

_________ I hereby certify that all personal, financial and educational information contained in this Request for Consideration is true and correct. I hereby certify that I have not knowingly withheld any information that might adversely affect my chances of owning a Project LeanNation Franchise. I understand that any omission or misstatement of this Request for Consideration shall be grounds for rejection of this Request for Consideration and if necessary relinquishment of the Project LeanNation Franchise.

_________ I hereby authorize Project Lean Nation Franchising, Inc. to thoroughly investigate all references and information that I have listed on this Request for Consideration except where noted otherwise with regard to my references, work record, education and financial background matters related to the Purchase of a Project LeanNation Franchise. In addition, I release Project LeanNation Franchising, Inc., my former employers and all other persons, corporations, partnerships and associations from any and all claims and liabilities resulting from or in any way related to such investigations or disclosures.

_________ I Hereby understand that Project Lean Nation Franchising, Inc. has created a healthy prepared meals service concept, hereinafter referred to as the "Concept", and that they are the absolute owner thereof. The Concept is acknowledged by both parties to be the exclusive property of Project Lean Nation Franchising, Inc. Project Lean Nation Franchising, Inc. desires to exhibit the Concept to Second Party submitting this application, who may be a prospective purchaser, investor, consultant or publisher, and Second Party desires to examine the same with a view toward purchase thereof or to invest money therein or publish same. In consideration of the mutual covenants and obligations contained herein, the parties agree as follows: 1) On the execution of this Agreement, Project Lean Nation Franchising, Inc. shall exhibit the Concept to Second Party via email, fax, telephone and/or in person; 2) Second Party will neither use any information relating to the Concept commercially, nor disclose any such information under any circumstances to any person who is not its officer, employee or spouse except as authorized by Project Lean Nation Franchising, Inc. except Second Party may make reasonable disclosure to its employees, officers and spouse for the purpose of determining the commercial value of Concept: 3) Second Party will use its best efforts to keep all information relating to the Concept secret. In pursuance thereof, Second Party will require the execution of a secrecy agreement substantially identical hereto by any person to whom information relating to the Concept is disclosed, and such agreement shall be executed prior to any such disclosure; 4) Second Party will incur no obligation to purchase a Franchising Agreement by execution of this agreement; 5) If Second Party is also signing on behalf of a corporation or other legal entity, than said Second Party represents that he/she has the authority to bind the corporation or entity; 6) lf there is a breach or threatened breach of this Agreement by Second Party, Project Lean Nation Franchising, Inc. may seek an injunction and damages arising from said breach.

Prospective Franchisee / Second Party:

____

EXHIBIT “J”

TO
FRANCHISE DISCLOSURE DOCUMENT

<u>State Effective Dates</u>

[See Attached]

State Effective Dates

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

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

State	Effective Date
New York	Pending
North Carolina	10/19/2022
South Carolina	11/16/2022
Georgia	01/06/2023
Texas	04/03/2024
Florida	07/29/2024
Indiana	09/24/2024
Utah	05/23/2024
Connecticut	02/13/2025
Kentucky	Pending
Nebraska	Pending
Virginia	Pending
California	Pending
Hawaii	Pending
Illinois	Pending
Maryland	Pending
Michigan	Pending
Minnesota	Pending
North Dakota	Pending
South Dakota	Pending
Rhode Island	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.

EXHIBIT “K”
TO
FRANCHISE DISCLOSURE DOCUMENT

Receipts

[See Attached]

RECEIPT #1

(This copy is for the prospective franchise owner and must remain herein)

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 Project Lean Nation Franchising, Inc. offers you a franchise, it must provide this Disclosure Document to you 14 days before you sign a binding agreement or make a payment with the franchisor or an affiliate in connection with the proposed franchise sale.

Wisconsin law requires a franchisor to provide the franchisee 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.

If Project Lean Nation Franchising, Inc. does not deliver this Disclosure Document on time, or if it contains a false or misleading statement or a material omission, a violation of federal and state law may have occurred and should be reported to the Federal Trade Commission, Washington, DC 20580, and the appropriate state agency listed in Exhibit "A" to this Disclosure Document.

The franchise seller(s) involved with the sale of this franchise is/are **(to be completed by franchise seller involved in sales process):**

Name:____
Address:____
Phone:____

Name:____
Address:____
Phone:____

Our agent to receive service of process is listed in Exhibit "B" to this Disclosure Document.

Issuance Date: January 24, 2025.

I have received the Franchise Disclosure Document dated ____________, 20__ that included the following Exhibits:

EXHIBIT "A" State Agencies and Administrators
EXHIBIT "B" Franchisor's Agent for Service of Process
EXHIBIT "C" Franchise Agreement
EXHIBIT "D" Table of Contents to Manual
EXHIBIT "E" List of Franchisees
EXHIBIT "F" Financial Statements
EXHIBIT "G" State Addendum
EXHIBIT "H" Franchisee Organizations
EXHIBIT "I" Franchisee Request for Consideration
EXHIBIT "J" Receipts

Date: __________________ FRANCHISEE: ______________________________

State: ___________________ Print Name: _________________________________

RECEIPT #2

(This copy must be signed by prospective franchise owner and returned to us)

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 Project Lean Nation Franchising, Inc. offers you a franchise, it must provide this Disclosure Document to you 14 days before you sign a binding agreement or make a payment with the franchisor or an affiliate in connection with the proposed franchise sale.

Wisconsin law requires a franchisor to provide the franchisee 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.

If Project Lean Nation Franchising, Inc. does not deliver this Disclosure Document on time, or if it contains a false or misleading statement or a material omission, a violation of federal and state law may have occurred and should be reported to the Federal Trade Commission, Washington, DC 20580, and the appropriate state agency listed in Exhibit "A" to this Disclosure Document.

The franchise seller(s) involved with the sale of this franchise is/are **(to be completed by franchise seller involved in sales process):**

Name:____
Address:____
Phone:____

Name:____
Address:____
Phone:____

Our agent to receive service of process is listed in Exhibit "B" to this Disclosure Document.

Issuance Date: January 24, 2025.

I have received the Franchise Disclosure Document dated _____________, 20__ that included the following Exhibits:

EXHIBIT "A"	State Agencies and Administrators
EXHIBIT "B"	Franchisor's Agent for Service of Process
EXHIBIT "C"	Franchise Agreement
EXHIBIT "D"	Table of Contents to Manual
EXHIBIT "E"	List of Franchisees
EXHIBIT "F"	Financial Statements
EXHIBIT "G"	State Addendum
EXHIBIT "H"	Franchisee Organizations
EXHIBIT "I"	Franchisee Request for Consideration
EXHIBIT "J"	Receipts

Date: ____________________ FRANCHISEE: ________________________________

State: ____________________ Print Name: ______________________________