



FRANCHISE DISCLOSURE DOCUMENT

Sidewalk Juice, LLC
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A *Sidewalk Juice* franchisee will operate a juice bar featuring locally sourced, made-to-order juices, smoothies, acai bowls and other food and beverage items. A *Sidewalk Juice* bar comes in two formats: a conventional storefront and a kiosk. The total investment to begin operation of a *Sidewalk Juice* bar depends on which type of facility is being opened. The total investment for a conventional storefront *Sidewalk Juice* bar is \$261,500 to \$815,000. The total investment for a non-traditional unit is \$836,000 to \$2,045,500. This includes the initial franchise fee that must be paid to the franchisor of \$30,000.

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

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, please contact Gus Daibis at the above address and telephone number.

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

Buying a franchise is a complex investment. The information in this disclosure document can help you make up your mind. More information on franchising, such as "A Consumer's Guide to Buying a Franchise", which can help you understand how to use this disclosure document, is available from the Federal Trade Commission. You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, 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 also may be laws on franchising in your state. Ask your state agencies about them.

Issuance Date: April 15, 2024

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.
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 B 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 Sidewalk Juice 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 Sidewalk Juice franchisee	Item 20 lists current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

What You Need to Know About Franchising *Generally*

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

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

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

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

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

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

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

Some States Require Registration

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

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

Special Risks to Consider About *This* Franchise

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

Out-of-State Dispute Resolution. The franchise agreement requires you to resolve disputes with the franchisor by mediation, arbitration and/or litigation only in California. Out-of-state mediation, arbitration, or litigation may force you to accept a

less favorable settlement for disputes. It may also cost more to mediate, arbitrate, or litigate with the franchisor in California than in your own state.

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

SIDEWALK JUICE
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ITEM 1: THE FRANCHISOR AND ANY PARENTS, PREDECESSORS AND AFFILIATES

In this Franchise Disclosure Document the words “we”, “us” and “our” refer to Sidewalk Juice LLC., the franchisor of *Sidewalk Juice* bars. The words “you” and “your” refer to the buyer of a *Sidewalk Juice* franchise.

We are a limited liability company that was formed in California on February 26, 2018. We do not do business under any other names. Our business address is 1860 El Camino Real, Suite 221, Burlingame, CA 94010. Our telephone number is (415) 860-0044.

We have one affiliate, Sidewalk Juice IP LLC, which was formed on October 22, 2018 in California. Its business address is 1860 El Camino Real, Suite 221, Burlingame, CA 94010. We have been licensed by Sidewalk Juice IP LLC to use the trademark *Sidewalk Juice* and the *Sidewalk Juice* recipes and system in connection with franchising *Sidewalk Juice* bars. For more information on this license, see Item 13 below.

Each of our members sold a *Sidewalk Juice* bar in 2020 to buyers who became our franchisees. Sidewalk Juice Bar Inc., owned by our President, Mr. Nazzal, continues to own one *Sidewalk Juice* bar that was opened 2006.

Sidewalk Juice bars are facilities that provide locally sourced and made-to-order juices, smoothies, acai bowls and other food and beverage items. This Franchise Disclosure Document offer two configurations of *Sidewalk Juice* bars: a “conventional” facility normally located in a street location, mall or similar location and a kiosk in a mall or specialized facility, such as an office building, sports arena, airport, etc.

Prior to 2021 our only business was granting franchises for *Sidewalk Juice* bars. Beginning in 2021, we also began having some of our juices bottled. We are currently only selling these bottled juices through *Sidewalk Juice* bars. In the future we will probably begin selling them through unaffiliated retail outlets.

We currently do not operate any *Sidewalk Juice* bars. We have not offered franchises in any other lines of business.

The market for the items served by *Sidewalk Juice* bars is rapidly developing. *Sidewalk Juice* bars cater principally to people seeking healthy food and beverage items but *Sidewalk Juice* offerings also appeal to the general public.

Sidewalk Juice bars compete for customers with other sellers of similar items. *Sidewalk Juice* bars normally are located in leased spaces, usually in neighborhood business districts, local shopping centers, office buildings or similar retail areas. It is likely that *Sidewalk Juice* bars will have to compete for customers with other food providers in the same business districts, shopping centers and other areas in which they are located. Sales of *Sidewalk Juice* bars are not seasonal although juice sales do better when the weather is warmer.

Sidewalk Juice bars are subject to laws and regulations affecting sellers of food products, including health and safety codes and environmental laws, as well as laws and rules applicable to businesses in general.

ITEM 2: BUSINESS EXPERIENCE

The principal officers who have responsibility concerning our franchises are:

Ghassan “Gus” Daibis - Chief Executive Officer and Managing Member

Mr. Daibis assumed his positions upon our formation. From April, 2011, until January, 2014, he was Director of Operations of the Burger Joint at the San Francisco International Airport (SFO). From January, 2014, until April, 2016, he was Director of Operations of Mission Bar & Grill at SFO. From July, 2017, through March, 2020, he also owned and operated a *Sidewalk Juice* bar in Daly City, California. Mr. Daibis was also a member of Sidewalk Wellness LLC, a entity that operated a retail store in San Francisco, California, under the name “Sidewalk Wellness” that opened in 2019 that provided hemp-based wellness products. That store closed in March, 2020.

Jason Nazzal - President and Managing Member

Mr. Nazzal assumed his positions upon our formation. He is the owner and operator of one *Sidewalk Juice* bar in San Francisco.. He opened the first *Sidewalk Juice* in San Francisco, California, in August, 2006. Mr. Nazzal was also a member of Sidewalk Wellness LLC described above.

Nidal Nazzal - Director of Operations and Managing Member

Mr. Nazzal assumed his positions upon our formation. He has extensive restaurant experience, having opened and operated the Burger Joint in San Francisco, California since August, 1994, the Burger Joint at SFO since April, 2011 and the Mission Bar and Grill at SFO since January, 2014.

ITEM 3: LITIGATION

Our licensor, Sidewalk Juice Bar Inc. sold several franchises, which it called “licenses”, that were not registered as required by the California Franchise Investment Law, *California Corporations Code* Sections 31000 to 31516. Our licensor served Notices of Violation on the remaining two franchisees in February, 2019, after the form of the notices was approved by the California Department of Financial Protection and Innovation. A Notice of Violation advises a person who purchased a franchise that was not registered of their legal rights under the California Franchise Investment Law and shortens the statute of limitations for them to take legal action if they so wish.

Other than for the above, no litigation is required to be disclosed in this disclosure document.

ITEM 4: BANKRUPTCY

No bankruptcy proceedings are required to be disclosed in this disclosure document.

ITEM 5: INITIAL FEES

Single Sidewalk Juice Bar Franchise Fee:

The initial franchise fee for a single *Sidewalk Juice* bar is \$30,000.00. The franchise fee is payable in full when you sign your Franchise Agreement. If that agreement is terminated because you have not found an acceptable location within the time period specified in the Franchise Agreement, one-half of the franchise fee will be refunded to you.

Multiple Sidewalk Juice Bar Franchise Fee:

If the Franchise Agreement grants you the right to open more than one juice bar, the initial franchise fee for your second and subsequent juice bars is \$22,500.00. You must pay the entire initial franchise fee for your first juice bar and one-half of the initial franchise fee for each additional juice bar when the Franchise Agreement is signed. The balance due, if any, for each additional juice bar covered by the Franchise Agreement is payable when we approve the location for each such bar. The franchise fees are nonrefundable when the right to open multiple *Sidewalk Juice* bars are granted by the Franchise Agreement.

Discount for Additional Sidewalk Juice bars

Once you are an existing *Sidewalk Juice* franchisee, if you desire to purchase a franchise for an additional *Sidewalk Juice* bar, the initial franchise fee for each additional juice bar will be equal to 75% of the single juice bar franchise fee being charged at the time you sign your Franchise Agreement covering the additional juice bar or bars. Since we charge a reduced franchise fee for additional *Sidewalk Juice* bars under this provision, we can, in our discretion, reduce or eliminate our pre-opening training if we determine that you do not need that training in connection with the opening of those bars.

ITEM 6: OTHER FEES

OTHER FEES

The following chart lists the other fees you must pay to us in connection with a *Sidewalk Juice* bar franchise.

Type of fee (See Note 1)	Amount	Due Date	Remarks
Monthly Royalty	6% of your gross receipts	By the 7th day of each month based on your prior month's sales	"Gross receipts" means the proceeds from all of your sales and services less the exclusions specified in Section 9.01(b) of the Franchise Agreement.
Marketing Fund	Up to 3% of your gross receipts	When the royalty payment due	This fee only becomes payable when we form a marketing program. As of the date of this FDD, we have not yet done so, but we plan to implement a marketing program this year.

Type of fee (See Note 1)	Amount	Due Date	Remarks
Additional Training Fee (See Note 2)	\$350 per day per trainee	Prior to the training	For training in addition to the training we provide as part of our initial services
Relocation Fee	50% of the franchise fee we are charging for new franchises at the time.	When we approve your new location.	Only payable if we mutually agree on the relocation of your existing <i>Sidewalk Juice</i> bar.
Extra Visit Fee (See Note 2)	Up to \$350 per day plus reimbursement for our out of pocket expenses	When we require	This fee is only payable if you notify us that your juice bar is ready for opening and it is not, preventing our representative from completing his or her duties upon opening and they must wait or have to return later.
Media Licensing Fee	A pro-rated portion of any fee we must pay for any music or other media played in your juice bar	When we require	Only payable if third-party licensing fees are payable in order to play music or use other proprietary media in your juice bar.
Special Visit Fee (See Notes 3)	\$350 per day plus reimbursement for our out of pocket expenses	When we require	Only payable if we agree to a special visit by our representatives over and above those we normally provide.
Meeting Fee	As we reasonably determine	When we determine	We have the right to charge reasonable fees for attendance at our national or regional meetings and training seminars.
Gift Card Fee	As we reasonably determine	When we determine	Only payable if we administer a gift card, discount card or similar program for our juice bars.
Debit Charge-Back Fee (See Note 3)	\$50 plus bank charges per instance	When we determine	Only payable if a proper debit your account is not honored by your bank due to insufficient funds in your account.
Successor Agreement Fee	Reimbursement for our expenses in connection with granting you a new franchise when your current agreement expires	Upon signing your new Franchise Agreement	We need not provide additional services to you in connection with granting you a new franchise even though a new Franchise Agreement is signed.
Media Maintenance Fee	As we reasonably determine	As we determine	We can charge a reasonable fee for maintaining and updating our Internet site and any other media presence on which your juice bar is represented.

Type of fee (See Note 1)	Amount	Due Date	Remarks
Transfer Fee	50% of our then-current initial fee. However, if the transferee is an existing <i>Sidewalk Juice</i> franchisee, the transfer fee is equal to 25% of our then-current initial franchise fee.	When we approve your transferee and transfer.	If the transferee is an existing <i>Sidewalk Juice</i> franchisee, we will not be required to provide any services in connection with a transfer. If we do, we can charge for our costs.
Late Charge	1½% per month	As we require	A late charge is only payable on past due amounts
Audit Fee	Cost of audit, including expenses and time of our employees, accountants and others	Upon payment of amounts due	Only payable if we audit your records and find that you have underreported your gross receipts in excess of 3% for any reporting period or have not provided the financial reports required by your Franchise Agreement.
Liquidated Damages	An amount equal to the monthly royalty and marketing fees you have paid for the prior year	Monthly beginning on the first day of the month following the termination of this Agreement	Only payable if your Franchise Agreement is terminated because of your default. The payments end if we establish a new <i>Sidewalk Juice</i> bar in your protected territory.
Material Nonreturn Fee (See Note 3)	\$50.00 per day becoming \$250.00 per day after 30 days	On demand	Only payable if you do not return material you are required to return to us within 10 days of when your Franchise Agreement ends.

Notes:

1. These fees are payable to us and are not refundable. We have granted a lower royalty to certain franchisees who joined our system early. Other than this, fees payable to us are uniformly imposed.
2. This fee is subject to change in our discretion.
3. This fee is subject to adjustment by any increase in the Consumer Price Index as described in Section 21 of the Franchise Agreement.

ITEM 7: ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT (Conventional *Sidewalk Juice* bar)

Type of Expenditure	Amount	Method Of payment	When due	To whom payment is to be made
Initial franchise fee (See Note 1)	\$30,000 for a single juice bar; \$22,500 for additional juice bars in same agreement	Lump sum for a single juice bar plus half down for subsequent juice bars under the same Franchise Agreement	Upon signing the Franchise Agreement. If a multi-bar agreement, first fee in full and one-half down on rest; balance due when each location is approved.	Franchisor
Architects and engineers	\$10,000 to \$60,000	As required by architects and engineers	As required by architects and engineers	Architects and engineers, etc.
Leasehold improvements (See Note 2)	\$125,000 to \$450,000	As required by contractors	As required by contractors	Franchisee's contractors
Furniture, fixtures, equipment and décor (See Note 3)	\$50,000 to \$150,000	As incurred	As required by vendors	Vendors
Interior and exterior signs (See Note 4)	\$4,000 to \$20,000	As required by supplier	As required by supplier	Sign contractor
Lease and utility deposits, insurance, licenses and permits, insurance and other prepaid expenses (See Note 5)	\$7,500 to \$20,000	Lump sum	As required by appropriate parties	Appropriate parties
Opening inventory	\$7,500 to \$15,000	Lump sum	Prior to opening	Franchisor/suppliers
Grand opening promotion (See Note 6)	\$2,500 to \$5,000	Lump sum	Prior to opening	Vendors
Legal, accounting, pre-opening marketing and other pre-opening expenses	\$1,000 to \$5,000	As incurred	Prior to opening	Attorney, accountant and vendors
Other initial expenses	\$1,000 to \$5,000	As incurred	As incurred	Employees, suppliers, utilities and other providers
Real estate lease (See Note 7)	\$10,000 to \$20,000	Lump sum	Monthly	Landlord
Point of sale recordation device/computer system	\$3,000 to \$5,000	Lump sum	Prior to opening	Vendor

Type of Expenditure	Amount	Method Of payment	When due	To whom payment is to be made
Additional funds -first 3 months of operation (See Note 8)	\$10,000 to \$30,000	As incurred	As incurred	Employees, suppliers, utilities and other operating expenses
TOTALS: (See Note 9)	\$261,500 to \$815,000			

Notes:

1. See Item 5 of this disclosure document for the conditions under which this fee is partially refundable. The refundability of the other payments is up to the providers of the concerned goods or services. We do not finance any of the foregoing fees or charges.
2. The cost of leasehold improvements can vary depending, among other things, on the previous use of the space, cost of labor and materials in the area in which the juice bar is located, local building, health and other code requirements, the amount of the landlord's contribution to leasehold improvement expenses, if any and other such factors.
3. The costs of furniture, fixtures, equipment and decor will vary depending on the size of the space and the items offered in your juice bar. This category includes food storage and preparation equipment as well as display fixtures.
4. Sign costs can vary depending on the sign requirements of the shopping center or other development in which your juice bar is located.
5. Lease security deposits normally equal 1 or 2 months' rent.
6. You will put on your own Grand Opening event but it must be approved by us. We do not require you to spend over \$2,500.00 on your event but you may do so if you wish.
7. Conventional *Sidewalk Juice* bars normally occupy approximately 900 to 1,200 square feet of space. Occupancy costs will vary depending on the type of location occupied by your juice bar. Other occupancy costs can include your share of any common area maintenance charges, shopping center insurance costs, heating, ventilating and air conditioning charges, shopping center real estate and other taxes and assessments and similar fees. We have made no allowance in this chart for any rent that you may have to pay before your juice bar opens for business. The need for rent payments before opening will depend on the terms of your lease.
8. This is an estimate of the additional cash you will need over and above the net income of your juice bar for your initial 3 months of operation. The need for, and amount of, additional funds can vary greatly. The need for these additional funds will depend on such factors as: your management skill, experience and business ability; local economic conditions; the local market for our type of business; *Sidewalk Juice* name recognition in your market; prevailing wage rates; competition; your marketing efforts; the sales levels you reach during your initial period of operation; your ability to control your payroll and food cost; and other such factors, including, to some degree, the weather during your initial period of operation. We based this estimate on the experience of our executives in opening and operating their own *Sidewalk Juice* bars.
9. We have based our estimate on you paying cash for all expenses described here. If you obtain financing, or you choose to lease equipment rather than purchase it, you will incur some costs not described here, such as interest charges or lease deposits. Costs for a facility at special venue, such as an airport, sports arena, etc., may be considerably more than the data provided above.

YOUR ESTIMATED INITIAL INVESTMENT
(Non-Traditional *Sidewalk Juice* bar)

Type of Expenditure	Amount	Method Of payment	When due	To whom payment is to be made
Initial franchise fee (See Note 1)	\$30,000	Lump sum	Upon signing the Franchise Agreement for first kiosk. If multiple kiosk agreement, half down upon signing, balance upon approval of each location.	Franchisor
Architects and engineers	\$40,000 to \$125,000	As required by architects and engineers	As required by architects and engineers	Architects and engineers, etc.
Leasehold improvements (See Note 2)	\$650,000 to \$1,300,000	As required by contractors	As required by contractors	Franchisee's contractors
Furniture, fixtures, equipment and décor (See Note 3)	\$75,000 to \$175,000	As incurred	As required by vendors	Vendors
Interior and exterior signs (See Note 4)	\$6,000 to \$20,000	As required by supplier	As required by supplier	Sign contractor
Lease and utility deposits, insurance, licenses and permits, insurance and other prepaid expenses (See Note 5)	\$7,500 to \$75,000	Lump sum	As required by appropriate parties	Appropriate parties
Opening inventory	\$7,500 to \$25,000	Lump sum	Prior to opening	Franchisor/suppliers
Grand opening promotion (See Note 6)	\$1,500 to \$3,000	Lump sum	Prior to opening	Vendors
Legal, accounting, pre-opening marketing and other pre-opening expenses	\$2,000 to \$7,500	As incurred	Prior to opening	Attorney, accountant and vendors
Other initial expenses	\$1,000 to \$5,000	As incurred	As incurred	Employees, suppliers, utilities and other providers
Real estate lease (See Note 7)	\$2,500 to \$225,000	Lump sum	Monthly	Landlord
Point of sale recordation device/computer system	\$3,000 to \$5,000	Lump sum	Prior to opening	Vendor

Type of Expenditure	Amount	Method Of payment	When due	To whom payment is to be made
Additional funds -first 3 months of operation (See Note 8)	\$10,000 to \$50,000	As incurred	As incurred	Employees, suppliers, utilities and other operating expenses
TOTALS: (See Note 9)	\$836,000 to \$2,045,500			

Notes:

1. See Item 5 of this disclosure document for the conditions under which this fee is partially refundable. The refundability of the other payments is up to the providers of the concerned goods or services. We do not finance any of the foregoing fees or charges.
2. The cost of leasehold improvements can vary depending, among other things, on the previous use of the space, cost of labor and materials in the area in which the juice bar is located, local building, health and other code requirements, the amount of the landlord's contribution to leasehold improvement expenses, if any and other such factors. Our high end estimate is based on the cost of construction in an airport, using exclusively union laborers approved to do construction in an airport terminal.
3. The costs of furniture, fixtures, equipment and decor will vary depending on the size of the kiosk and the items offered in your juice bar. This category includes food storage and preparation equipment as well as display fixtures.
4. Sign costs can vary depending on the sign requirements of the shopping center or other development in which your juice bar is located.
5. Lease security deposits normally equal 1 or 2 months' rent. You will normally have to obtain off-site storage since the kiosk will have limited storage space. Our high end estimate reflects the costs for this category of expenses in an airport location, which is higher than what you are likely to encounter in other locations such as shopping malls.
6. You will put on your own Grand Opening event but it must be approved by us. We do not require you to spend over \$2,500.00 on your event but you may do so if you wish.
7. *Sidewalk Juice* kiosks normally occupy 150 to 350 square feet of space. Occupancy costs will vary depending on the type of location occupied by your kiosk. The per-square-foot rent will probably exceed that of a conventional juice bar. Other occupancy costs can include your share of common area maintenance charges, shopping center insurance costs, heating, ventilating and air conditioning charges, shopping center real estate and other taxes and assessments and similar fees. Our high end cost estimate is based on putting a kiosk into a transit center or airport. We have made no allowance in this chart for any rent that you may have to pay before your juice bar opens for business. The need for rent payments before opening will depend on the terms of your lease.
8. This is an estimate of the additional cash you will need over and above the net income of your juice bar for your initial 3 months of operation. The need for, and amount of, additional funds can vary greatly. The need for these additional funds will depend on such factors as: your management skill, experience and business ability; local economic conditions; the local market for our type of business; *Sidewalk Juice* name recognition in your market; prevailing wage rates; competition; your marketing efforts; the sales levels you reach during your initial period of operation; your ability to control your payroll and food cost; and other such factors, including, to some degree, the weather during your initial period of operation. We based this estimate on the experience of our executives in opening and operating their own *Sidewalk Juice* bars.

9. This chart assumes the cash purchase of all of your equipment and the other items you need to open your juice bar. You are not required to lease any equipment and we do not recommend leasing equipment. A kiosk at a special venue, such as an airport or sports arena, may cost considerable more than the above.

ITEM 8: RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Your juice bar location must be approved by us in writing before you can acquire it.

Because we want to develop the public image and increase consumer acceptance of *Sidewalk Juice* bars and because we have to protect the *Sidewalk Juice* trademark and goodwill, we control the appearance of *Sidewalk Juice* bars and the goods and services provided under the *Sidewalk Juice* name. For this reason, unless we specifically permit otherwise, you may only purchase food, supplies, fixtures, equipment, furnishings, signs and other items for use at your *Sidewalk Juice* bar from sources we approve.

One of our approved suppliers is a manufacturing facility that produces and bottles juices that you will purchase according to our standards and specifications. We receive a rebate of between \$1.40 and \$1.70 per bottle of juice that the manufacturing facility produces, depending on the type of juice. In other instances, we have established standards for the materials, items, or services you must use.

We develop our standards and specifications in a variety of ways. We consider new equipment based on its ability to perform needed functions, the manufacturer's ability to fill orders promptly, the warranties provided, the serviceability of the equipment, the quality of manufacture and the equipment being licensed by the National Sanitation Foundation and Underwriters Laboratories, among other things. Our criteria for food items include the manufacturer's and supplier's ability to provide a consistently high quality product, the provider's ability to service our juice bars, the price of the items, the manufacturer's and supplier's customer service and reputation and its ability to protect our trade secrets. We can change our supplier and food criteria when we decide that is in the best interest of the *Sidewalk Juice* system.

If you request us to consider any item or supplier, you or the supplier must reimburse us for any costs we incur in reviewing the items or suppliers you submit to us for approval. We will make our specifications for items authorized to be purchased from third party suppliers available to suppliers meeting our supplier criteria upon their request. We will review and decide whether to approve any items submitted to us within a reasonable time after the items and all appropriate data on the items, are given to us, normally within 30 days. We can revoke our approval of any approved supplier or item when we think it is justified.

We can change the specifications of the items we approve for use in or by *Sidewalk Juice* bars when we think it is in the best interest of the *Sidewalk Juice* system. If we change the specifications of the items you are using or providing, we will tell you when you have to stop using the items you are currently using and start using the new items. If we want you to start using new items, we will give you enough time to use up your supply of the old items before you have to start using the new ones unless we determine that continued use of an item would hurt the reputation of *Sidewalk Juice* bars or jeopardize public health or safety in which case we can have you discontinue use of the item or items immediately.

We can limit the number of suppliers to whom we reveal any information or product specifications we consider to be our trade secrets. We also can decide that a certain supplier, we or an affiliate of ours will be the only supplier of one or more trade secret items.

We have no purchasing cooperatives. If we do establish such a cooperative or establish national purchasing accounts, you agree in the Franchise Agreement to purchase a reasonable quantity of the items provided by the cooperative and national account. If we establish a central kitchen or warehouse to supply items for our juice bars and it is capable of providing items for your use or resale, you agree in the Franchise Agreement to purchase the items we specify from that kitchen or warehouse.

We may maintain a supply of items marked with our trademark and other items used in our bars and sell those items to our juice bar owners. You are not required to purchase those items from us but we must approve any alternate suppliers from which you propose to purchase such items to make sure those items meet our standards. In the last fiscal year, we did not earn any revenue from franchisee purchases.

We estimate that in the establishment of your business, required purchases and leases from us and from designated suppliers will be approximately 80% of your initial expenses and 80% of your ongoing operating expenses not counting your location lease. There will be items, such as generic janitorial supplies, that do not require our approval.

You are required to carry insurance meeting the following minimum specifications:

<u>Type of Coverage</u>	<u>Amount</u>
Comprehensive liability, including products liability coverage and owned and non-owned vehicles	A minimum of \$1,000,000
Fire and extended coverage on the physical assets of the business	Replacement cost
Workers compensation	As required by law
Employer's liability	\$1,000,000

All of your liability insurance must name us as an additional insured with at least 30 days' prior written notice to us of any termination, amendment or cancellation of your insurance. We also have the right to require you to obtain additional or different insurance or an increase in the amount of coverage.

ITEM 9: FRANCHISEE'S OBLIGATIONS

FRANCHISEE'S OBLIGATIONS

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

Obligation	Section in Franchise Agreement	Disclosure document item
a. Site selection and acquisition/lease	3 & 5	5, 8 & 11
b. Pre-opening purchase/leases	5, 6 & 8	7 & 8
c. Site development and other pre-opening requirements	5, 6 & 7	5, 8 & 11
d. Initial and ongoing training	7	11
e. Opening	6, 7 & 10	7, 8 & 11
f. Fees	3, 4, 5, 7, 8, 9, 10, 15 & 16,	5, 6, 11 & 17
g. Compliance with standards and policies/operating manual	8	11, 14 & 15
h. Trademarks and proprietary information	8, 10 & 14	11, 13, 14 & 17
i. Restrictions on products/services offered	5 & 8	8 & 16
j. Warranty and customer service requirements	8	15
k. Territorial development and sales quotas	3, 5 & 12	12
l. Ongoing product/service purchases	6, 7, 8, 10 & 12	8 & 16
m. Maintenance, appearance and remodeling requirements	6 & 8	8
n. Insurance	12	8
o. Advertising	7 & 10	11
p. Indemnification	13 & 16	17
q. Owner's participation/management/staffing	7, 8 & 15	11 & 15
r. Records and reports	8, 9 & 11,	Not applicable
s. Inspections and audits	6, 8 & 11	6
t. Transfer	15	6 & 17
u. Renewal	4	6 & 17
v. Post-termination obligations	16 & 17	17
w. Non-competition covenants	17	17
x. Dispute resolution	18	17

ITEM 10: FINANCING

We do not offer direct or indirect financing for your *Sidewalk Juice* juice bar. We do not guaranty any lease or financing you may obtain.

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

Except as listed below, Sidewalk Juice LLC is not required to provide you with any assistance.

Pre-Opening Assistance

Before the opening of your *Sidewalk Juice* bar we will:

- 1) We do not provide a site for you. It is your responsibility to find a location for your *Sidewalk Juice* bar. However, we will consult with you on the general criteria for your juice bar location. Subject to certain limitations, for 90 days after you sign your Franchise Agreement you will have the exclusive right to look for a location within an area designated in your Franchise Agreement. If you do not find an acceptable location within that time period, you will have the right to look for a site within that area for an additional 90 days but on a nonexclusive basis. "Nonexclusive" means that we, our affiliates and our other franchisees can also look for and take a site in the designated area within that time period which may preclude you from locating in that area. If you have not found an acceptable site within the 180 day period, we can terminate your Franchise Agreement and retain one-half of your initial franchise fee as consideration for our efforts to date and for granting you the exclusive and nonexclusive rights described above. We must approve your proposed location before you can lease or otherwise acquire its use. Our review of your proposed site normally will not take over 14 days. After our review, we will notify you of our approval or disapproval of the site. If we disapprove of the site we will advise you of the steps you can take, if any, to make the site acceptable to us. Among the criteria we use in determining whether to approve your site are the physical characteristics of the location, the shopping center or other area in which it is located, the demographics of the area, its proximity of other *Sidewalk Juice* bars and the protected territories granted to them and its proximity to competitors. You agree in the Franchise Agreement to obtain a lease for your site within 30 days after we approve the location. If a lease is not then available, you must get a letter of intent from the lessor showing the basic terms of the lease that will be provided to you and accepting you as a tenant. You must then provide us with a copy of your fully-signed lease within 60 days after you obtain the letter of intent. If you have not obtained a signed lease for your site or a letter of intent within the required time period, unless, in our reasonable judgment, you are using due diligence in your attempt to obtain a lease, we can terminate your Franchise Agreement. If we terminate your Franchise Agreement for that reason, we can retain your entire initial franchise fee as consideration for our efforts to date. (Franchise Agreement Sections 3.02 and 5.01 through 5.05)
- 2) At our option, we can give you our thoughts on the proposed lease terms for your site. You must have the lessor of your premises sign our Addendum to Lease

Agreement that gives us certain rights should you default under your lease. (Franchise Agreement Sections 5.05 and 5.06)

- 3) We give you a typical layout for a *Sidewalk Juice* bar. This layout will not be for your specific space but will show you and your architect or designer what the juice bar must contain. We will also provide you with specifications for the finishes and décor we require. It is your responsibility to have this layout modified for your specific space and to have prepared all additional plans needed for the construction of your space to conform to the layout, specifications and requirements we have provided and to local ordinances and building codes. It is also your responsibility to obtain all required building, health and any other required permits. (Franchise Agreement Section 6.01)
- 4) We must review and approve your plans and specifications before your contractor begins construction. We will consult with you, your architect, space planner, designer, contractors and subcontractors regarding the construction, decorating and equipping your juice bar. (Franchise Agreement Sections 6.01 and 6.02).
- 5) We will provide you with a list of all required furniture, fixtures, décor items, point of sale system, software, inventory items and all other items needed by your juice bar. We do not provide these items nor do we install them. We will provide you with a list of approved suppliers from which we require you to purchase specific items. (Franchise Agreement Section 6.03)
- 6) We have the right to conduct a final inspection of your juice bar to determine whether it complies with our approved plans, specifications and other requirements. (Franchise Agreement Section 6.07)
- 7) We provide training in our system for the owner of your juice bar and up to 3 other people. If this is your second or subsequent *Sidewalk Juice* bar, we will only train one additional person, who should be the juice bar manager. (Franchise Agreement Section 7.01 and 7.03).
- 8) We will send one or more representatives to your location to assist you with the opening of your juice bar and to provide additional on-site training for you and your staff just prior to your opening. (Franchise Agreement Section 7.07).
- 9) We provide you with our hard copy and Internet-based manuals to use in connection with the establishment and operation of your juice bar. (Franchise Agreement Section 8.01).
- 10) We consult with you on your grand opening advertising and activities. (Franchise Agreement Section 10.01)

It typically takes between 1 to 4 months after you sign your Franchise Agreement to find a location for your bar, obtain a lease and obtain any needed financing, although it could take longer. It usually takes between 2 and 3 months after you sign your lease to make tenant improvements, equip, decorate and complete the construction of your bar, complete training, hire and train staff and otherwise prepare to open your juice bar for business. Factors that could affect the time it takes you to open your juice bar include: the time it takes to find and secure a location, the time

needed to prepare your working plans and specifications, locate a contractor, secure the necessary permits and complete construction, the previous use of the space, availability of labor and materials in the area in which the juice bar is located, local building, health and other code requirements, time needed to acquire your equipment, furniture, fixtures, décor and other items and so forth.

Your juice bar must be open for business within 6 months from the date you sign your lease. If it is not, we can terminate your Franchise Agreement unless, in our reasonable judgment, you are using due diligence to construct and open your juice bar and the delay is beyond your reasonable control, for example as a result of unusual engineering or construction problems or if there are delays caused by fire, flood, earthquake or similar events. If that is the case, we will extend the opening period for a reasonable time. Delays caused by your inability to perform your financial obligations are not considered to be beyond your control for this purpose. (Franchise Agreement Section 5.08)

Continuing Assistance

During the operation of your *Sidewalk Juice* bar we provide the following services:

- 1) We allow you continuing use of our trademarks, recipes, procedures and the information on our Intranet and our other nonpublic sites which contain various operations and marketing/public relations information (Franchise Agreement Sections 8.01, 8.02, 10.07 and 14.01)
- 2) We can provide additional training, meetings and conferences in our discretion. (Franchise Agreement Section 7.08).
- 3) We have staff members available to consult with you by telephone or online during our normal business hours concerning the operation of your juice bar. (Franchise Agreement Section 8.09).
- 4) We can send a representative to your juice bar to consult with you on the operation and performance of your juice bar at such times and with such frequency as we determine. (Franchise Agreement Section 8.11).
- 5) For an extra cost and with our agreement, we will send a representative to your juice bar at your request to consult with you on juice bar operations. (Franchise Agreement Section 8.12).

Advertising

As of the date of this Franchise Disclosure Document, we do not have a national, regional or local marketing fund to which you must contribute or an advertising cooperative to which you must belong. However, we have the right to start one or more of these programs, and we intend to launch an advertising program that we will control within the next year. If we do, you agree to contribute to those programs in an amount that we require that will not exceed 3% of your gross receipts. Our company-owned bars will contribute to that fund in a like amount. The fund will not be used to directly solicit the sale of franchises. The money paid in to the program will be segregated from our other funds and be used only for the purposes of the advertising program or programs to which you contribute. The financial statements of these programs need not be audited but we will account to you annually for the receipts and expenditures of any advertising funds to

which you contribute. We will not be obligated to spend the money from the advertising funds in any particular area or within any particular time period, however, until there are sufficient *Sidewalk Juice* bars to justify other than local advertising, any advertising we do will be local or regional within the general geographic area in which we have existing *Sidewalk Juice* bars or new ones ready to open. Money not spent during one year will carry over to the next year. Unless we form a cooperative advertising fund, we have no obligation to do advertising or public relations for your business or our system. (Franchise Agreement Sections 9.03 through 9.08)

You are welcome to conduct advertising and promotion for your juice bar. We must approve of your advertising and promotional materials and activities prior to their implementation, and we require that you use vendors we have approved to conduct your advertising. (Franchise Agreement Sections 10.02 through 10.05)

We do not have an advertising council that advises us on advertising policies or any local or regional advertising cooperative although we have the right to start them. (Franchise Agreement Section 8.19).

Electronic Cash Recording/Computer System

We recommend that you use the Toast POS System which costs approximately \$1,500.00, depending on the configuration and capabilities of the system you purchase. The Toast system can record sales, manage inventory, provide analytics, manage payroll and provide reports. We can require that we be given remote access to the information and reports generated by or stored on your system. (Franchise Agreement Section 8.15)

Operations Manuals

Before you purchase a *Sidewalk Juice* franchise, you will be allowed to review any manuals that we may have. Your examination of our manuals has to take place at our offices unless we allow you to examine the manuals elsewhere. Whoever examines the documents must first sign our Mutual Non-Disclosure Agreement which is Exhibit D to this disclosure document.

Training

TRAINING PROGRAM

Subject	Hours of Classroom Training	Hours of On-Site Training	Location
Ordering and inventory management	0	2	Video conference and at your juice bar
Basics of menu and products and nutrition information	0	2	Video conference
Customer service and quality control	0	2	Video conference and at your juice bar

Subject	Hours of Classroom Training	Hours of On-Site Training	Location
Opening and closing procedures	0	1	Video conference and at your juice bar
Store maintenance and sanitation	0	1	Your juice bar
Operations training	0	18-24 ⁽¹⁾	Your juice bar
Totals:	0	26-32 hours	

NOTE (1): The time a trainee will spend in training and the time devoted to each subject will depend on the prior experience of the trainee. Trainees with more experience with food service will have fewer training hours.

Our training program is conducted as needed. All owners of a more than 20% interest in your juice bar and up to two managers must complete our training course to our satisfaction before you open. You will not be allowed to open until at least one owner and one manager pass required portions of our training course, but up to 50% of our training may be provided after your soft opening. Our training course will be provided by means of video conference and at your *Sidewalk Juice* bar.

The principal instructional material used in our training course are our manuals, recipes, guidelines, sample reports, schedules and statements, checklists and handouts prepared for our training course and appropriate health and safety guidelines from the appropriate authorities. The instructors will be one or more of our officers whose experience is described in Item 2 above.

Your *Sidewalk Juice* bar must be under the supervision of a person or persons who have been adequately trained by a person who has successfully completed the training program we require. We have the right to require that your management personnel take specific training before the opening your *Sidewalk Juice* bar. You or your management personnel may also participate in additional optional training courses if we offer such training. (Franchise Agreement Sections 7.01 through 7.05 and 7.08)

ITEM 12: TERRITORY

Your Territory

Your franchise is granted only for the specific location we approve. If you are opening a conventional brick and mortar juice bar, we grant you an exclusive territory that we call a “protected territory”. That is the geographic area within which we agree not to open another company-owned or franchised juice bar that is substantially similar to your *Sidewalk Juice* bar, with certain exceptions such as in regional malls, transit centers, convention centers, office buildings, sports complexes or similar locations or juice bars that belong to any entity with which we merge, that acquires us, which we acquire or otherwise become affiliated. A kiosk *Sidewalk Juice* bar receives no protected territory.

We have the right to open and franchise *Sidewalk Juice* bars at any location outside your protected territory even if those bars compete with you or otherwise adversely affect your business.

The continuation of your protected territory does not depend on your doing any particular sales volume, achieving specified market penetration or other contingency.

You can only sell items to retail customers and only from your location unless we agree otherwise at the time. You may not sell any goods or services related to your *Sidewalk Juice* business through or to independent retail outlets, at wholesale, by means of catalogs, by mail order, by electronic means, including over the Internet or by other alternative means.

We, our affiliates or others that we or our affiliates authorize, can market goods bearing the *Sidewalk Juice* name and marks, names or marks similar or related to them or other names and marks, to or through independent retail outlets, at wholesale, by means of catalogs, mail order, by electronic means, including over the Internet or by alternate sources of distribution, even if these sales are made to outlets or to people located in your protected territory. You will not be entitled to any compensation or other benefit as a result of the sales made by us, our licensor, our affiliates or others we authorize.

You will have no options, rights of first refusal or similar rights to open additional *Sidewalk Juice* bars except if your Franchise Agreement grants you the right to open multiple *Sidewalk Juice* outlets. Except as authorized in your Franchise Agreement in the case of multiple-outlet rights, you have no right to open another *Sidewalk Juice* bar. If we agree to allow you to open an additional *Sidewalk Juice* bar, you must sign the Franchise Agreement we are using at that time for new *Sidewalk Juice* franchises and pay the franchise fee called for by that agreement. We can grant or withhold this consent in our sole and absolute discretion.

You can only relocate your *Sidewalk Juice* bar with our consent. If we agree that you can relocate your juice bar, you will have to sign a release of all claims against us and sign the Franchise Agreement we are using at the time for new *Sidewalk Juice* bars. We will usually only allow you to relocate within your protected territory but you cannot be relocated to a site that is also within the protected territory of another *Sidewalk Juice* franchise owner or one that is reserved for a *Sidewalk Juice* bar owned by us, our licensor or an affiliate of either. Your relocated juice bar must be built, equipped, furnished and so forth, in accordance with our requirements at the time of the relocation. We can specify a new protected territory for your relocated juice bar depending on its new location. You must also pay us the relocation charges specified in Item 6 above. If we permit you to relocate but think your existing location is viable, we can require you to assign your lease or other occupancy document to us as a condition of granting you permission to relocate.

Other than as restricted by the Franchise Agreement, we have the right to sell items of any type under trademarks different from those licensed to you under that agreement. You will not be entitled to any compensation or other benefit as a result of these sales. However, we have no plans to establish or franchise a business under different trademarks or selling goods similar to those you sell.

ITEM 13: TRADEMARKS

The principal trademark we license you to use is the stylized *Sidewalk Juice* name appearing on the first page of this disclosure document. That mark was registered on the Principal Register of the United States Patent and Trademark Office on July 19, 2016 and bears registration

number 5002462. All required maintenance and renewal filings have been made for this registration.

We are licensed to use the above mark and the *Sidewalk Juice* system by Sidewalk Juice IP LLC, a California limited liability company. Our License Agreement is dated March 28, 2022, and is for a term of 10 years but is automatically renewed for additional period of 10 years as long as there are any franchised *Sidewalk Juice* bars in operation. If for any reason the License Agreement ends, either by the expiration of its term or because we default, our franchisees will have the right to continue to use the licensed mark and system pursuant to their Franchise Agreements but our licensor need not perform any services for our franchise owners.

To the best of our knowledge, there are no presently effective determinations of the Patent and Trademark Office, the Trademark Trial and Appeal Board, the trademark administrator of any state or any court relevant to your use of the licensed names, marks and symbols in any state. There are no pending interference, opposition or cancellation proceedings, nor any litigation, involving the licensed names, marks and symbols. We know of no superior prior rights or infringing uses of our mark that could materially affect your use of the licensed mark in the state where your business will be located.

Even though we license you to use our names, marks and symbols, you are not allowed to use the name *Sidewalk Juice* or any similar name, in the name of the partnership, limited liability company, corporation or other business entity that owns your *Sidewalk Juice* franchise or in the name of any other business entity in which you have an interest.

We may license you periodically to use other names, marks or symbols in connection with the operation and promotion of your juice bar. You must use those names, marks or symbols at your expense. You cannot use any names, marks or symbols to identify or promote your juice bar other than those we specify.

If for any reason we decide to change our principal names, marks or symbols, you agree to use our new names, marks or symbols and to discontinue using the names, marks or symbols we direct you to stop using. If we require you to stop using any of the names, marks or symbols we license to you, we will reimburse you for your reasonable out of pocket costs in replacing items that bear the affected names, marks or symbols as long as you comply with our directives concerning their use and disposition.

If your use of any of the names, marks or symbols we license to you is ever challenged or if you discover a possible infringing use by a third party, you must notify us of that challenge or infringement immediately. It is up to us what action to take, if any, concerning the challenge or infringing use, as well as concerning any legal or administrative action concerning the names, marks or symbols that are used in connection with our names and marks. We will pay all fees and costs in any action resulting from a challenge by third parties to the use of our names, marks or symbols. We also will pay any damages for which you are held liable in any infringement or unfair competition action by a third party as long as you have used the licensed names, marks and symbols as required by your Franchise Agreement and have notified us promptly of the claim. You agree in the Franchise Agreement to cooperate with us in handling any proceedings involving the licensed names, marks or symbols.

You agree in the Franchise Agreement not to apply for registration of any of the licensed names, marks or symbols or to contest their ownership. You also agree not to assist anyone else in doing so.

You acquire no rights in the licensed names, marks or symbols because of your use of them. All of the rights and goodwill associated with the licensed names, marks or symbols belong to us and our licensor.

ITEM 14: PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

There are no registered patents or copyrights that are material to the franchise.

The manuals and materials we provide to you contain information that we consider to be our trade secrets. We claim copyright protection for these manuals and material although we have not filed any copyright applications concerning them.

You have to follow our directions in protecting our manuals and other trade secrets from unauthorized disclosure. We can require your employees to sign a confidentiality agreement in which they promise to keep all of our Proprietary Information confidential and to follow our directions regarding its use. You can use our proprietary material only in the way we authorize.

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

You do not have to be the actual on-premises manager of your *Sidewalk Juice* bar. However, we recommend that you do so in order to maintain better control over your juice bar's operation.

Unless we agree otherwise, your *Sidewalk Juice* bar must be under the overall supervision of someone who has taken and successfully completed our training course or someone who has been trained by them. You must use your best efforts to ensure that your employees at all times conduct themselves in a competent and courteous manner. If a person who takes our training course does not pass that course in a manner satisfactory to us, you cannot employ that person in a managerial capacity. Your manager does not have to have any ownership interest in your juice bar or in any entity owning it. We can require your managers and other employees to sign a confidentiality agreement to protect our proprietary information.

ITEM 16: RESTRICTION ON WHAT THE FRANCHISEE MAY SELL

You must offer for sale the entire menu we specify for your *Sidewalk Juice* bar. Certain current *Sidewalk Juice* bar locations may have permission to offer a modified menu, but this does not mean that you will not have to offer our full menu and to comply with any modifications we may make to our menu in the future. You have to follow our directions regarding the preparation, presentation and serving of all of the items in your juice bar. You also have to carry all of the resale items we designate. We can change the menu to be used in your juice bar when we see fit and you have to serve all of the items on the new menu. You cannot carry any items we have not approved.

You can only use the containers, napkins, serving items and other such materials that we specify or approve for use in your *Sidewalk Juice* bar. You must use the uniforms, signs, menu formats and other material we may require.

We can change our menu, resale items and any other merchandise offered by *Sidewalk Juice* bars. You must comply with our directions in this regard.

ITEM 17: RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

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

Provision	Section in Franchise Agreement	Summary
a. Length of the franchise term	4.01	10 years from when your lease commences
b. Renewal or extension of the term	4.02	Subject to applicable state law, you have no right to renew your Franchise Agreement. However, you can apply for a new Franchise Agreement when your initial term ends. The term of your new agreement will be the term contained in our standard Franchise Agreement at that time.
c. Requirements for franchisee to renew or extend	4.02	If you want to apply for a new Franchise Agreement you must give us notice at least 6 months, but not more than 12 months, before the expiration of your initial term, you cannot be in default when you give notice or when your new agreement is to take effect, you cannot have been given 2 or more notices of default during any 3-year period, you must agree to the terms of your new Franchise Agreement within 30 days of your receipt of your new Franchise Agreement, your lease must cover the new term, you must reimburse us for our costs and time in connection with providing you with and entering into your new Franchise Agreement and updating your juice bar, such as advising you in connection with the refurbishing of your bar, additional training and so forth. You must also sign a general release of any claims against us when you sign your new Franchise Agreement. You must update your juice bar to comply with our then-current standards. The new Franchise Agreement may contain terms and conditions that are materially different from those in your original agreement.
d. Termination by franchisee	16.05	If we commit a material default and do not cure it after notice and an opportunity to cure the default, you can pursue all remedies provided to you by law.
e. Termination by franchisor without cause	None	Not applicable

Provision	Section in Franchise Agreement	Summary
f. Termination by franchisor with cause	3.02, 5.03, 5.05, 5.07 - 5.09, 8.01, 11.03, 14.12, 15.20, 15.22, & 16.01 - 16.03	We can terminate the Franchise Agreement for the reasons listed in the referenced sections of the Franchise Agreement.
g. "Cause" defined - curable defaults	16.01 - 16.04	Except as provided below, we can terminate your Franchise Agreement if you commit any violation of a material term in that agreement and you do not correct the condition causing the default within the period allowed by the Franchise Agreement. You will have 5 days to remove any foreclosure, attachment, execution or other seizure of your assets. We can terminate your Franchise Agreement if you lose your lease through no fault of your own but do not relocate your juice bar within 90 days. We have the option to give you additional time to cure the defaults described in the following section if they are capable of cure.
h. "Cause" defined—non-curable defaults	3.02, 5.03, 5.05, 5.07 - 5.09, 8.01, 11.03, 14.12, 15.20, 15.22, 16.01 & 16.02	Defaults which can cause immediate termination are: you do not obtain a location, lease or open your juice bar for business within the time periods required; you reject a location we offer to you; we cannot agree on a protected territory within a reasonable time; you make improper disclosure or use of our confidential information, you intentionally underreport your gross sales or underreport your gross sales in the amount of 10% or more even if unintentional; or a transfer of the franchise is not completed within the times allowed in the event of death, mental incompetence or as ordered by a court in the event of divorce. We can terminate your remaining Franchise Agreements if you have more than one <i>Sidewalk Juice</i> bar and do not renew any of your Franchise Agreements but continue to engage in a similar business at your location. Termination can also occur: in the event of your bankruptcy, if you make an assignment for the benefit of creditors, or your insolvency; a material misrepresentation was made in your acquisition of the franchise; you or a principal engages in conduct reflecting adversely on the business; failure to comply with applicable law; you are given 3 or more notices of valid defaults in any 12 month period; failure to pay a judgment that becomes final; conviction of a felony of any type or a criminal violation relevant to the business; failure to pay amounts due to us when required

Provision	Section in Franchise Agreement	Summary
		or within 5 days after notice; we determine that your operation is a danger to public health or safety; you abandon your business; any other agreement between us or between you and any of our affiliates is terminated because of your default; or you default under your lease and lose your site.
i. Franchisee’s obligations on termination/ nonrenewal	16.06 – 16.10, 16.13 & 16.14	When your Franchise Agreement ends you must: bring all accounts with us current; stop using the licensed names, marks, symbols and other proprietary property; if we do not purchase your juice bar from you, change the appearance of your juice bar and remove all distinctive equipment, décor, furniture, fixtures, signs and other items; return our manuals and other material; assign your telephone number and Internet addresses to us; get a new telephone number and listing; cancel fictitious business name registrations; notify suppliers and others that you are no longer a <i>Sidewalk Juice</i> franchisee. You must continue to pay us until you complete these duties. You also must not identify yourself as having been a <i>Sidewalk Juice</i> franchisee, except when related to your employment history; give us the option to purchase your juice bar assets at their fair market value; give us the option to take over your juice bar lease and if termination is caused by your breach, pay liquidated damages. If you breach the agreement, we have all other remedies available to us at law or in equity. When you have completed all of these duties, we will both sign a mutual release. See also subsection r, below.
j. Assignment of contract by franchisor	15.17	We can assign our interest in the Franchise Agreement without your consent but any such transfer will not materially interfere with the benefits granted to you under the agreement.
k. “Transfer” by franchisee - defined	15.01	Any full or partial transfer of the franchise, the property used in your juice bar or any ownership interest in any entity owning the franchise or its property including its merger or other restructuring.
l. Franchisor approval of transfer by franchisee	15.03	You must obtain our approval of any proposed transfer.
m. Conditions for franchisor approval of transfer	15.04 – 15.14; 15.18	The proposed transferee must meet our then-current standards for new <i>Sidewalk Juice</i> franchisees. We can refuse to approve the transfer if we think that the price being paid will

Provision	Section in Franchise Agreement	Summary
		jeopardize the transferee's chances for success. You and the transferee have to follow the transfer procedures we require and sign our transfer documents. The transferee must satisfactorily complete our training course. The juice bar may have to be updated. The form of Franchise Agreement we are using at the time of the transfer must be signed if the transfer involves transfer of a majority interest in the franchise. If an entity is making the transfer, a new managing agent may have to be appointed and trained. The fees described in Item 6 must be paid. You must release any unresolved claims against us. You may have to guaranty the obligations of your transferee.
n. Franchisor's right of first refusal to acquire franchisee's business	15.18	We can purchase the interest proposed to be transferred on substantially the same terms as you have agreed to transfer it.
o. Franchisor's option to purchase franchisee's business	16.08	On termination of your Franchise Agreement we can purchase your business or such assets as we chose at fair market value and, if we wish, have you assign your lease to us.
p. Death or disability of franchisee	15.19-15.21	Your executor, administrator or legal guardian can transfer the franchise to an approved transferee within 6 months of appointment as long as the transfer complies with the transfer provisions of the Franchise Agreement.
q. Non-competition covenants during the term of the franchise	17.01	You cannot engage in, consult with or have an ownership interest a business selling the same types of products sold by <i>Sidewalk Juice</i> bars during the term of the Franchise Agreement.
r. Non-competition covenants after the franchise is terminated or expires	17.02	You cannot engage in, consult with or own a business selling the same types of products sold by <i>Sidewalk Juice</i> bars for 2 years after the termination or expiration of your Franchise Agreement within your protected territory or within 5 miles of another <i>Sidewalk Juice</i> bar.
s. Modification of agreement	19.01 & 19.02	Your Franchise Agreement can be modified only by a written agreement signed by both of us. We can modify our manuals and aspects of our bars without your consent and you have to follow those changes.
t. Integration/merger clause	34.01 – 34.07	Only the terms of the Franchise Agreement are binding, subject to state law. Any representations or promises outside of this Franchise Disclosure Document and the Franchise Agreement may not be enforceable. Also see the Acknowledgment at

Provision	Section in Franchise Agreement	Summary
		Closing which is Exhibit E to this disclosure document
u. Dispute resolution by arbitration or mediation	18.01	Before any litigation is filed, we must mediate any disputes between us. The Franchise Agreement does not contain an arbitration clause.
v. Choice of forum	18.01 & 18.02	Mediation and litigation involving the Franchise Agreement, its inducement and matters related to it must be in the county where our main business office is located, which is currently San Mateo County.
w. Choice of law	26.01 – 26.03	California law applies to the Franchise Agreement. If the franchise is not located in California, the law of the state where it is located will govern the non-competition provisions of the agreement.

ITEM 18: PUBLIC FIGURES

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

ITEM 19: FINANCIAL PERFORMANCE REPRESENTATIONS

The FTC’s Franchise Rule permits a franchisor to provide information about the actual or potential financial performance of its franchised and/or franchisor-owned outlets if there is a reasonable basis for the information and if the information is included in the disclosure document. Financial performance information that differs from that included in this 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.

In 2023, the net sales of our franchised units was as shown in the following tables. Net sales means total revenue collected, less returns and sales tax collected and remitted to a tax authority. We excluded two units from these tables. The company-owned unit that transferred to franchisee ownership was closed for a portion of 2023 and is excluded from these tables, and the newest unit that opened in 2023 is also excluded from these tables.

Standard Sidewalk Juice Locations (3 units)	
Average net sales	\$703,454
Number of units meeting or exceeding the average	2
Median net sales	\$726,790
Highest net sales	\$866,872
Lowest net sales	\$516,699

Non-Traditional Sidewalk Juice Locations (1 unit - Airport)	
Net sales ⁽¹⁾	\$4,601,283

⁽¹⁾ Average, median, high and low are the same because this subset has only 1 unit.

Some outlets have earned these amounts. Your individual results may differ. There is no assurance you will earn as much.

Written substantiation for this financial performance representation is available to you upon request.

ITEM 20: OUTLETS AND FRANCHISEE INFORMATION

**Table No. 1
Systemwide Outlet Summary
For years 2021 – 2023**

Column 1 Outlet Type	Column 2 Year	Column 3 Outlets at the Start of the Year	Column 4 Outlets at the End of the Year	Column 5 Net Change
Franchised	2021	3	4 ⁽¹⁾	+1
	2022	4	4	0
	2023	4	6	+2
Company-Owned	2021	1	1	0
	2022	1	1	0
	2023	1	0	-1
Total Outlets	2021	4	5	+1
	2022	5	5	0
	2023	5	6	+1

⁽¹⁾ In 2021, we opened a new unit within the San Francisco airport. It is partially owned by our CEO, but it is subject to a franchise agreement and operates as a franchised location. We have counted it as a franchised location within these tables.

**Table No. 2
Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)
For years 2021 – 2023**

Column 1 State	Column 2 Year	Column 3 Number of Transactions
California	2021	0
	2022	0
	2023	1
Totals	2021	0
	2022	0
	2023	1

**Table No. 3
Status of Franchised Outlets
For years 2021 – 2023**

Column 1 State	Column 2 Year	Column 3 Outlets at Start of Year	Column 4 Outlets Opened	Column 5 Terminations	Column 6 Non-Renewals	Column 7 Reacquired by Franchisor	Column 8 Ceased Operations/ Other Reasons	Column 9 Outlets at End of Year
CA	2021	3	1	0	0	0	0	4
	2022	4	0	0	0	0	0	4
	2023	4	1	0	0	0	0	5
Totals	2021	3	1	0	0	0	0	4
	2022	4	0	0	0	0	0	4
	2023	4	2	0	0	0	0	6

**Table 4
Status of Company-Owned Outlets
For years 2021 – 2023**

Column 1 State	Column 2 Year	Column 3 Outlets at Start of the Year	Column 4 Outlets Opened	Column 5 Outlets Reacquired From Franchisees	Column 6 Outlets Closed	Column 7 Outlets Sold to Franchisees	Column 8 Outlets at End of the Year
California	2020	3	0	0	0	2	1
	2021	1	0	0	0	0	1
	2022	1	0	0	0	0	1
Totals	2020	3	0	0	0	2	1
	2021	1	0	0	0	0	1
	2022	1	0	0	0	1	0

**Table No. 5
Projected Openings As Of December 31, 2023**

Column 1 State	Column 2 Franchise Agreements Signed But Outlet Not Opened	Column 3 Projected New Franchised Outlet in the Next Fiscal Year	Column 4 Projected New Company-Owned Outlet in the Next Fiscal Year
California	0	1	0
TOTALS	0	1	0

Our current franchisees are as follows:

Michael Nazzal
3100 24th Street
San Francisco, CA 94110
(415) 829-2190

Abe Salamy
41 Serramonte Center
Daly City, CA 94015
(650) 731-4115

791 Haight LLC
791 Haight Street
San Francisco, CA 94117
(415) 529-6305

SWJ Kiosk LLC
780 S. Airport Blvd. (SFO Int'l Airport, Term 3)
San Francisco, CA 94128
(415) 860-0044

Michael Nazzal
3287 21 Street
San Francisco, CA 94110
(415) 932-6221

Abe Salamy
525 Broadway
Millbrae, CA 94030
(650) 239-9708

In 2023, one franchisee transferred their interest to another purchaser:

Abe Salamy
(650) 731-4115
(650) 239-9708

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

During the last three fiscal years no current or former franchisees have signed confidentiality clauses that restrict them from discussing with you their experiences as franchisees in our system.

ITEM 21: FINANCIAL STATEMENTS

Following as Exhibit B are audited financial statements as of December 31, 2021, December 31, 2022, and December 31, 2023.

ITEM 22: CONTRACTS

Exhibit C to this disclosure document is a copy of our *Franchise Agreement* which contains our *Addendum to Lease Agreement*, *General Release* and *Continuing Guaranty*. Exhibit D to this disclosure document is our *Confidentiality and Nondisclosure Agreement* and Exhibit E is our *Acknowledgment at Closing*.

ITEM 23: RECEIPT

The last page of this Franchise Disclosure Document is a Receipt form that you must date, sign and return to us immediately upon your receipt of this disclosure document and the attached contracts.

Sidewalk Juice LLC.

STATE-SPECIFIC ADDENDUM TO *Sidewalk Juice* FRANCHISE DISCLOSURE DOCUMENT

The following provisions are applicable to franchises in the State of California:

1. Neither the franchisor nor any person in Item 2 of the Franchise Disclosure Document is subject to any currently effective order of any national securities association or exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a et seq., suspending or expelling such persons from membership in that association or exchange.

2. *California Business and Professions Code* Sections 20000 through 20043, provide rights the franchisee concerning termination, transfer or nonrenewal of a franchise. If the Franchise Agreement contains a provision that is inconsistent with the law, the law will control.

3. The Franchise Agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law. (11 U.S.C.A. Sec. 101 et seq.)

4. The Franchise Agreement contains a liquidated damages clause. Under *California Civil Code* Section 1671 certain liquidated damages clauses are unenforceable.

5. You must sign a general release if you relocate, renew or transfer your franchise. *California Corporations Code* Section 31512 voids a waiver of your rights under the Franchise Investment Law (*California Corporations Code* Sections 31000 through 31516). *Business and Professions Code* Section 20010 voids a waiver of your rights under the Franchise Relations Act (*Business and Professions Code* Sections 20000 through 20043).

6. Section 31125 of the *California Corporations Code* requires us to give you a disclosure document, in a form containing the information that the Commissioner of Financial Protection and Innovation may by rule or order require, before a solicitation of a proposed material modification of an existing franchise.

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

8. No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

9. California's Franchise Investment Law (*Corporations Code* section 31512 and 31512.1) states that any provision of a franchise agreement or related document requiring the franchisee to waive specific provisions of the law is contrary to public policy and is void and unenforceable. The law also prohibits a franchisor from disclaiming or denying (i) representations it, its

employees, or its agents make to you, (ii) your ability to rely on any representations it makes to you, or (iii) any violations of the law.

10. The California constitution limits interest on most loans to 10% per annum.

OUR WEBSITE, www.sidewalkjuice.com, HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION AT www.dfpi.ca.gov.

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

IF SIDEWALK JUICE LLC DOES NOT DELIVER THIS DISCLOSURE DOCUMENT ON TIME OR IF IT CONTAINS A FALSE OR MISLEADING STATEMENT OR A MATERIAL OMISSION, A VIOLATION OF FEDERAL AND STATE LAW MAY HAVE OCCURRED AND SHOULD BE REPORTED TO THE FEDERAL TRADE COMMISSION, WASHINGTON, D.C. 20580 AND TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION AT ANY OF ITS OFFICES.

Dated: _____

Sidewalk Juice LLC.

By _____

Signature

Its _____

Typed or Printed Name

Title

_____.

EXHIBIT A
to *Sidewalk Juice* Franchise Disclosure Document

STATE FRANCHISE LAW ADMINISTRATORS

and

AGENTS FOR SERVICE OF PROCESS

State Franchise Law Administrators

<p>California: Department of Financial Protection and Innovation 2101 Arena Blvd. Sacramento, California 95834 Telephone: (916) 445-7205 Toll-free (866) 275-2677</p>	<p>New York: New York State Department of Law Division of Economic Justice Investor Protection Bureau 28 Liberty Street New York, New York 10005</p>
<p>Hawaii: Commissioner of Securities Business Registration Division 335 Merchant Street, Room 203 Honolulu, Hawaii 96813</p>	<p>North Dakota: Securities Commissioner 600 East Boulevard Avenue State Capitol, Fifth Floor, Dept. 414 Bismarck, North Dakota 58505-0510</p>
<p>Illinois: Illinois Attorney General 500 South Second Street Springfield, Illinois 62706</p>	<p>Rhode Island: Director of Business Regulation Securities Division John O. Pastore Complex 1511 Pontiac Avenue, Building 69-1 Cranston, Rhode Island 02910</p>
<p>Indiana: Indiana Secretary of State 201 State House 200 West Washington Street Indianapolis, Indiana 46204</p>	<p>South Dakota: Director of the Division of Insurance Securities Regulation 124 S. Euclid, Suite 104 Pierre, South Dakota 57501</p>
<p>Maryland: Maryland Securities Commissioner 200 Saint Paul Place Baltimore, Maryland 21202-2020</p>	<p>Virginia: Clerk, State Corporation Commission 1300 East Main Street, First Floor Richmond, Virginia 23219</p>
<p>Michigan: Consumer Protection Division Antitrust and Franchise Unit Michigan Department of Attorney General 670 Law Building Lansing, Michigan 48913</p>	<p>Washington: Administrator of Securities Department of Financial Institutions Securities Division 150 Israel Rd, SW Tumwater, Washington 98501</p>
<p>Minnesota: Commissioner of Commerce Department of Commerce Registration Division 85 Seventh Place East St. Paul, Minnesota 55101</p>	<p>Wisconsin: Commissioner of Securities 345 W. Washington Ave., 4th Floor Madison, Wisconsin 53703</p>

Agents for Service of Process

<p>California: Commissioner of Financial Protection and Innovation Department of Financial Protection and Innovation One Sansome Street, Suite 600 San Francisco, CA 94104</p> <p>320 West 4th Street, Suite 750 Los Angeles, CA 90013-1105</p> <p>2101 Arena Blvd. Sacramento, CA 95834</p> <p>1455 Frazee Road, Suite 315, San Diego, CA 92108</p> <p>Telephone: 1-916-445-7205 or 1-866-ASK-CORP (1-866-275-2677)</p>	<p>New York: New York Secretary of State 99 Washington Avenue Albany, NY 11231</p>
<p>Hawaii: Department of Commerce and Consumer Affairs Business Registration Division 335 Merchant Street Honolulu, HI 96813</p>	<p>North Dakota: Office of Securities Commissioner 600 East Boulevard, 5th Floor Bismarck, ND 58505-0510</p>
<p>Illinois: Illinois Attorney General 500 South Second Street Springfield, IL 62706</p>	<p>Rhode Island: Division of Securities 1511 Pontiac Avenue, Building 69-1 Cranston, RI 02910</p>
<p>Indiana: Indiana Securities Division Secretary of State 302 West Washington Street, Room E-111 Indianapolis, IN 46204</p>	<p>South Dakota: Director of the Division of Insurance Securities Regulation 124 S. Euclid, Suite 104 Pierre, SD 57501</p>
<p>Maryland: Office of the Attorney General Division of Securities 200 Saint Paul Place, 20th Floor Baltimore, MD 21202-2020</p>	<p>Virginia: State Corporation Commission Division of Securities and Retail Franchising 1300 East Main Street, 9th Floor Richmond, VA 23219</p>
<p>Michigan: Consumer Protection Division Antitrust and Franchise Unit Michigan Department of Attorney General 670 Law Building Lansing, MI 48913</p>	<p>Washington: Department of Financial Institutions Securities Division 150 Israel Rd, SW Tumwater, WA 98501</p>
<p>Minnesota: Minnesota Department of Commerce 85 7th Place East, Suite 500 St. Paul, Minnesota 55101</p>	<p>Wisconsin: State of Wisconsin Office of the Commissioner of Securities 345 W. Washington Ave., 4th Floor Madison, WI 53703</p>

EXHIBIT B
To *Sidewalk Juice* Franchise Disclosure Document

Sidewalk Juice LLC
FINANCIAL STATEMENTS

SIDEWALK JUICE, LLC
FINANCIAL STATEMENTS

DECEMBER 31, 2023

(with comparative financial information for 2022 and 2021)

(With Independent Auditors' Report Thereon)

SIDEWALK JUICE, LLC

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To the Members' of
Sidewalk Juice, LLC
Burlingame, California

INDEPENDENT AUDITORS' REPORT

Opinion

We have audited the accompanying financial statements of Sidewalk Juice, LLC, which comprise the balance sheets as of December 31, 2023, and the related statements of operations, retained earnings, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Sidewalk Juice, LLC as of December 31, 2023, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits 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 Sidewalk Juice, LLC and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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 Sidewalk Juice, LLC'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 Sidewalk Juice, LLC's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about '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.

KPM Accounting & Management Solutions

KPM Accounting & Management Solutions

San Ramon, California

April 14, 2024

SIDEWALK JUICE, LLC
(A California Limited Liability Company)

BALANCE SHEET

DECEMBER 31, 2023

(With comparative financial information as of December 31, 2022)

	ASSETS	
	<u>2023</u>	<u>2022</u>
Assets:		
Cash and cash equivalents	\$ 194,573	\$ 135,625
Product inventory - Note (2)(b)	<u>38,631</u>	<u>38,631</u>
Total assets	<u><u>\$ 233,204</u></u>	<u><u>\$ 174,256</u></u>

LIABILITIES AND MEMBERS' EQUITY

Liabilities:		
Deferred revenue - Note (2)(e)	\$ 41,625	\$ 30,375
Equity:		
Members' equity - Note (4)	<u>191,579</u>	<u>143,881</u>
Total liabilities and members' equity	<u><u>\$ 233,204</u></u>	<u><u>\$ 174,256</u></u>

See accompanying notes to financial statements.

SIDEWALK JUICE, LLC
(A California Limited Liability Company)
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2023
(With comparative financial information as of December 31, 2022 and 2021)

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Revenue:			
Franchise fee	\$ 3,750	\$ 3,750	\$ 3,375
Product sales	326,391	60,090	83,799
Royalties	219,211	179,926	108,393
Miscellaneous	-	300	-
Total revenue	<u>549,352</u>	<u>244,066</u>	<u>195,567</u>
Cost of goods sold:			
Less: product purchases	<u>239,714</u>	<u>60,090</u>	<u>83,799</u>
Gross profit	309,638	183,976	111,768
Operating Expenses:			
Accounting	2,750	3,550	4,450
Advertising	1,825	-	-
Audit	-	2,500	-
Bank charges	78	-	129
Delivery & freight	-	500	480
Dues & subscriptions	99	-	-
Graphics & web development	12,260	14,056	2,589
Internet	619	-	-
Insurance	1,066	-	-
Legal & professional	16,027	13,469	319
Oversight	-	-	450
Postage	26	-	100
Photography	-	3,901	2,034
Salary - guaranteed payment	76,000	48,000	36,000
Software	389	2,150	-
Supplies	-	23,091	16,391
Taxes & licenses	800	800	820
Uniform	-	4,378	4,971
Validation study	-	-	14,503
Total operating expenses	<u>111,939</u>	<u>116,395</u>	<u>83,236</u>
Net Income	<u>\$ 197,698</u>	<u>\$ 67,581</u>	<u>\$ 28,532</u>

See accompanying notes to financial statements.

SIDEWALK JUICE, LLC
(A California Limited Liability Company)
STATEMENT OF CHANGES IN MEMBERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2023
(With comparative financial information as of December 31, 2022 and 2021)

	<u>Members'</u> <u>Capital</u>	<u>Accumulated</u> <u>(Deficit)</u>	<u>Total</u> <u>Members'</u> <u>Equity</u>
Balance at December 31, 2020	\$ 145,700	\$ (97,932)	\$ 47,768
Net Income	-	28,532	28,532
Balance at December 31, 2021	\$ 145,700	\$ (69,400)	\$ 76,300
Net Income	-	67,581	67,581
Balance at December 31, 2022	\$ 145,700	\$ (1,819)	\$ 143,881
Member capital draw	(150,000)	-	(150,000)
Net Income	-	197,698	197,698
Balance at December 31, 2023	<u>\$ (4,300)</u>	<u>\$ 195,879</u>	<u>\$ 191,579</u>

See accompanying notes to financial statements.

SIDEWALK JUICE, LLC
(A California Limited Liability Company)
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2023
(With comparative financial information as of December 31, 2022 and 2021)

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Cash flows from operating activities:			
Net Income / (loss)	\$ 197,698	\$ 67,581	\$ 28,532
Adjustments to reconcile net income to net cash provided by operating activities:			
(Increase)/decrease in liabilities			
Inventory	-	(24,865)	(13,766)
Increase/(decrease) in liabilities			
Accounts payable	-	(2,782)	2,782
Deferred revenue	11,250	(3,750)	11,625
Net cash provided by operating activities	<u>208,948</u>	<u>36,184</u>	<u>29,173</u>
Cash flows from financing activities:			
Members' withdrawals	<u>(150,000)</u>	<u>-</u>	<u>-</u>
Net cash (used for) financing activities	<u>(150,000)</u>	<u>-</u>	<u>-</u>
Net Increase in cash and cash equivalents	58,948	36,184	29,173
Cash and cash equivalents, beginning of year	<u>135,625</u>	<u>99,441</u>	<u>70,268</u>
Cash and cash equivalents, end of year	<u><u>\$ 194,573</u></u>	<u><u>\$ 135,625</u></u>	<u><u>\$ 99,441</u></u>

See accompanying notes to financial statements.

SIDEWALK JUICE, LLC
(A California Limited Liability Company)
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023
(With comparative financial information as of December 31, 2022 and 2021)

(1) DESCRIPTION OF OPERATIONS

Sidewalk Juice, LLC (“the Company”) was formed in California on February 26, 2018 as a Limited Liability Company under the Beverly-Killea Limited Liability Act and the Revised Uniform Limited Liability Company Act. The specific business purposes and activities of the Company consist of operating and franchising Sidewalk Juice bar businesses.

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Cash and Cash Equivalents

For purposes of the statement of cash flows, the Company considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents. The Company maintains its cash in a bank deposit account, which is federally insured up to \$250,000.

(b) Product Inventory

The Company purchases and sells juice products to the franchisees at cost, with no markup. Inventory products on hand totaled \$38,631 for the years ended December 31, 2023, and 2022.

(c) Revenue

The Company sells juice products, etc. to the franchisees. Product sales revenue totaled \$326,391 and \$60,090 and the product purchases (cost of goods sold) totaled \$239,714 and \$60,090 for the years ended December 31, 2023, and 2022, respectively.

The Franchisee pays a three (3) or six (6) percent Royalty Fee to the Company based on monthly gross receipts less exclusions as defined in the franchise agreement. The Royalties are due by the seventh (7th) day of each month based on the prior month’s sales and are recognized when earned. Royalties totaled \$219,211 and \$179,926 for the years ended December 31, 2023, and 2022, respectively.

(d) Income Taxes

Earnings and losses of limited liability companies are included in the personal tax returns of the members and taxed depending upon their personal tax situations. Therefore, no provision or liability for federal income taxes has been included in the financial statements.

(e) Deferred Revenue

On December 31, 2023, March 31, 2021, and December 31, 2020, the Company sold franchises in the amounts of \$15,000, \$15,000, and \$22,500, respectively. ASC 606 results in the allocation of the initial franchise fee on a straight-line basis over the term of the franchise agreement unless the franchisor demonstrates that pre-opening services are “distinct” from the franchise license and, therefore, a separate performance obligation. The Company evaluated the contracts and determined that pre-opening services are “not distinct”, therefore the initial franchise fees will be recognized on a straight-line basis over the term of the contract, which is ten years. Deferred revenue totaled \$41,625 and \$30,375 for the years ending December 31, 2023, and 2022, respectively.

SIDEWALK JUICE, LLC
(A California Limited Liability Company)
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023
(With comparative financial information as of December 31, 2022 and 2021)

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

(f) Recently adopted accounting pronouncements

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*. The Company adopted ASU 606 on January 1, 2019. This ASU represents a single comprehensive model to recognize revenue to depict the transfer of promised goods or services to a customer at an amount that reflects the consideration it expects to be entitled to in exchange for those goods or services. ASC 606 breaks out the contract process in five steps as follows:

1. Identify the contract with a customer.
2. Identify the distinct, separate performance obligations in the contract.
3. Determine the transaction price for each separate performance obligation.
4. Allocate the transaction price across the contract's separate performance obligations.
5. Recognize revenue when or as the entity satisfies a performance obligation.

(3) FRANCHISE REVENUE

Deferred revenue consists of revenue for performance obligations that have not been satisfied and refund money if a site is not found within 180 days. If a site is not found within 180 days, the Company can terminate the agreement and refund the franchisee one-half (\$15,000) of their initial payment. The finding of a site is not considered a performance obligation of the Company, because the Company is not providing site selection assistance. The Company did not terminate or refund a franchisee agreement in for the years ended December 31, 2023, 2022, and 2021.

The three (3) new contracts noted above in **Note (2)(e)** recognized revenue over a 10-year straight line basis totaling \$3,750, \$3,750, and \$3,375 for the years ended December 31, 2023, 2022, and 2021, respectively.

(4) MEMBERS' CAPITAL

Members' Capital consists of capital contributions from the Company's members in exchange for their membership interest. The Members' Capital consists of initial contributions, withdrawals, and allocation of net income for the years ended December 31, 2022, and 2021 as follows:

Member	Contribution	Percent of Ownership	2022 Balance	2023 Net Income	2023 Member Withdrawals	2023 Balance
Jason Nazzal	\$ 1,000	.68%	\$ 991	\$ 1,354	\$ -	\$ 2,345
Nidal Nazzal	72,500	49.66%	71,295	98,172	(75,000)	94,467
Ghassan Daibus	72,500	49.66%	71,595	98,172	(75,000)	94,767
Totals	\$ 146,000	100.00%	\$ 143,881	\$ 197,698	\$ (150,000)	\$ 191,579

As described in the Operating Agreement an individual Capital Account shall be maintained by each Member consisting of that Member's aggregate Capital Contributions. The initial Capital Contribution will be subject to the following:

- (1) Increased by that Member's share of Profits,
- (2) Decreased by that Member's share of losses and distributions made to such Member, and
- (3) Otherwise adjusted as required in accordance with applicable provisions of the Code and Regulations.

SIDEWALK JUICE, LLC
(A California Limited Liability Company)
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023
(With comparative financial information as of December 31, 2022 and 2021)

(4) MEMBERS' CAPITAL - continued

A Member shall not be entitled to withdraw any part of the Member's Capital Contribution or to receive any distributions, whether of money or property, from the Company except as provided in the Operating Agreement.

(5) FRANCHISE ARRANGEMENTS

The initial franchise fee for a single Sidewalk Juice bar is \$30,000 or \$15,000 discounted rate. The \$30,000, and \$15,000 are in consideration for the rights granted under the Franchise Agreement. The initial fee is payable when the Franchise Agreement is signed. The franchisee has the exclusive right for 90-days to find a location that meets approval within their designated area.

If the franchisee does not find an acceptable location in their designated area within 90 days of the date of the signing of the Franchise Agreement, they will have another 90 days to find a location in that area on a nonexclusive basis. During the nonexclusive 90-day period other Sidewalk Juice franchisees can look for and take one or more locations in the designated area. If a location is not found within 180 days from the date of signing the Franchise Agreement the Company can terminate the Agreement and refund the franchisee one-half of the initial payment \$15,000 or \$7,500. The remaining \$15,000 or \$7,500 is for the Company's efforts in connection with granting the franchise and holding the Designated Area.

Multiple Sidewalk Juice Bars:

If the Franchise Agreement grants the right to open more than one Sidewalk Juice bar, the initial fee is \$30,000 for the first bar and \$22,500 for each additional bar covered by the Franchise Agreement. The Franchisee must follow the Multiple Unit Opening Schedule set forth by the Company. The Schedule designates the area in which you can seek to locate your juice bars ("your Development Area") and the time within which you must open each bar to retain your development rights (your "Multiple Unit Opening Schedule"). The Franchisee must open each bar by the date specified in their Multiple Unit Opening Schedule or they will lose their right to open any bars not then open or under construction.

(6) SUBSEQUENT EVENTS

The Company has evaluated subsequent events through April 14, 2024, the date which the financial statements were available to be issued. No subsequent events were identified that required accrual or disclosure in the financial statements.

SIDEWALK JUICE, LLC
FINANCIAL STATEMENTS

DECEMBER 31, 2022

(with comparative financial information for 2021 and 2020)

(With Independent Auditors' Report Thereon)

SIDEWALK JUICE, LLC

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To the Members' of
Sidewalk Juice, LLC
Burlingame, California

INDEPENDENT AUDITORS' REPORT

Opinion

We have audited the accompanying financial statements of Sidewalk Juice, LLC, which comprise the balance sheets as of December 31, 2022, and the related statements of operations, retained earnings, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Sidewalk Juice, LLC as of December 31, 2022, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits 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 Sidewalk Juice, LLC and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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 Sidewalk Juice, LLC'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 Sidewalk Juice, LLC's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about '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.

KPM Accounting & Management Solutions

KPM Accounting & Management Solutions

San Ramon, California

April 19, 2023

SIDEWALK JUICE, LLC
(A California Limited Liability Company)

BALANCE SHEET

DECEMBER 31, 2022

(With comparative financial information as of December 31, 2021)

	ASSETS	
	<u>2022</u>	<u>2021</u>
Assets:		
Cash and cash equivalents	\$ 135,625	\$ 99,441
Product inventory - Note (2)(b)	<u>38,631</u>	<u>13,766</u>
Total assets	<u><u>\$ 174,256</u></u>	<u><u>\$ 113,207</u></u>

LIABILITIES AND MEMBERS' EQUITY

Liabilities:		
Accounts payable	\$ -	\$ 2,782
Deferred revenue - Note (2)(e)	<u>30,375</u>	<u>34,125</u>
Total liabilities	30,375	36,907
Equity:		
Members' equity - Note (4)	<u>143,881</u>	<u>76,300</u>
Total liabilities and members' equity	<u><u>\$ 174,256</u></u>	<u><u>\$ 113,207</u></u>

See accompanying notes to financial statements.

SIDEWALK JUICE, LLC
(A California Limited Liability Company)
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2022
(With comparative financial information as of December 31, 2021 and 2020)

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Revenue:			
Franchise fee	\$ 3,750	\$ 3,375	\$ 15,000
Product sales	60,090	83,799	-
Royalties	179,926	108,393	11,808
Miscellaneous	300	-	-
Total revenue	<u>244,066</u>	<u>195,567</u>	<u>26,808</u>
Operating Expenses:			
Cost of goods sold - product sales	60,090	83,799	-
Operating Expenses:			
Accounting	3,550	4,450	2,950
Advertising	-	-	150
Audit	2,500	-	-
Bank charges	-	129	-
Concept design	-	-	3,000
Consulting	-	-	1,600
Delivery & freight	500	480	-
Financial services	-	-	-
Graphics & web development	14,056	2,589	6,816
Legal & professional	13,469	319	1,784
Oversight	-	450	450
Penalties	-	-	-
Postage	-	100	15
Photography	3,901	2,034	-
Salary - guaranteed payment	48,000	36,000	-
Software	2,150	-	-
Supplies	23,091	16,391	36
Taxes & licenses	800	820	800
Telephone	-	-	37
Travel	-	-	662
Uniform	4,378	4,971	4,071
Validation study	-	14,503	-
Total expenses	<u>176,485</u>	<u>167,035</u>	<u>22,371</u>
Operating income / (loss)	67,581	28,532	4,437
Other (income)/expense			
Interest income	-	-	(3)
Net Income / (loss)	<u>\$ 67,581</u>	<u>\$ 28,532</u>	<u>\$ 4,440</u>

See accompanying notes to financial statements.

SIDEWALK JUICE, LLC
(A California Limited Liability Company)
STATEMENT OF CHANGES IN MEMBERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2022
(With comparative financial information as of December 31, 2021 and 2020)

	<u>Members'</u> <u>Capital</u>	<u>Accumulated</u> <u>(Deficit)</u>	<u>Total</u> <u>Members'</u> <u>Equity</u>
Balance at December 31, 2019	\$ 145,700	\$ (102,372)	\$ 43,328
Net Income	-	4,440	4,440
Balance at December 31, 2020	\$ 145,700	\$ (97,932)	\$ 47,768
Net Income	-	28,532	28,532
Balance at December 31, 2021	\$ 145,700	\$ (69,400)	\$ 76,300
Net Income	-	67,581	67,581
Balance at December 31, 2022	<u>\$ 145,700</u>	<u>\$ (1,819)</u>	<u>\$ 143,881</u>

See accompanying notes to financial statements.

SIDEWALK JUICE, LLC
(A California Limited Liability Company)
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2022
(With comparative financial information as of December 31, 2021 and 2020)

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Cash flows from operating activities:			
Net Income / (loss)	\$ 67,581	\$ 28,532	\$ 4,440
Adjustments to reconcile net income to net cash provided by operating activities:			
(Increase)/decrease in liabilities			
Inventory	(24,865)	(13,766)	-
Increase/(decrease) in liabilities			
Accounts payable	(2,782)	2,782	-
Deferred revenue	(3,750)	11,625	(7,500)
Net cash provided by / (used for) operating activities	<u>36,184</u>	<u>29,173</u>	<u>(3,060)</u>
Net Increase / (decrease) in cash and cash equivalents	36,184	29,173	(3,060)
Cash and cash equivalents, beginning of year	<u>99,441</u>	<u>70,268</u>	<u>73,328</u>
Cash and cash equivalents, end of year	<u>\$ 135,625</u>	<u>\$ 99,441</u>	<u>\$ 70,268</u>

See accompanying notes to financial statements.

SIDEWALK JUICE, LLC
(A California Limited Liability Company)
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022
(With comparative financial information as of December 31, 2021 and 2020)

(1) DESCRIPTION OF OPERATIONS

Sidewalk Juice, LLC (“the Company”) was formed in California on February 26, 2018 as a Limited Liability Company under the Beverly-Killea Limited Liability Act and the Revised Uniform Limited Liability Company Act. The specific business purposes and activities of the Company consist of operating and franchising Sidewalk Juice bar businesses.

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Cash and Cash Equivalents

For purposes of the statement of cash flows, the Company considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents. The Company maintains its cash in a bank deposit account, which is federally insured up to \$250,000.

(b) Product Inventory

The Company purchases and sells juice products to the franchisees at cost, with no markup. Inventory products on hand totaled \$38,631 and \$13,766 for the years ended December 31, 2022, and 2021, respectively.

(c) Revenue

The Company sells juice products, etc. at cost to the franchisees, therefore there is no gross profit from the sales. Product sales revenue and the cost of goods sold for the product sales totaled \$60,090 and \$83,799 for the years ended December 31, 2022, and 2021, respectively.

The Franchisee pays a three (3) or six (6) percent Royalty Fee to the Company based on monthly gross receipts less exclusions as defined in the franchise agreement. The Royalties are due by the seventh (7th) day of each month based on the prior month’s sales and are recognized when earned. Royalties totaled \$179,926 and \$108,393 for the years ended December 31, 2022, and 2021, respectively.

(d) Income Taxes

Earnings and losses of limited liability companies are included in the personal tax returns of the members and taxed depending upon their personal tax situations. Therefore, no provision or liability for federal income taxes has been included in the financial statements.

(e) Deferred Revenue

On December 31, 2020, and March 31, 2021, the Company sold franchises in the amounts of \$22,500 and \$15,000, (discounted rate), respectively. ASC 606 results in the allocation of the initial franchise fee on a straight-line basis over the term of the franchise agreement unless the franchisor demonstrates that pre-opening services are “distinct” from the franchise license and, therefore, a separate performance obligation. The Company evaluated the contracts and determined that pre-opening services are “not distinct”, therefore the initial franchise fees will be recognized on a straight-line basis over the term of the contract, which is ten years. Deferred revenue totaled \$30,375 and \$34,125 for the years ending December 31, 2022, and 2021, respectively.

SIDEWALK JUICE, LLC
(A California Limited Liability Company)
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022
(With comparative financial information as of December 31, 2021 and 2020)

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

(f) Recently adopted accounting pronouncements

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*. This ASU represents a single comprehensive model to recognize revenue to depict the transfer of promised goods or services to a customer at an amount that reflects the consideration it expects to be entitled to in exchange for those goods or services. ASC 606 breaks out the contract process in five steps as follows:

1. Identify the contract with a customer.
2. Identify the distinct, separate performance obligations in the contract.
3. Determine the transaction price for each separate performance obligation.
4. Allocate the transaction price across the contract's separate performance obligations.
5. Recognize revenue when or as the entity satisfies a performance obligation.

The Company adopted ASU 606 on January 1, 2019. There are no retrospective changes to members' equity because there were no franchise fees received for the year ended December 31, 2018.

(3) FRANCHISE REVENUE

Deferred revenue consists of revenue for performance obligations that have not been satisfied and refund money if a site is not found within 180 days. If a site is not found within 180 days, the Company can terminate the agreement and refund the franchisee one-half (\$15,000) of their initial payment. The finding of a site is not considered a performance obligation of the Company, because the Company is not providing site selection assistance. The Company terminated a \$30,000 franchisee agreement in late 2019 and refunded the franchisee \$15,000 and recognized the remaining \$15,000 revenue for the year ended December 31, 2020.

The two new contracts noted above in **Note (2)(e)** recognized revenue over a 10-year straight line basis totaling \$3,750 and \$3,375 for the years ended December 31, 2022, and 2021, respectively.

(4) MEMBERS' CAPITAL

Members' Capital consists of capital contributions from the Company's members in exchange for their membership interest. The Members' Capital consists of initial contributions, withdrawals, and allocation of net income for the years ended December 31, 2022, and 2021 as follows:

Member	Contribution	Percent of Ownership	2019-2021 Balance	2022 Net Income	2022 Balance
Jason Nazzal	\$ 1,000	.68%	\$ 528	\$ 463	\$ 991
Nidal Nazzal	72,500	49.66%	37,736	33,559	71,295
Ghassan Daibus	72,500	49.66%	38,036	33,559	71,595
Totals	\$ 146,000	100.00%	\$ 76,300	\$ 67,581	\$ 143,881

SIDEWALK JUICE, LLC
(A California Limited Liability Company)
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022
(With comparative financial information as of December 31, 2021 and 2020)

(4) MEMBERS' CAPITAL - continued

As described in the Operating Agreement an individual Capital Account shall be maintained by each Member consisting of that Member's aggregate Capital Contributions. The initial Capital Contribution will be subject to the following:

- (1)** Increased by that Member's share of Profits,
- (2)** Decreased by that Member's share of losses and distributions made to such Member, and
- (3)** Otherwise adjusted as required in accordance with applicable provisions of the Code and Regulations.

A Member shall not be entitled to withdraw any part of the Member's Capital Contribution or to receive any distributions, whether of money or property, from the Company except as provided in the Operating Agreement.

(5) FRANCHISE ARRANGEMENTS

The initial franchise fee for a single Sidewalk Juice bar is \$30,000. The \$30,000 is in consideration for the rights granted under the Franchise Agreement. The initial fee is payable when the Franchise Agreement is signed. The franchisee has the exclusive right for 90-days to find a location that meets approval within their designated area.

If the franchisee does not find an acceptable location in their designated area within 90 days of the date of the signing of the Franchise Agreement, they will have another 90 days to find a location in that area on a nonexclusive basis. During the nonexclusive 90-day period other Sidewalk Juice franchisees can look for and take one or more locations in the designated area. If a location is not found within 180 days from the date of signing the Franchise Agreement the Company can terminate the Agreement and refund the franchisee one-half of the initial payment \$15,000. The remaining \$15,000 is for the Company's efforts in connection with granting the franchise and holding the Designated Area.

Multiple Sidewalk Juice Bars:

If the Franchise Agreement grants the right to open more than one Sidewalk Juice bar, the initial fee is \$30,000 for the first bar and \$22,500 for each additional bar covered by the Franchise Agreement. The Franchisee must follow the Multiple Unit Opening Schedule set forth by the Company. The Schedule designates the area in which you can seek to locate your juice bars ("your Development Area") and the time within which you must open each bar to retain your development rights (your "Multiple Unit Opening Schedule"). The Franchisee must open each bar by the date specified in their Multiple Unit Opening Schedule or they will lose their right to open any bars not then open or under construction.

(6) SUBSEQUENT EVENTS

The Company has evaluated subsequent events through April 19, 2023, the date which the financial statements were available to be issued. No subsequent events were identified that required accrual or disclosure in the financial statements.

SIDEWALK JUICE, LLC
FINANCIAL STATEMENTS

DECEMBER 31, 2021

(with comparative financial information for 2020 and 2019)

(With Independent Auditors' Report Thereon)

SIDEWALK JUICE, LLC

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To the Members' of
Sidewalk Juice, LLC
Burlingame, California

INDEPENDENT AUDITORS' REPORT

Report on the Financial Statements

We have audited the accompanying financial statements of Sidewalk Juice, LLC, which comprise the balance sheet as of December 31, 2021, and the related statements of operations, changes in members' equity, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Sidewalk Juice, LLC as of December 31, 2021, 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.

Other Matters – Report on Summarized Comparative Information

We have previously audited Sidewalk Juice, LLC's financial statements for the years ended December 31, 2020, and 2019, and we expressed an unmodified audit opinion on those audited financial statements in our reports dated April 5, 2021, and March 2, 2020, respectively. In our opinion, the summarized comparative information presented herein as of and for the years ended December 31, 2020, and 2019 is consistent, in all material respects, with the audited financial statements from which they have been derived.

KPM Accounting & Management Solutions

KPM Accounting & Management Solutions
San Ramon, CA
April 12, 2022

SIDEWALK JUICE, LLC
(A California Limited Liability Company)
BALANCE SHEET
DECEMBER 31, 2021 and 2020

ASSETS

	2021	2020
Assets:		
Cash and cash equivalents	\$ 99,441	\$ 70,268
Product inventory - Note (2)(b)	13,766	-
Total assets	\$ 113,207	\$ 70,268

LIABILITIES AND MEMBERS' EQUITY

Liabilities:		
Accounts payable	\$ 2,782	\$ -
Deferred revenue - Note (2)(e)	34,125	22,500
Total liabilities	36,907	22,500
Equity:		
Members' equity - Note (4)	76,300	47,768
Total liabilities and members' equity	\$ 113,207	\$ 70,268

See accompanying notes to financial statements.

SIDEWALK JUICE, LLC
(A California Limited Liability Company)
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2021
(with comparative financial information as of December 31, 2020 and 2019)

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Revenue:			
Franchise fee	\$ 3,375	\$ 15,000	\$ -
Product sales	83,799	-	-
Royalties	108,393	11,808	-
Total revenue	<u>195,567</u>	<u>26,808</u>	<u>-</u>
Operating Expenses:			
Cost of goods sold - product sales	83,799	-	-
Operating Expenses:			
Accounting	4,450	2,950	-
Advertising	-	150	300
Audit	-	-	1,500
Bank charges	129	-	-
Concept design	-	3,000	-
Consulting	-	1,600	30,500
Delivery & freight	480	-	-
Financial services	-	-	2,276
Graphics & web development	2,589	6,816	4,158
Legal & professional	319	1,784	2,125
Oversight	450	450	-
Penalties	-	-	115
Postage	100	15	51
Photography	2,034	-	-
Registration fee	-	-	-
Salary - guaranteed payment	36,000	-	-
Supplies	16,391	36	22
Taxes & licenses	820	800	2,070
Telephone	-	37	444
Travel	-	662	-
Uniform	4,971	4,071	-
Validation study	14,503	-	-
Total expenses	<u>167,035</u>	<u>22,371</u>	<u>43,561</u>
Operating income / (loss)	28,532	4,437	(43,561)
Other (income)/expense			
Interest income	-	(3)	(38)
Net Income / (loss)	<u>\$ 28,532</u>	<u>\$ 4,440</u>	<u>\$ (43,523)</u>

See accompanying notes to financial statements.

SIDEWALK JUICE, LLC
(A California Limited Liability Company)
STATEMENT OF CHANGES IN MEMBERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2021
(with comparative financial information as of December 31, 2020 and 2019)

	<u>Members'</u> <u>Capital</u>	<u>Accumulated</u> <u>(Deficit)</u>	<u>Total</u> <u>Members'</u> <u>Equity</u>
Balance at December 31, 2018	\$ 146,000	\$ (58,849)	\$ 87,151
Members' withdrawal	(300)	-	(300)
Net (loss)	<u>-</u>	<u>(43,523)</u>	<u>(43,523)</u>
Balance at December 31, 2019	\$ 145,700	\$ (102,372)	\$ 43,328
Net Income	<u>-</u>	<u>4,440</u>	<u>4,440</u>
Balance at December 31, 2020	145,700	(97,932)	47,768
Net Income	<u>-</u>	<u>28,532</u>	<u>28,532</u>
Balance at December 31, 2021	<u><u>\$ 145,700</u></u>	<u><u>\$ (69,400)</u></u>	<u><u>\$ 76,300</u></u>

See accompanying notes to financial statements.

SIDEWALK JUICE, LLC
(A California Limited Liability Company)
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2021
(with comparative financial information as of December 31, 2020 and 2019)

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Cash flows from operating activities:			
Net Income / (loss)	\$ 28,532	\$ 4,440	\$ (43,523)
Adjustments to reconcile net income to net cash provided by operating activities:			
(Increase)/decrease in liabilities			
Inventory	(13,766)	-	-
Increase/(decrease) in liabilities			
Accounts payable	2,782	-	(2,160)
Deferred revenue	11,625	(7,500)	30,000
Net cash provided by / (used for) operating activities	<u>29,173</u>	<u>(3,060)</u>	<u>(15,683)</u>
Cash flows from financing activities:			
Members' withdrawals	-	-	(300)
Members' contributions	-	-	-
Net cash (used for) financing activities	<u>-</u>	<u>-</u>	<u>(300)</u>
Net Increase / (decrease) in cash and cash equivalents	29,173	(3,060)	(15,983)
Cash and cash equivalents, beginning of year	<u>70,268</u>	<u>73,328</u>	<u>89,311</u>
Cash and cash equivalents, end of year	<u>\$ 99,441</u>	<u>\$ 70,268</u>	<u>\$ 73,328</u>

See accompanying notes to financial statements.

SIDEWALK JUICE, LLC
(A California Limited Liability Company)
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021
(with comparative financial information as of December 31, 2020 and 2019)

(1) DESCRIPTION OF OPERATIONS

Sidewalk Juice, LLC (“the Company”) was formed in California on February 26, 2018 as a Limited Liability Company under the Beverly-Killea Limited Liability Act and the Revised Uniform Limited Liability Company Act. The specific business purposes and activities of the Company consist of operating and franchising Sidewalk Juice bar businesses.

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Cash and Cash Equivalents

For purposes of the statement of cash flows, the Company considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents. The Company maintains its cash in a bank deposit account, which is federally insured up to \$250,000.

(b) Product Inventory

The Company purchases and sells juice products to the franchisees at cost, with no markup. On December 31, 2021, the Company had \$13,766 of products on hand in inventory.

(c) Revenue

The Company sells juice products, etc. at cost to the franchisees, therefore there is no gross profit from the sales. Product sales revenue and the cost of goods sold for the product sales totaled \$83,799 for the year ended December 31, 2021.

The Franchisee pays a three (3) or six (6) percent Royalty Fee to the Company based on monthly gross receipts less exclusions as defined in the franchise agreement. The Royalties are due by the seventh (7th) day of each month based on the prior month’s sales and are recognized when earned. Royalties totaled \$108,393 and \$11,808 for the years ended December 31, 2021, and 2020, respectively.

(d) Income Taxes

Earnings and losses of limited liability companies are included in the personal tax returns of the members and taxed depending upon their personal tax situations. Therefore, no provision or liability for federal income taxes has been included in the financial statements.

(e) Deferred Revenue

On December 31, 2020, and March 31, 2021, the Company sold franchises in the amounts of \$22,500 and \$15,000, (discounted rate), respectively. ASC 606 results in the allocation of the initial franchise fee on a straight-line basis over the term of the franchise agreement unless the franchisor demonstrates that pre-opening services are “distinct” from the franchise license and, therefore, a separate performance obligation. The Company evaluated the contracts and determined that pre-opening services are “not distinct”, therefore the initial franchise fees will be recognized on a straight-line basis over the term of the contract, which is ten years. Deferred revenue totaled \$34,125 and \$22,500 for the years ending December 31, 2021, and 2020, respectively.

SIDEWALK JUICE, LLC
(A California Limited Liability Company)
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021
(with comparative financial information as of December 31, 2020 and 2019)

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

(f) Recently adopted accounting pronouncements

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*. This ASU represents a single comprehensive model to recognize revenue to depict the transfer of promised goods or services to a customer at an amount that reflects the consideration it expects to be entitled to in exchange for those goods or services. ASC 606 breaks out the contract process in five steps as follows:

1. Identify the contract with a customer.
2. Identify the distinct, separate performance obligations in the contract.
3. Determine the transaction price for each separate performance obligation.
4. Allocate the transaction price across the contract's separate performance obligations.
5. Recognize revenue when or as the entity satisfies a performance obligation.

The Company adopted ASU 606 on January 1, 2019. There are no retrospective changes to members' equity because there were no franchise fees received for the year ended December 31, 2018.

(3) FRANCHISE REVENUE

Deferred revenue consists of revenue for performance obligations that have not been satisfied and refund money if a site is not found within 180 days. If a site is not found within 180 days, the Company can terminate the agreement and refund the franchisee one-half (\$15,000) of their initial payment. The finding of a site is not considered a performance obligation of the Company, because the Company is not providing site selection assistance. The Company terminated a \$30,000 franchisee agreement in late 2019 and refunded the franchisee \$15,000 and recognized the remaining \$15,000 revenue for the year ended December 31, 2020.

The two new contracts noted above in **Note (2)(e)** recognized revenue over a 10-year straight line basis totaling \$3,375 for the year ended December 31, 2021.

(4) MEMBERS' CAPITAL

Members' Capital consists of capital contributions from the Company's members in exchange for their membership interest. The Members' Capital consists of initial contributions, withdrawals, and allocation of the cumulative loss for the year ended December 31, 2021, as follows:

	Initial Contribution	Percent of Ownership	Beginning Balance	2019 Net (loss)	2020 Net Income	2021 Net Income	Members' Balance
Jason Nazzal	1,000	0.68%	597	(295)	30	195	528
Nidal Nazzal	72,500	49.66%	43,277	(21,914)	2,205	14,168	37,736
Ghassan Daibis	72,500	49.66%	43,277	(21,614)	2,205	14,168	38,036
\$	146,000	100.00%	\$ 87,151	\$ (43,823)	\$ 4,440	\$ 28,532	\$ 76,300

SIDEWALK JUICE, LLC
(A California Limited Liability Company)
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021
(with comparative financial information as of December 31, 2020 and 2019)

(4) MEMBERS' CAPITAL - continued

As described in the Operating Agreement an individual Capital Account shall be maintained by each Member consisting of that Member's aggregate Capital Contributions. The initial Capital Contribution will be subject to the following:

- (1) Increased by that Member's share of Profits,
- (2) Decreased by that Member's share of losses and distributions made to such Member, and
- (3) Otherwise adjusted as required in accordance with applicable provisions of the Code and Regulations.

A Member shall not be entitled to withdraw any part of the Member's Capital Contribution or to receive any distributions, whether of money or property, from the Company except as provided in the Operating Agreement.

(5) FRANCHISE ARRANGEMENTS

The initial franchise fee for a single Sidewalk Juice bar is \$30,000. The \$30,000 is in consideration for the rights granted under the Franchise Agreement. The initial fee is payable when the Franchise Agreement is signed. The franchisee has the exclusive right for 90-days to find a location that meets approval within their designated area.

If the franchisee does not find an acceptable location in their designated area within 90 days of the date of the signing of the Franchise Agreement, they will have another 90 days to find a location in that area on a nonexclusive basis. During the nonexclusive 90-day period other Sidewalk Juice franchisees can look for and take one or more locations in the designated area. If a location is not found within 180 days from the date of signing the Franchise Agreement the Company can terminate the Agreement and refund the franchisee one-half of the initial payment \$15,000. The remaining \$15,000 is for the Company's efforts in connection with granting the franchise and holding the Designated Area.

Multiple Sidewalk Juice Bars:

If the Franchise Agreement grants the right to open more than one Sidewalk Juice bar, the initial fee is \$30,000 for the first bar and \$22,500 for each additional bar covered by the Franchise Agreement. The Franchisee must follow the Multiple Unit Opening Schedule set forth by the Company. The Schedule designates the area in which you can seek to locate your juice bars ("your Development Area") and the time within which you must open each bar to retain your development rights (your "Multiple Unit Opening Schedule"). The Franchisee must open each bar by the date specified in their Multiple Unit Opening Schedule or they will lose their right to open any bars not then open or under construction.

(6) SUBSEQUENT EVENTS

The Company has evaluated subsequent events through April 12, 2022, the date which the financial statements were available to be issued. No subsequent events were identified that required accrual or disclosure in the financial statements.

EXHIBIT C
To *Sidewalk Juice* Franchise Disclosure Document

Sidewalk Juice

FRANCHISE AGREEMENT



FRANCHISE AGREEMENT

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FRANCHISE AGREEMENT

This Franchise Agreement (“this Agreement”) is entered into in Burlingame, California, on _____, 20 ____, between Sidewalk Juice LLC., a California limited liability company, whose address is 1860 El Camino Real, Suite 221, Burlingame, California 94010, referred to in this Agreement by words such as “we”, “us” and “our”, and _____, a _____, whose address is _____, referred to in this Agreement by words such as “you” and “your” and who are collectively referred to in this Agreement as "the parties".

This Agreement is made with reference to the following facts, representations and purposes:

A. We have been licensed by Sidewalk Juice Bar Inc., a California corporation, (“our licensor”) to use the trademark set forth above and certain trade secrets, trade dress, recipes, practices, procedures and other proprietary information and property to open and to grant to third parties the right to open and operate juice bars that use that mark, information and property. Under our license, we are granting franchises for juice bars bearing the *Sidewalk Juice* name which are designed, built, decorated and operated in accordance with our requirements.

B. You acknowledge and represent to us that you have made a reasonable investigation of the region in which you plan to open your *Sidewalk Juice* bar and have found no use of the name "*Sidewalk Juice*" or any similar trademark, trade name or commercial identification in that area.

C. We desire to grant to you a franchise to open a *Sidewalk Juice* bar on the terms and conditions of this Agreement and based solely upon the representations and promises in it.

D. Intentionally Omitted.

E. You represent and warrant to us that you and everyone who will own an interest in this franchise has set forth fully and truthfully all of the information we have requested on our application and financial disclosure forms and in all other written and oral communications between us. You further represent and warrant that all persons or entities who will have an ownership interest in this franchise and in any entity that will own any interest in this franchise have been disclosed to us in writing, have provided all information we have requested of them and at our request, have signed a guaranty of your performance under this Agreement. The form of Continuing Guaranty we currently use is attached to this Agreement as Exhibit D.

F. In this Agreement the following terms have the following meanings:

1. “Licensed assets” refers to the things we license to you under this Agreement, including the specified trademarks, trade names, service marks, logotypes, other commercial symbols, processes, procedures, trade dress, equipment specifications, trade secrets, recipes, trade practices, copyrights, patents, menus, manuals, forms, formats, marketing and promotional material and practices, bulletins, notices, communications, training material, goodwill and all other items, tangible and intangible, used presently as well as those which we may license to you in the future.
2. “You” and “your” refer to all of the people who sign this Agreement as well as to any entity that has any interest in this franchise and any persons or entities that own a material portion of the assets used in the operation of your juice bar.
3. “Your juice bar”, “your business”, “your *Sidewalk Juice* bar” and similar words refer to the business that you operate under this Agreement including the property you use in the operation of your juice bar.
4. “This Agreement” and “this franchise” refer to this Agreement, the rights granted by it and any signed amendments, alterations, additions, exhibits and addenda to this Agreement.
5. “The *Sidewalk Juice* system” refers to the standards we specify for the operation of *Sidewalk Juice* bars as well as to *Sidewalk Juice* bars as a group.
6. “Our manuals” means any manual or manuals and other written instructions and advice whether in hard copy, available to you electronically or otherwise, that describe the manner of operating your *Sidewalk Juice* bar, including the forms and formats to be used in your juice bar, our operating, reporting, marketing and business requirements and the manner of using, and any restrictions on the use of, our names, marks, trade dress, proprietary and intellectual property and the other of the licensed assets.
7. “Affiliate” means any entity owning, owned by, or under common ownership or control with, a party to this Agreement
8. “Lease” also means a sublease and any other arrangement by which you obtain the right to occupy your juice bar location.
9. “Protected Territory” means the area within which we agree not to locate a company-owned or franchised juice bar that is substantially similar to your *Sidewalk Juice* bar.
10. “Conventional juice bar”, “conventional *Sidewalk Juice* bar” and similar terms means a *Sidewalk Juice* bar in a street, local shopping center or similar location as differentiated from a regional mall, airport, transit center, convention center, sports complex, stadium, arena or comparable location.

11. “Kiosk juice bar” and similar terms means a freestanding facility occupying from 150 to 300 square feet located at a mall or specialty facility such as an office building, airport, arena, large retailer, etc.

12. “Days” means calendar days without allowance for weekends or holidays;

G. Unless otherwise indicated, whenever a dollar amount is specified in this Agreement, that amount is subject to adjustment by any increase in the Consumer Price Index as described in Section 21 below.

In consideration for the mutual promises set forth in this Agreement and based on the above facts, representations and purposes, as well as for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and with the intent to be legally bound, the parties agree as follows:

1. Incorporation of Recitals.

1.01 The representations, facts, promises, warranties, recitals and statements set forth above are true and are incorporated into this Agreement by reference.

2. Grant of Franchise.

2.01 (a) This Agreement grants you the right to operate the following number and type of *Sidewalk Juice* bars:

_____ Conventional *Sidewalk Juice* bars _____ / _____ Initials

_____ Kiosk *Sidewalk Juice* bars _____ / _____ Initials

(b) If you are granted the right to open more than one *Sidewalk Juice* bar, your opening requirements are discussed in Section 3.03 below.

(c) Based on your representations and promises in this Agreement, we hereby grant you a franchise to own and operate the number of *Sidewalk Juice* bars specified above in accordance with the provisions and for the length of time set forth in this Agreement. You agree to use the licensed assets only as allowed by this Agreement.

2.02 You acknowledge that, other than as set forth in this Agreement, we and our licensor have the sole right to use and to permit others to use, the licensed assets. You agree that you do not now have, nor in the future will you have, any rights in or to any of the licensed assets other than the rights granted to you by this Agreement and any other valid agreements between us.

2.03 In order to distinguish us and our licensor from any entity that you own, you agree not to use the name “*Sidewalk Juice*” or any name or names similar to it in the name of any partnership, corporation, limited liability company or other entity that you own or form, whether to own and operate your juice bar or for any other activity in which you may now have, or in the future may have, any direct or indirect interest.

2.04 (a) No goodwill associated with *Sidewalk Juice* bars, the *Sidewalk Juice* system or with any of the licensed assets will belong to you or to any person who, or entity which, owns or is otherwise involved with your franchise. You agree that all goodwill connected in any way with the licensed assets, the licensed names and marks, *Sidewalk Juice* bars and the *Sidewalk Juice* system, belongs exclusively to us and to our licensor and will so in the future.

(b) Nothing in subsection (a) above is intended to reduce any payment for “goodwill” you may obtain should you sell your *Sidewalk Juice* bar as allowed by this Agreement other than in a sale to us.

2.05 While you can use the physical assets of your juice bar as security for a loan, you cannot use this Agreement as security for a loan or otherwise encumber any of your rights under this Agreement.

2.06 Intentionally Omitted.

3. Franchise Fee.

3.01 Initial Franchise Fee

(a) You agree to pay us the sum of \$30,000.00 in consideration for the rights granted to you under this Agreement. If this agreement is terminated because you do not find an acceptable location within the time period described in Section 3.02 below, we will refund one-half of the initial franchise fee you paid us.

(b) If this Agreement grants you the right to open more than one *Sidewalk Juice* bar, the initial fee will be \$30,000.00 for your first juice bar and \$22,500.00 for each additional bar covered by this Agreement.

(c) The entire initial franchise fee for your first bar and one-half of the initial franchise fee for each additional bar covered by this Agreement must be paid when this Agreement is signed. The balance due for each additional bar covered by this Agreement is payable when we approve the location for each such bar. The amounts paid to us as initial franchise fees for a multi-unit Agreement are not refundable since we will have reserved an area, as described in Section 3.03 below, for your development activities.

(d) Once you are an existing *Sidewalk Juice* franchisee, if you desire to purchase a franchise for an additional, the initial franchise fee for each additional such bar will be equal to 75% of the single-bar franchise fee being charged at the time you sign the Franchise Agreement covering the additional bar or bars. Since we charge a reduced franchise fee for your juice bars under this provision, we can, in our discretion, reduce or eliminate the initial services we provide in connection with the opening of those bars. The franchise fee for additional kiosk juice bars will be the same as the single-kiosk franchise fee being charged at the time you sign the Franchise Agreement covering the additional bar or bars

3.02 Finding a Location for a Single-Bar Franchise

If you do not have an approved location when this Agreement is signed, the following provisions apply:

(a) If this Agreement covers a single *Sidewalk Juice* bar, upon signing this Agreement and paying the appropriate franchise fee, you will have the right to locate a *Sidewalk Juice* bar in the following area, called your “Designated Area”:

(b) You will have the exclusive right for 90 days to find a location that meets our approval within your Designated Area. During the 90-day period we will not grant another person or entity the right to seek a location for a *Sidewalk Juice* bar in that area nor will we take a location in that area for a company-owned *Sidewalk Juice* bar. See Section 5 below for how to apply for our approval of a site.

(c) If you do not find a location acceptable to us within your Designated Area within 90 days from the date of this Agreement, you will have another 90 days within which to find a location in that area on a nonexclusive basis. During the nonexclusive 90-day period, we can allow other *Sidewalk Juice* franchisees to look for and take, and can ourselves seek and take, one or more locations for *Sidewalk Juice* bars in your Designated Area. Taking sites in your Designated Area by us or by others may limit or eliminate acceptable locations available to you.

(d) If you do not find an acceptable location in your Designated Area within 180 days from the date of this Agreement, we can terminate this Agreement and retain your initial payment in consideration for our efforts in connection with granting you this franchise and holding your Designated Area for you as described above, subject to the partial refund described in Section 3.01(a) above.

3.03 Development of Multiple Sidewalk Juice Bars

(a) If this Agreement grants you the right to open more than one *Sidewalk Juice* bar, the area in which you can seek to locate your juice bars (“your Development Area”) and the time within which you must open each bar to retain your development rights (your “Multiple Unit Opening Schedule”) are set forth on Exhibit B. You must open each bar by the date specified in your Multiple Unit Opening Schedule or you will lose your right to open any bars not then open or under construction. The site selection and leasing requirements for each bar are as set forth in Section 5 of this Agreement. An additional copy of Exhibit A will be added when the location is approved for each *Sidewalk Juice* bar showing its location and any protected territory granted in connection with that location.

(b) If you do not meet your Multiple Unit Opening Schedule, we can retain all fees you have paid to us as consideration for holding your Development Area from the market and granting you the development rights described above.

(c) The terms of this Agreement will govern all of the bars you open in accordance with your Multiple Unit Opening Schedule.

(d) Since we charge a reduced franchise fee for your second and subsequent bars, we can, in our discretion, reduce or eliminate the initial services we provide in connection with the opening of those bars.

(e) Except as provided in Section 5.07, 5.09 and 5.10(d), as long as you are in compliance with the requirements of your Multiple Unit Opening Schedule, we will not authorize other *Sidewalk Juice* franchisees to seek or take locations in your Development Area and we will not do so ourselves. When you have completed your development schedule, unless we agree that you can undertake further development within your Development Area, we can open, and grant others the right to open, *Sidewalk Juice* bars in that area, except in those areas granted as protected territories for the juice bars you opened pursuant to your opening schedule.

(f) If you have the right to open more than one *Sidewalk Juice* bar pursuant this section, you must continuously own and operate all of the *Sidewalk Juice* bars you open while your Multiple Unit Opening Schedule is in effect in order for your development rights to remain in effect. You cannot sell or otherwise transfer any of those bars while you are developing new juice bars pursuant to your Multiple Unit Opening Schedule.

4. Term of this Agreement and Your Option on Expiration.

4.01 (a) This Agreement is effective upon its signing. The initial term of this Agreement is 10 years beginning on the date your lease term commences. If the term of your lease expires prior to the end of the 10-year term of this Agreement and you do not extend or renew your lease so that you can continue to operate your juice bar at its existing location for the balance of the 10 year term of this Agreement, this Agreement will end at the same time as your lease ends unless you relocate your juice bar and obtain a new lease term as allowed by this Agreement. Unless we agree otherwise at the time, the relocation of your juice bar will not extend the term of this Agreement.

(b) If you own the building in which your *Sidewalk Juice* bar is located, the 10-year term of your Franchise Agreement begins on the date your juice bar opens for business as long as you open your juice bar not more than 6 months after this Agreement is signed.

(c) If you do not give us notice of your desire to continue to be a *Sidewalk Juice* bar franchisee and enter into a new Franchise Agreement as described in Section 4.02 below or we notify you that you are not eligible to continue this franchise for the reasons set forth below, and for any reason this agreement does not expire at the end of its term, the term of this Agreement will continue on a month to month basis at the end of the initial term. In that event, the continuation of this Agreement will be subject to termination by either party upon 30 days prior written notice to the other party.

(d) Each juice bar you open pursuant to your Multiple Unit Opening Schedule will have the term described in Section 4.01(a) or 4.01(b), as appropriate.

4.02 (a) Not less than 6 months nor more than 12 months prior to the expiration of the initial term of this Agreement, you may apply for a successor Franchise Agreement for your *Sidewalk Juice* bar by giving us notice in writing that you wish to continue as a *Sidewalk Juice* franchisee.

(b) If you are in default under this Agreement at the time you give us notice of your desire for a new Franchise Agreement or at the time the new term is to begin, we can refuse to grant you a new franchise. If you have been given 2 or more notices of defaults concerning material terms of this Agreement over the course of any 3 year period, even if those violations were cured as allowed by this Agreement, we can deny your request for a new Franchise Agreement.

(c) After we receive your notice that you wish to enter into a new Franchise Agreement, we will send you the new Franchise Agreement at least 60 days prior to the scheduled expiration of the term of this Agreement. You must sign the required form of Franchise Agreement within 30 days of your receipt of that agreement or you will be deemed to have withdrawn your request to enter into a new Franchise Agreement with us and this Agreement will terminate at the expiration of the term of this Agreement.

(d) You must have a sufficient term remaining on your lease, or have options to renew your lease, for the period covered by your new Franchise Agreement. The new Franchise Agreement will set forth any right you may have to enter into a new Franchise Agreement when that agreement ends.

(e) If you enter into a new Franchise Agreement with us, we will not require you to pay the initial franchise fee specified in the new Franchise Agreement. However, for each *Sidewalk Juice* bar covered by the new Franchise Agreement, you must reimburse us for our expenses and the time of our employees in connection with entering into the new Franchise Agreement with you plus the expenses we incur and time spent in connection with your juice bar's refurbishment, any additional training we perform and our other activities in connection with the new term. If you relocate your juice bar in connection with your new term, the provisions of Section 5.11 below will also apply.

(f) Even though a new Franchise Agreement may be signed, we need not provide any of the initial services that may be described in that agreement.

(g) As a condition of our signing a new Franchise Agreement with you, you will have to sign a general release of all claims against us so that we do not start the new term with any unresolved issues between us. The form of General Release we currently use is attached to this Agreement as Exhibit E.

(h) As a condition of entering into a new Franchise Agreement with you, we can require you to update your equipment, furnishings, décor and signs and otherwise refurbish and update your juice bar in order to bring it up to the standards of new *Sidewalk Juice* bars being opened at the time, or if we are not then opening new *Sidewalk Juice* bars those we opened most recently to when you sign your new Franchise Agreement. We agree to notify you of those requirements, and the time within which they must be accomplished, at the time we provide you with the Franchise Agreement that will be used for your next term. By signing the new Franchise Agreement you agree to comply with our requirements within the time periods we specify.

4.03 If at the expiration of the term of this Agreement, and after our election not to offer you a new Franchise Agreement as described above, a new Franchise Agreement or the renewal

or extension of the term of this Agreement is mandated by law, the terms of the new Franchise Agreement, or the terms of the renewal or extension of this Agreement, will be those contained in the Franchise Agreement we are using for new *Sidewalk Juice* franchisees at the time the new term, or the relevant renewal or extension period, is due to start. If we are not offering new *Sidewalk Juice* franchises at that time, the terms will be those in the Franchise Agreement that we were using at the time we stopped offering new *Sidewalk Juice* franchises.

5. Location and Protected Territory.

5.01 (a) We will consult with you regarding the general criteria for your *Sidewalk Juice* bar location so that you will know what type of location to look for. However, we have no responsibility to find a location for you. It is your responsibility to find a location for your *Sidewalk Juice* bar that is acceptable to us within the required time period.

5.02 Sometimes the protected territories granted in connection with locations approved for other franchisees, or those we designate for company-owned *Sidewalk Juice* bars, may overlap the area in which you have the right to look for a site. If such a protected territory has been granted to another franchisee or reserved for a company-owned location before you find a location we approve, you will not be able to locate your *Sidewalk Juice* bar within that protected territory even though it is partially within your Designated Area or in your Development Area.

5.03 If you are opening a single *Sidewalk Juice* bar and you do not find an acceptable location within 180 days from the date of this Agreement, or if you have the right to open more than one *Sidewalk Juice* bar and you do not find your first location within 180 days from the date of this Agreement, we can terminate this Agreement without giving you further time within which to find a location for your *Sidewalk Juice* bar although we may extend the time within which you can find a location in our sole and absolute discretion.

5.04 (a) When you find a site you find acceptable, you must provide us with the details of the site. To assist us in deciding whether to approve the location, you must provide us with the information on the site that we request, which may include population and demographic data concerning the area of the site, the identity of other food enterprises in the same shopping center, mall, complex or area, the nature of the residential, commercial and office development in the area and so forth. In addition, such things as traffic patterns, the layout of the proposed space, the visibility and accessibility of the location, the other physical attributes of the location and similar data must be provided to us if reasonably obtainable. If the site is in a shopping center or other multitenant development, you must provide us with a layout of the shopping center or development with the location of your proposed bar indicated. If we request additional information for our evaluation of the proposed site, you agree to use your best efforts to provide the requested information promptly. All costs in connection with obtaining the information we require and supplying it to us are your responsibility.

(b) If we approve the proposed location for your *Sidewalk Juice* bar, we will notify you promptly of that approval. If we do not approve the site, we will notify you of our objections and the steps you can take, if any, to make the site acceptable to us.

5.05 (a) As soon as possible after we approve your proposed location, but in no event more than 30 days after we do so, you must obtain a signed lease for the site. If no lease is then available, you agree to get a letter of intent from the landlord of the space setting forth the basic terms of the proposed lease and accepting you as a tenant. If you obtain a letter of intent rather than a lease, you must obtain a finalized and fully-executed lease within 60 days after you obtain the letter of intent. If you do not obtain a lease, or if a lease is not then available a letter of intent, within the required time period, we can terminate this Agreement. We can extend the foregoing periods in our sole and absolute discretion if we are satisfied that you are using your best efforts to obtain a lease. If we agree to extend either or both periods, we can terminate this Agreement at the end of the extension without granting further extensions to you.

(b) You must provide the terms of your proposed lease to us for our approval prior to signing the lease. We must approve the actual lease form and leasing terms in writing before you may enter into the lease unless we waive this requirement in writing.

(c) At our option, we can provide you with our comments on your proposed lease. We are not responsible for any errors or omissions we may make in our comments on the lease, or if we assist you in negotiating the terms of the lease, in our negotiation of the lease terms. We strongly advise you to obtain the advice of competent legal counsel when reviewing your proposed lease to make sure that you understand your rights and obligations.

(d) Neither by approving your site or your lease do we guaranty or warrant in any way that the site or lease terms are adequate for your needs or purposes. Our requirements, reviews, approvals and assistance are for our own purposes and are not a representation or warranty guaranteeing you success in the approved location or under the terms of the concerned lease.

(e) You agree to provide us with a copy of your fully-executed lease within 5 days of its execution by all parties.

5.06 As a condition of our approving your proposed lease we can require you and the lessor of the site to enter into an agreement allowing the assignment of the lease to us in the event this Agreement expires or is terminated. That agreement may contain additional terms concerning your occupancy and/or our rights upon the expiration or termination of this Agreement. The agreement that we currently use for this purpose is attached as Exhibit F to this Agreement.

5.07 (a) If you are granted a single *Sidewalk Juice* bar franchise under this Agreement, if we find, or are presented with, a site we find acceptable in your Designated Area before you have found a location for your *Sidewalk Juice* bar, we will make that location available to you unless, for some reason, the site is limited in such a way that we cannot offer the site to you. If we present you with such a location, you will have 5 days from being notified of the location within which to accept the location. If you do not accept the location in writing within the 5-day period, we can offer the location to another *Sidewalk Juice* franchisee, we can retain the location for a company-owned *Sidewalk Juice* bar and/or we can terminate this Agreement. If we do not terminate this Agreement for that reason, the provisions concerning your obligation to find an acceptable location for your *Sidewalk Juice* bar and the time period within which you must do so remain in effect. If we award the location to another *Sidewalk Juice* franchisee or retain it for a company-owned *Sidewalk Juice* bar, we can designate a protected territory in connection with the

location which will reduce the area in which you may continue to look for a location, assuming we allow this Agreement to remain in effect.

(b) If you are granted the right to open multiple locations under this Agreement, if we find, or are presented with, an acceptable site in your Development Area, we will make that location available to you unless, for some reason, the site is limited in such a way that we cannot offer the site to you. If we present you with such a location within 6 months of when you are required to open your first, or next, *Sidewalk Juice* bar, you will have 5 days from being notified of the location within which to accept the location. If you do not accept the location in writing within the 5-day period, we can offer the location to another *Sidewalk Juice* franchisee, we can retain the location for a company-owned *Sidewalk Juice* bar. If we award the location to another *Sidewalk Juice* franchisee or retain it for a company-owned *Sidewalk Juice* bar, we can designate a protected territory in connection with the location. That protected territory will reduce the area within which you may continue to look for locations for your *Sidewalk Juice* bars and it will not alter your Multiple Unit Opening Schedule.

5.08 Your *Sidewalk Juice* bar must be open for business within 6 months from the date you sign your lease. If it is not, we can terminate this Agreement unless in our judgment you have used due diligence in attempting to satisfy the requirements of this Section 5 and the delay is beyond your reasonable control, except for your financial inability to pursue the project, in which case we will extend the 6 month period for a reasonable period of time.

5.09 (a) If this Agreement covers a kiosk no protected territory will be granted in connection with its location.

(b) In connection with our consideration and approval of a conventional *Sidewalk Juice* bar location, we must mutually agree on any protected territory to be granted to you in connection with the proposed location and enter that protected territory on Exhibit A to this Agreement. Our agreement on a protected territory within a reasonable time, if any protected territory is to be granted in connection with your *Sidewalk Juice* bar, is a condition to the continuation of this Agreement. If within a reasonable time we cannot agree on a protected territory, or agree that there will be no protected territory, we can terminate this Agreement and retain your initial franchise fee as consideration for granting you the franchise and approving your location.

(c) Once we have approved your location and lease and have agreed with you on a protected territory, you will be authorized to enter into the lease for your *Sidewalk Juice* bar location. If for any reason you execute your lease prior to Exhibit A being executed by both of us, your juice bar will be deemed not to have been granted any protected territory unless we later agree otherwise.

(d) The franchise awarded by this Agreement is only for the location or locations described on Exhibit A to this Agreement. This Agreement does not permit you to use the licensed assets at any other location or for any purpose other than as provided in this Agreement.

5.10 (a) In addition to the circumstances described elsewhere in this Agreement, excluded from the restriction imposed on us by virtue of granting you a protected territory are any

units owned, operated and/or franchised by any person or entity with whom or which we may merge, by whom or which we are acquired or which we may acquire or otherwise become affiliated after the date of this Agreement. However, we agree that no such entity will own, operate or franchise any facilities using the principal service marks and trademarks that are licensed to you under this Agreement.

(b) Designation of a protected territory does not grant or imply any marketing or clientele exclusivity within that area except as noted elsewhere in this Agreement.

(c) You do not have the right to open any additional *Sidewalk Juice* bars in your protected territory or elsewhere unless you have been granted the right to open more than one *Sidewalk Juice* bar in this Agreement or as we otherwise agree in writing.

(d) Unless this Agreement specifically covers, or we approve a location for you in, a regional mall, airport, transit center, convention center, sports complex, stadium, arena or the like, such locations are excluded from your protected territory, and *Sidewalk Juice* bars in those locations are reserved to us or to those we designate. You will not be entitled to any compensation or other benefit because of sales made at such locations by us or others even if those sales affect your business.

5.11 (a) You can relocate your *Sidewalk Juice* bar only with our prior written consent. As a condition of giving you our consent, you must sign a general release of all claims against us, our shareholders, members, directors, officers, employees and agents and sign the Franchise Agreement we are using for new *Sidewalk Juice* franchises at the time of the relocation. The form of release we currently use is attached to this Agreement as Exhibit E.

(b) You can only relocate your *Sidewalk Juice* bar within the protected territory originally granted to you, if any. Your relocated bar cannot be within the protected territory granted to another *Sidewalk Juice* franchisee or within an area reserved for or granted in connection with a *Sidewalk Juice* bar that we own, one that is owned by our licensor or by one of our affiliates, even if part of that territory or area is within your protected territory. The site, lease, design, construction, decoration, equipping, stocking and every other aspect of your relocated *Sidewalk Juice* bar must be accomplished in accordance with the requirements that exist at the time for new *Sidewalk Juice* bars. We may specify a new protected territory for you depending on the location of your relocated *Sidewalk Juice* bar.

(c) To help defray the costs we incur in connection with your relocation, and as a condition of approving your relocation, you must sign our then-current Franchise Agreement and pay us a relocation fee in an amount equal to 50% of the franchise fee we are charging at the time for new *Sidewalk Juice* franchises. The new Franchise Agreement must be signed and the relocation fee is payable at the time we approve your new site. If we are not offering new *Sidewalk Juice* franchises at the time of your relocation, we will provide you with the Franchise Agreement we propose to use in connection with your relocation when we give you our consent to the relocation. The relocation fee in that case will be equal to 50% of the franchise fee we were charging for new *Sidewalk Juice* franchises at the time we stopped granting new franchises and adjust that amount by any increase in the Consumer Price Index as described in Section 21 below.

(d) If we grant our consent to your relocation but think your current location is viable, you agree that we have the right to require you to assign your lease to us or our nominee, or sublease the location to us or our nominee, as a condition of our approval of your relocation. We will have the right to enter into a new lease for the space you are vacating or one in the same shopping center or commercial area or to have another *Sidewalk Juice* franchisee do so and open a company-owned or franchised *Sidewalk Juice* bar in that location. You agree that none of these activities will be a violation of your protected territory rights.

5.12 (a) Nothing in this Agreement, including granting you a protected territory, prevents us, our licensor, our affiliates or others whom we or they authorize from marketing goods bearing the *Sidewalk Juice* name or marks or names or marks similar or related to the name *Sidewalk Juice*, or any other products or services, to or through independent retail outlets, at wholesale and/or by means of catalogs, mail order, electronic means, including over the Internet, whether those sales are made to customers within your protected territory or elsewhere. Those goods may be the same as, or may be different from, goods you carry in your *Sidewalk Juice* bar. You will not be entitled to any compensation or other benefit because of sales made as a result of those activities even if those sales affect your business.

(b) Nothing in this Agreement, including granting you a protected territory, prevents us, our licensor, our affiliates and/or others whom we or they authorize, from conducting businesses and/or providing goods or services that are not materially similar to those provided by the standard *Sidewalk Juice* bar, whether under the *Sidewalk Juice* names or marks or under other names or marks, whether within your protected territory or elsewhere. You will not be entitled to any compensation or other benefit as a result of such sales even if those activities affect your sales.

(c) You are not allowed to sell *Sidewalk Juice* products to other retail outlets, at wholesale or by means of catalogs, mail order or electronic or other alternative means, including over the Internet, whether those sales are made to customers within your protected territory or elsewhere. However, you may accept orders made online for items to be picked up at your *Sidewalk Juice* bar location.

5.13 Unless we consent in writing to the contrary, you can use your *Sidewalk Juice* bar only for providing the services and selling the merchandise we approve and then, only in the manner we specify. You are authorized to provide *Sidewalk Juice* items only to retail customers and only from your juice bar except as otherwise provided in this Agreement.

5.14 Without our written consent, no business, other than the business franchised by this Agreement, can be located in your *Sidewalk Juice* bar premises. Only with our consent can you operate your *Sidewalk Juice* bar inside the business premises of someone else.

5.15 Except as provided elsewhere in this Agreement, our other franchisees, our licensor, our affiliates and we are not prohibited from serving customers who come from within your protected territory nor are you prohibited from serving customers who come from outside your protected territory. You are not entitled to any compensation, allowance, payment or other consideration on account of any sales made by others to those who live or work within your protected territory. Similarly, you need not pay anything to anyone for serving customers who live or work within the protected territories of others.

5.16 (a) If you have the opportunity to provide *Sidewalk Juice* items at special events in your protected territory, such as fairs, exhibitions, performances, charity events, conventions and the like, you agree to notify us of the opportunity immediately. You must also advise us whether you want to participate in the event. If you want to participate in the event, you agree to follow our requirements in that regard. If you do not want to participate in the event, we, or any person or entity we may designate, can do so even though the event is in your protected territory.

(b) If you want to participate in the event, we will advise you of any criteria we deem reasonably necessary for the protection of the image of *Sidewalk Juice* bars, such as the appearance of any displays, booths, tables and the like, you may use at the event. We can condition our approval of your participation in a special event on your compliance with these criteria.

(c) If we notify you of a special event in your protected territory and any requirements we may prescribe concerning your participation in the event, you will have 5 days after your receipt of this information within which to notify us of your desire to participate in the event. If you elect to participate in the event, you agree to do so in accordance with our requirements. If you elect not to participate in the event or do not notify us of your election to participate in the event within the 5-day period, we, or any person or entity we designate, can participate in the event even though the event is in your protected territory.

(d) If you do not participate in a special event and we, an affiliate or a person or entity we designate, does so, you will not be entitled to any compensation because of that participation, or otherwise.

(e) If a special event in your protected territory is only available to us or another *Sidewalk Juice* franchisee, we, or they, may participate in that event and we will not be required to offer to allow you to participate in that event even if it is in your protected territory. Similarly, if a special event is only available to you, you will be offered the right to participate in the event even though it is within our, or another *Sidewalk Juice* franchisee's, territory. If we or another *Sidewalk Juice* franchisee participates in a special event in your protected territory, you will not be entitled to any compensation or other benefit as a result of that participation even if those sales affect your business. Similarly, you will not be required to compensate us or the other *Sidewalk Juice* franchisee if you participate in a special event in our, or their, protected territory other than for the payment of the royalties and Marketing Fund contributions call for by this Agreement.

(f) It is in our sole and absolute discretion whether to allow you or anyone else to participate in a special event or to deny you, or them, the opportunity to so participate.

6. Design, Construction, Maintenance and Repair.

6.01 (a) At our expense we will provide you with one set of typical plans and specifications for your *Sidewalk Juice* bar. These plans will not be drawn specifically for your space or necessarily in accordance with the requirements of local laws and requirements. All design, architectural and engineering services required to conform the provided plans and specifications to your actual location and to applicable laws and requirements must be obtained at your expense.

(b) You must provide a copy of the proposed layout for your *Sidewalk Juice* bar for our approval as soon as your architect or designer completes it. When we have approved the proposed layout, you may have your architect or designer complete the final plans and specifications for your location. You must provide us with the proposed final plans and specifications. We must review and approve your final plans and specifications before they are used in construction. All plans and specifications provided to us must be provided at your expense. If the plans and specifications we have approved are changed in any material manner before or during the construction of your *Sidewalk Juice* bar, we must approve those changes before the changes are implemented.

(c) Since the details of our layout, designs and specifications are proprietary, all of your plans and/or specifications become our property without us having to pay you for them.

6.02 We will be available to consult with you, your architect, designer and suppliers online and by telephone regarding your design and construction obligations. However, it is your responsibility to see that your *Sidewalk Juice* bar is built, equipped, decorated, stocked and opened without delay and in strict accordance with the plans and specifications we have approved.

6.03 (a) We will provide you with a list of the equipment, décor, furniture, fixtures, point of sale system and software and similar items needed for your *Sidewalk Juice* bar. You agree to purchase all required items as well as all necessary signs, trade fixtures, equipment, interior decoration items and inventory as may be needed for the preparation of your *Sidewalk Juice* bar, all other items we specify and those required by the final plans and specifications we have approved. While this Agreement is in effect, you agree not to purchase or use in connection with your *Sidewalk Juice* bar any items that have not been approved by us unless we otherwise specify in writing.

(b) The furniture, fixtures, equipment and supplies for your *Sidewalk Juice* bar must be purchased from suppliers we have specified or otherwise approved. We agree to advise any reputable supplier of our requirements for these items except for any items we deem proprietary. You must purchase proprietary items from us, our licensor or from suppliers we designate or otherwise approve.

6.04 You agree that our approval of your plans, specifications and any other action or inaction by us, is done solely for our own purposes and not to protect you. Therefore, we do not warrant or guaranty in any way that those plans and specifications are suitable, adequate or guaranty you success in your juice bar.

6.05 The construction of your *Sidewalk Juice* bar must be performed by a general contractor licensed in the jurisdiction in which your juice bar is located unless we otherwise agree in writing.

6.06 You agree to acquire and maintain high speed Internet access throughout the term of this Agreement and any extensions or renewals of this Agreement.

6.07 (a) You agree to keep us fully informed of the progress of the construction of your *Sidewalk Juice* bar.

(b) We have the right to inspect your site and construction activity at all reasonable times. You agree to cooperate, and to cause your contractors to cooperate, with our agents in the performance of such inspections. You agree that all inspections are for our own purposes and are not designed to protect you, to guaranty that the construction is adequate or is in accordance with the approved plans and specifications.

(c) Unless we waive the right, you agree not open for business until we conduct a final inspection of your *Sidewalk Juice* bar and approve its opening. You agree that we have the right to prevent the opening of your *Sidewalk Juice* bar until we are satisfied that your juice bar has been constructed in accordance with the plans and specifications that we have approved and you have met our other requirements concerning the construction, equipment, decor, furnishings, fixturing, signs, stocking, staffing and any other requirements for your *Sidewalk Juice* bar.

6.08 You agree that we assume no responsibility for the work of independent contractors whether they are employed by us or by you.

6.09 We must approve all signs, menus and menu boards you use in connection with your *Sidewalk Juice* bar and the suppliers from whom you propose to acquire them. You must follow the criteria set forth in our manuals or other directives for the design and construction of your signs, menus and menu boards.

6.10 You agree that we are not responsible for delays or losses occurring during the design, construction, equipping, decorating, stocking, furnishing, fixturing or other preparation of your *Sidewalk Juice* bar for opening, whether caused by the condition of the premises, the design, engineering, construction, equipping, decorating or stocking of your juice bar or for any other reason.

6.11 So as not to adversely affect the reputation of *Sidewalk Juice* bars, you agree that you will pay promptly all of the designers, engineers, contractors, suppliers and others employed in the design, construction, fixturing, decorating, improving and supplying of your juice bar except to the extent that there is a bona fide dispute between you and any such provider in which case you agree to use your best efforts to resolve the dispute promptly and in an equitable manner.

6.12 You are responsible for the maintenance and repair of your *Sidewalk Juice* bar. You agree to keep and maintain your juice bar, including the interior, exterior, immediately surrounding areas, signs, trade fixtures, equipment, decor, furnishings and all other tangible property used in connection with your *Sidewalk Juice* bar, in a high condition of cleanliness, repair and appearance and to replace promptly anything that is not capable of being maintained in that condition.

6.13 You agree that all significant replacement, remodeling, refurbishing, alteration, modification and/or redecoration of your *Sidewalk Juice* bar and any part of it or any thing in or on it will be made only with our prior consent.

6.14 In addition to your maintenance requirements, you agree to further repair, refinish, repaint, replace and otherwise redo your *Sidewalk Juice* bar, its furnishings, fixtures, decor, equipment, signs and any other tangible part of your juice bar at your expense at such times as we reasonably direct. Other than for your ongoing maintenance requirements, we agree that we will

not require any such activity during the first 5 years of the term of this Agreement. We agree that during the term of this Agreement the total cost of any added replacement, remodeling, refurbishing, alteration, modification and/or redecoration we require, in addition to your maintenance requirements, will not exceed \$25,000.00, as adjusted by any increase in the Consumer Price Index as described in Section 21 below, without your consent.

6.15 We reserve the right to modify our *Sidewalk Juice* concept, format, design, signage, name, commercial symbols, decor, products, services and all other aspects of *Sidewalk Juice* bars and/or our business or system at any time when, in our reasonable business judgment, it is necessary in order to meet competition and to attempt to enhance the business of *Sidewalk Juice* bars. In the event that we do so, you agree to adhere to such changes in the manner and within the time periods we reasonably specify. All such alterations and modifications will be at your sole cost and expense, subject to the limitation described in Section 6.14 above.

7. Training and Preopening Assistance.

7.01 (a) We agree to train up to 4 people before your *Sidewalk Juice* bar opens. If you, or a managing owner of any entity that owns the bar, has not yet been trained, you, or such owner, must be one of the trainees. You should also have any managers you employ for the operation of the bar take our training course. You and the employees you designate must take our training course at the same time. The training course will last approximately one week and will take place by means of video conference and at your juice bar just before it opens.

(b) You, or the supervising owner of any entity that owns your *Sidewalk Juice* bar, must complete our training course to our reasonable satisfaction prior to the opening of your juice bar. If a partnership, limited liability company, corporation or other entity owns this franchise and the partner, member, shareholder or owner, as appropriate, who is to supervise the operation of the bar does not complete our training course as required by this Agreement, that person cannot supervise the operation of your juice bar and you must have another owner take our training program at a time acceptable to us. At our discretion, we can have any such person attend our training course at a *Sidewalk Juice* bar located in San Francisco, California, if we decide that is necessary to properly train that person.

(c) If any employee who takes our training does not complete the training course in a manner we find satisfactory, you agree not to employ that person in a managerial position in your juice bar.

7.02 Your *Sidewalk Juice* bar must always be under the overall supervision of a person who has been adequately trained by a person who has successfully completed our training course.

7.03 If this Agreement allows you to open more than one *Sidewalk Juice* bar, following the opening of your initial bar we will train one manager for each *Sidewalk Juice* bar you open. If for any reason we agree that no one need be sent to our training course following the opening of your first *Sidewalk Juice* bar, no refund of any portion of the franchise fee, or any other fees, will be made.

7.04 You agree to bear all of your own travel, living and other costs, expenses, benefits and salaries and those of the people you have take our training course.

7.05 (a) We can require the overall supervisor of your *Sidewalk Juice* bar or bars, and such managerial employees that we may specify, to undertake and successfully complete additional training at the times and in the manner we periodically specify.

(b) If you are required to have an additional person take our training course, or if you want us to train any additional people at any time and should we agree to do so, we can charge an additional training fee for this service. On the date of this Agreement, that fee is \$350.00 per day per trainee but we can change the fee at any time.

(c) The training of your employees, other than the employees who take our training course, is your responsibility.

7.06 You agree that your *Sidewalk Juice* bar will not be opened for business until we, in our reasonable judgment, certify that a sufficient number of your employees have been adequately trained to operate your juice bar.

7.07 (a) You must notify us of the planned opening date of your juice bar at least 30 days prior to the opening. We will provide you with the services of one or more members of our staff at your *Sidewalk Juice* bar approximately 3 days before you open to advise and assist you during the period immediately before and immediately after the opening of your juice bar. When our representative or representatives arrive at your juice bar and the length of time he, she or they will stay is strictly within our discretion.

(b) If your juice bar is not ready when our representative or representatives arrive and for that reason he, she or they cannot perform the pre-opening functions for which he, she or they were sent, you agree to pay the added lodging and subsistence costs of our representative or representatives as well as paying us a fee for each day that our representative or representatives are prevented from completing the functions for which he, she or they were sent. That fee is currently \$350.00 per day but is subject to change in our discretion. A deposit against this fee must be paid when we request it or we can recall our representative or representatives and charge you for the costs of sending him, her or them back to your juice bar when it is ready for opening.

(c) If your juice bar is not ready when our representative or representatives arrive, as an alternative to keeping our representative or representatives at your *Sidewalk Juice* bar, we can recall our representative or representatives until we are satisfied that your juice bar is ready to open. If we do that, you agree to pay the costs of sending our representative or representatives back to your juice bar in addition to paying us the fee described in subsection (b) for each day our representative or representatives spends traveling to and from your juice bar. You must also pay any lodging and subsistence costs incurred by our representative or representatives incur in connection with any layover required at your location prior to returning to our office.

(d) You agree to cooperate, and to have your employees cooperate, with us and our representatives in all matters related to setting up your juice bar, training your personnel and all of your other obligations under this Agreement, before, during and after the opening of your *Sidewalk Juice* bar.

7.08 (a) We can offer system-wide refresher courses, seminars, conventions, meetings and similar programs for our franchisees. If we do, you agree to attend the events we specify, up to a maximum of 2 such programs in any 12 month period.

(b) In addition to the foregoing, if we sponsor regional training seminars or other meetings of any nature for our franchisees and/or their employees in the region in which your juice bar is located, you agree to attend all of those events and to send to those sessions the person or persons we designate but not more often than 2 such events during any 6-month period.

(c) All of your expenses in connection with attending such meetings, sessions, events and programs and the salaries, benefits and expenses of your employees, are your responsibility.

(d) We reserve the right to charge reasonable fees for attendance at the above-described meetings, conventions, seminars, courses, sessions, events and programs and you agree to pay those amounts at the times and in the manner we specify.

8. Operations and Continuing Assistance.

8.01 (a) Our manuals and the systems, procedures, forms and various other materials we provide to you continue to belong to us since they contain proprietary information concerning *Sidewalk Juice* bars. You acknowledge that improper use or disclosure of our proprietary information will cause us irreparable injury and that we can seek and obtain a temporary restraining order and a preliminary and permanent injunction against any improper use or disclosure of our proprietary material in addition to seeking damages and other relief on account of those actions.

(b) You agree to use our confidential information only in connection with establishing and operating your *Sidewalk Juice* bar. If you make improper disclosure or use of our proprietary information, we can terminate this Agreement without giving you notice or an opportunity to cure the default.

(c) After the termination or expiration of this Agreement, you agree not to use or disclose our confidential information for any purpose whatsoever except as we may authorize or direct in writing.

(d) You agree to use your best efforts to prevent the unauthorized disclosure of our trade secret material and confidential information by your employees, agents and others over whom you have control. In this regard, you agree to follow the security procedures and employ the security practices that we specify periodically including having your employees sign our confidentiality and nondisclosure agreement if we so direct.

(e) You agree to return all copies of our manuals and all other materials you obtained from or through us upon the expiration or termination of this Agreement or at any other times as we request. You agree not to print, copy, forward or otherwise duplicate our manuals or material except as we direct or approve.

(f) You agree not to disclose any passwords or other access codes needed to enter any electronic media sites that contain our proprietary information, including our training materials and/or manuals.

8.02 (a) You agree to operate your *Sidewalk Juice* bar in the highest quality manner, in accordance with all applicable laws and regulations and as prescribed by our manuals and other directives.

(b) You agree to employ all systems, procedures, practices, techniques, processes, standards, requirements, sources, formats and the like that we periodically specify in our manuals and other communications for the operation of your *Sidewalk Juice* bar. We have the right to make changes in our manuals and other materials and to specify other systems, procedures, forms, requirements, and the like, at any time. You agree to follow these changes at the times and in the manner we require. If there are costs involved in that compliance, you must bear those costs. We agree that these changes will not unreasonably increase your obligations, including your economic obligations, under this Agreement without your prior consent.

(c) You agree to adhere strictly to our recipes and ingredient requirements and to serve only items in your *Sidewalk Juice* bar that we have specified or approved. You agree that no items or services, other than those we approve, will be used, sold, displayed, exhibited, shown or otherwise provided or employed in your juice bar.

(d) You agree to provide us promptly with all reports we require in our manuals and otherwise request.

(e) No vending machines, newspaper or magazine racks, cigarette machines, games, rides, amusement devices, juke boxes, pay telephones or similar devices, whether or not they are coin operated, nor any music, music system or other entertainment systems or activities, whether live or recorded, can be used in your *Sidewalk Juice* bar without our prior consent. We can specify the type of music to be played in your juice bar and the volume at which it is presented. If payment to a third person or entity is required for permission to play any music or other audio or video media or content in your juice bar, you agree to pay those fees, or a pro rata portion of those fees if more than one *Sidewalk Juice* bar employs the same music or media and the provider or licensing agent charges us or *Sidewalk Juice* bars a blanket rate for their use.

8.03 You agree to hire and satisfactorily train a sufficient number of employees to handle adequately the volume of business of your *Sidewalk Juice* bar and to provide courteous and capable assistance to your customers. You agree to use your best efforts to insure that your personnel maintain the standards of appearance, cleanliness and demeanor that we specify in our manuals or otherwise, but in any event standards that will enhance the conduct and image of your juice bar.

8.04 (a) In order to maintain and enhance the high standards and public image of *Sidewalk Juice* bars, you agree to carry all of the menu items we specify and not carry items that we have not approved.

(b) You agree to adhere strictly to our requirements and instructions as to the sources of supply, ingredients, method of preparation, processing, handling, wrapping, presentation and serving of all items provided from your *Sidewalk Juice* bar. You agree that we

can change the menu items served by *Sidewalk Juice* bars and the ingredients and the method of preparation, presentation and serving of our menu items in our sole and absolute discretion. You agree to comply promptly with our directives in this regard.

(c) You agree to disclose to us promptly the sources, manufacturers, suppliers and other providers you use for all of your purchases and the items you acquire from them, upon our request. You agree that we can require your suppliers to report your purchases to us as a condition of our approving them.

(d) You agree that you will use only the type, format, style, decoration and other features of all containers, packaging and other tangible items, such as plates, cups, service ware, containers, napkins, tableware, flatware, bags, serving pieces and the like, that we have approved or otherwise specify. You also agree to use only the menu formats, signs, uniforms and other such items that we specify or otherwise approve. You agree not to use any items that we have not approved unless we specify an item does not require our approval.

8.05 You agree to use your best efforts to produce the maximum volume of sales from your *Sidewalk Juice* bar but only in a manner that is consistent with the terms of this Agreement and with our manuals and directives.

8.06 You agree to operate your juice bar continuously on such days and during such minimum hours as are required by the shopping center or other development within which your juice bar is located, or if there are no such requirements, on such days and during such minimum hours as are customary for similar businesses in the community within which your juice bar is located. If there are no such shopping center requirements or community standards which pertain to your juice bar, we reserve the right to specify the hours of operation to be observed by your juice bar.

8.07 (a) We, our licensor or other persons and/or entities we or our licensor approve may from time to time develop private-labeled merchandise which may be available for use in, or for sale by, *Sidewalk Juice* bars. You can use and or provide such items only with our prior written consent. You agree to purchase, carry, sell and use in your juice bar at least a reasonable quantity of these items if they are made available to you. You also agree that at our direction you will purchase a reasonable quantity of goods covered by any national accounts or purchasing contracts we arrange and participate in any purchasing cooperatives we establish or endorse.

(b) If we, our licensor or one or more of our affiliates establish a supply service capable of providing items to your *Sidewalk Juice* bar, you agree to purchase the items we specify from that source. We agree that the prices charged for those products will be reasonable.

8.08 If we specify certain prices or minimum or maximum prices that are to be charged to your customers, you agree to adhere to our requirements in that regard at such times and on the conditions we specify.

8.09 We will use commercially reasonable efforts to have a representative available online or by telephone during our normal weekday business hours to consult with you on the operation of your juice bar.

8.10 (a) We will use commercially reasonable efforts to send a representative to visit your *Sidewalk Juice* bar periodically during the term of this Agreement. If we give you notice of our visit in advance and so request, you agree to be present during our representative's visit. You agree to cooperate fully with our representative during his or her visit. You also agree to use your best efforts to have any other people attend that we request to be present during the visit. We agree that our visits will be during your normal business hours and will take place at your juice bar unless both of us agree otherwise.

(b) You agree to make available to our representative during their visits, and at such other times as we may reasonably request, any information, reports, accounts, books, records, orders, statements and any other information that we request as well as providing our representative access to your computer system and the records and reports it contains or is capable of producing.

(c) You agree that our representatives, and those of our licensor, will have access to and can inspect your entire juice bar premises, including your stock areas, drawers, locked areas, back rooms and all other areas of your juice bar at the times and in the manner they require.

(d) You agree that our representative will have the right to photograph your juice bar, make video and audio recordings, speak to your customers and employees, copy your records, take inventory and conduct such other activities as our representative may see fit. We agree that our representative will use reasonable efforts not to disrupt your operation during their visits.

8.11 (a) We have the right to send a representative to your juice bar without giving you prior notice. We also have the right to have "secret shoppers" come into your juice bar to inspect your juice bar and its operations without giving you notice.

(b) We have the right to have you install a television monitoring system in your *Sidewalk Juice* bar either during the construction of your juice bar or thereafter. We can specify the location of the monitoring cameras and other equipment and you agree not to alter those locations without our written consent. You agree that we have the right to monitor that equipment by any means we desire at all times.

8.12 If you request a special visit to your *Sidewalk Juice* bar by one of our representatives and we agree to honor that request, we can condition our visit on your paying us a fee and reimbursing us for our expenses in connection with the visit. We can require that you prepay the estimated fee and expense reimbursement before we agree to the visit. The fee that we can charge you for such a special visit will not exceed \$350.00 per day, plus expenses. This fee is subject to adjustment by any increase in the Consumer Price Index as described in Section 21 of this Agreement.

8.13 If we notify you at any time of defects, deficiencies or unsatisfactory conditions in the appearance, operation, conduct, activities or other matters related to your *Sidewalk Juice* bar, you agree to correct such item or items without delay in the manner we require.

8.14 (a) You agree to obtain and maintain at your expense all licenses and permits necessary for the operation of your *Sidewalk Juice* bar.

(b) You agree to operate your *Sidewalk Juice* bar in compliance with all laws, statutes, ordinances, rules, regulations, orders and the like, including those which are related to

health, safety, employment conditions, employment practices, the environment and the handling and/or storage of toxic materials, whether those laws, statutes, ordinances, rules, regulations, orders and the like, now exist or are enacted and/or issued at a later time. You also agree to comply with all laws, regulations and rules pertaining to terrorism and immigration. You agree to be responsible for the results of your compliance, and any noncompliance, both during the term of this Agreement, any extensions or renewals of this Agreement and thereafter.

(c) You agree to comply with the orders, regulations, rules and directives of government officials in the conduct of their official duties as they pertain to the operation of your *Sidewalk Juice* bar. You agree to notify us immediately of any significant orders or directives you receive from such officials, the reasons for them and the corrective action you have taken or plan to take. You agree to correct any situation that gives rise to any of those orders or directives within the time required by the appropriate law, regulation, rule, order or directive. If you receive health, safety, cleanliness or similar reports and/or grades from a government inspector, you agree to provide us with a copy of each such report and/or grade immediately after you receive them.

(d) You agree to notify us promptly of any lawsuits, arbitration proceedings and other actions in which you become involved that pertain in any way to your *Sidewalk Juice* bar or that could affect your financial condition in any material manner.

8.15 (a) You agree to purchase any computerized point of sale recordation and reporting system that we require, including the hardware and software we specify or otherwise approve. You agree to upgrade your hardware and software at such times as we reasonably determine. You also agree to carry such maintenance contracts on your hardware and software as are reasonably necessary to their continued operation. If we so require, you agree to purchase the system, hardware, software, upgrades and contracts from the sources we specify or otherwise approve.

(b) You agree to record all of your sales, receipts and expenses, merchandise orders, invoices, customer lists and other business information promptly in your computer system using the software that we specify or approve.

(c) We can periodically require that you use a different sales recordation, computer or other reporting system and software. If we do so, we will give you a reasonable time to amortize the cost of the system and software you are using before we require you to replace that system or software.

(d) You agree to insure we have continuous remote access to your computer system, the information in it and the reports it produces. You agree to install the hardware and software we may specify to allow this access and to maintain the system so that our access will be uninterrupted. You agree not to interfere with our remote or on-site access to your computer system and the records and reports it produces.

(e) If you use an outside provider to originate, collect, report on or otherwise have access to the information contained in or reported by your point of sale system, you agree to provide us with all necessary passwords or other codes needed to have access to and use of that information.

(f) Customer lists generated during your operation of your *Sidewalk Juice* bar are our property and will remain so after this Agreement ends.

8.16 You agree that you are solely responsible for all taxes, liens, assessments, costs, expenses, debts, salaries, accounts, liabilities, charges, duties, imposts, fees, damages and all other liabilities, outlays and other obligations involving the payment of money or performance of any other nature, incurred in or resulting in any way from, the development, construction, opening and operation of your *Sidewalk Juice* bar.

8.17 (a) If this franchise is owned by a partnership, corporation, limited liability company or other entity, you agree to designate a shareholder, partner, member or other owner to be the principal agent of the entity. This is the person who will deal with us in connection with your franchise, the operation of your *Sidewalk Juice* bar and your compliance with this Agreement. This person is referred to in this Agreement as "your managing agent". You warrant that your managing agent will have the authority to speak for and bind any entity owning this franchise in all matters pertaining to this Agreement and your *Sidewalk Juice* bar. You further warrant that we can rely on that authority until we are notified in writing of any change in your managing agent.

(b) Your managing agent, and any person by whom your managing agent is replaced, must take our training course at the time, for the duration and at the location we specify and must complete that training to our reasonable satisfaction as a condition of being your managing agent.

(c) Your managing agent cannot be a person who was the principal operator of a *Sidewalk Juice* bar that had its Franchise Agreement terminated because of a default or any other person to whom we have reasonable cause to object.

(d) If for any reason your managing agent cannot continue to serve, you must appoint a new managing agent promptly. The new managing agent will be subject to the provisions of this section and to all of the other terms of this Agreement in the same manner as your prior managing agent.

8.18 You agree to participate in any gift certificate, gift card, discount and similar programs we establish at the times and in the manner we specify. You agree that we can administer any such program or designate a third party provider to do so. If we are involved in whole or in part in the administration of the program, you agree that we can charge a reasonable fee for our efforts as can any third party administrator of the concerned program or programs.

8.19 We have the right to establish one or more franchisee advisory councils to consult with us on matters of mutual interest. If we establish such a council, we have the right to determine its rules. You agree to follow those rules and if we so request, participate in the activities of that council in the manner and to the extent we require.

9. Royalty and Marketing Fees.

9.01 (a) As used in this Agreement "gross receipts" means the amount received from all sales of food, beverages, services and other items in and from your *Sidewalk Juice* bar whether for cash, on credit or for other consideration, without offset, including revenues derived from off-site activities where allowed, where the services, food and/or beverages are supplied by or through your juice bar or otherwise under the *Sidewalk Juice* name. Credit transactions are considered made when the transaction giving rise to the extension of credit occurs and not when, or if, you receive payment or when title to the goods passes. Credit card and other credit transactions result

in "gross receipts" in the full amount of customers' purchases without any allowance for bad debts, uncollectible accounts or credit card fees and charges.

(b) In computing gross receipts there shall be excluded any gratuities, or service charges added to a customer's bill or statement in place of gratuities, that are payable to employees of your juice bar as well as sales taxes, excise taxes, gross receipt taxes, value added taxes or similar charges added to a customer's bill.

9.02 (a) In exchange for awarding you a *Sidewalk Juice* franchise, for the assistance we give you in connection with the opening of your *Sidewalk Juice* bar and for the continuing right to use the licensed assets, you agree to pay us a royalty payment equal to 6% of your gross receipts during your first 24 months of operation. Thereafter, you agree to pay us a royalty equal to 6% of your gross receipts for the balance of the term of this Agreement. You agree to pay us this amount, as well as any amounts payable to the Marketing Fund described below and any other amounts otherwise due to us by direct bank debit, Electronic Funds Transfer or in any other manner that we specify. Your royalty, and any payments due to the Marketing Fund, as described below, are due monthly by the 7th day of each month based on your gross sales for the prior month as reported by your point of sale system. We can require that you report your sales and pay the royalty and Marketing Fund amounts to us by another, or additional, method and you agree to comply promptly with our directives in this regard.

(b) You agree to sign and submit to your bank the forms it may require to allow us to specify the required debits to your account and where the transfer is to be sent. You agree to keep a sufficient balance in the concerned account to cover these payments and not to withdraw or alter the directions to your bank concerning this account and the required transfers without our prior written consent.

(c) If any properly initiated payment from your bank is denied or charged back due to insufficient funds or the closing of the account from which transfer is to be made, you agree to pay us a \$50.00 charge-back fee and reimburse us for all bank and transaction charges we incur as the result of the charge-back. If you do not report your gross receipts to us for any reporting period, we can debit your bank account in an amount equal to 150% of the amount payable to us for the last period for which you reported. Nothing in this paragraph is to be construed to waive, postpone or suspend your obligation to submit to us any payments, reports, records or other materials or to waive any default occurring as a result of your failure to report or pay any amounts required by this Agreement. The charge-back fee is subject to adjustment by any increase in the Consumer Price Index as described in Section 21 below.

(d) We can change the time your royalty and Marketing Fund payments are to be made and the reports you are required to provide in place of, or in addition to the report described above. You must certify to us that your reports are complete, true and correct no matter how, or by whom, they are prepared and/or filed.

(e) Our acceptance of any reports, statements or payments shall not be considered our agreement to the accuracy of the reports, statements or payments

9.03 (a) As of the date of this Agreement we do not have a local, regional or national cooperative marketing program. If we initiate such a program or programs, in addition to your royalty payment, you agree to send us at the same time and in the same manner as your royalty payment, a contribution to our marketing fund in the amount we specify, which will not exceed 3% of your monthly gross receipts. We can periodically change the amount we require you to contribute to that program or those programs but in no event will your contribution exceed 3% of your gross receipts. In this Agreement, we refer to the cooperative marketing program fund as "the Marketing Fund".

(b) We will keep the Marketing Fund apart from our other accounts. We will send you a report of the receipts and expenditures of the Marketing Fund annually. This report does not have to be audited, reviewed or compiled by an accountant.

9.04 If we own and operate any *Sidewalk Juice* bars, we agree to have those bars contribute to the Marketing Fund on the same basis that you do.

9.05 (a) When formed, we will use the Marketing Fund for the development, production, execution, dissemination, direction, review, analysis and administration of marketing, promotional and public relations activities designed to benefit the *Sidewalk Juice* system on a local, regional and/or national basis, including the creation, alteration and maintenance of the *Sidewalk Juice* web site and any social media and other electronic presence we maintain. We have complete and absolute discretion over how and when sums from the Marketing Fund are spent and what items are charged to it. However, we agree to use the Marketing Fund only for the planning, production, execution, placement, publishing, broadcasting, dissemination and analysis of marketing, promotion and public relations materials and programs, including point of purchase materials, brochures, display materials, market research and analysis, the employment of marketing and promotion staff and agencies, the purchasing of media time and space, the planning, production and execution of promotional or public relations events, the review and analysis of those activities, including the design and maintenance of the *Sidewalk Juice* web site and social media and for related purposes.

(b) We are not obligated to spend receipts of the Marketing Fund in any particular region or within any particular time period even if a disproportionate amount of those receipts comes from a particular area or within a particular time period.

9.06 If we, or the Marketing Fund, conduct marketing in which prices for items are indicated, we will advise you whether you are required to adhere to that pricing. If you are not required to adhere to those prices and you do not elect to do so, your juice bar listing need not be included in the marketing or promotion program that specifies those prices.

9.07 We can charge the Marketing Fund for the time, overhead and expenses of our employees to the extent that they work on marketing, promotion or public relations activities designed to enhance the image or sales of *Sidewalk Juice* bars.

9.08 (a) We will have the right to terminate the Marketing Fund or turn its functions over to an outside agency at any time after its inception. If we terminate the Marketing Fund and do not replace it with a similar entity, we can have you use the money you would otherwise contribute to the fund for local or regional marketing, promotion or public relations purposes.

(b) If we turn the functions of the Marketing Fund over to an outside agency, we can require you to pay that agency the amounts you would otherwise contribute to the Marketing Fund.

(c) Even if we have an agency perform some or all of the functions of the Marketing Fund, we will still have the right to approve any marketing, promotion and public relations material and activities suggested by the agency.

10. Marketing and Promotion.

10.01 We can specify the Grand Opening marketing to be conducted by your *Sidewalk Juice* bar. You agree to conduct your Grand Opening marketing as we specify or otherwise approve and not to engage in any Grand Opening activities which we have not approved in advance. We agree that you will not be required to spend over \$2,500.00 on your Grand Opening marketing.

10.02 As long as your *Sidewalk Juice* bar is open, you agree to conduct a reasonable amount of advertising and marketing for your juice bar. If the shopping center in which your juice bar is located requires you to participate in its marketing and promotion activities, the amounts you spend on those activities will be considered in determining whether you are conducting a reasonable amount of advertising and marketing for your juice bar.

10.03 For the protection of the *Sidewalk Juice* system, all of your marketing, promotion and public relations activities, including your participation in charitable events and donations you want to make to charities and other organizations, must be consistent with our image and must reflect favorably on *Sidewalk Juice* bars, products and the *Sidewalk Juice* system. Therefore, you must use our approved marketing vendors to engage in marketing activities, except for any types of marketing, promotion, public relations or other advertising that we agree in writing you may do independently. You also agree to submit to us prior to use copies of all marketing, promotion and public relations plans, material and programs you want to use or participate in and describe to us in what media your marketing will be published. You agree to advise us of the nature and the amount you plan to spend for each promotional, charitable or public relations event, item, donation and program and all other relevant information, including any further information we request.

10.04 You agree not to use any advertisement or material, implement any program or plan, participate in any event or make any donation without our prior consent, except to the extent we have provided you with the concerned item or have previously approved your program, plan, event or donation. Once we give you our consent, you agree to employ the advertisement, material, program, plan or make the donation only as we have approved.

10.05 (a) We will have 10 business days after you submit the information on your material, program, event, donation or plans in which to approve or disapprove the submission. We can extend this approval period for a reasonable time following the receipt of the requested information if we require additional information concerning the matter. If we do not disapprove your proposal within 10 business days after our receipt of the items, plus such additional time as we may reasonably require, the matter will be considered approved.

(b) For the protection of our trademarks and service marks, we have complete and absolute discretion in deciding whether to approve your marketing, promotion and public relations

material, plans, programs, events and donations and/or to require you to stop any such use even if we have previously approved it.

10.06 (a) If we develop any signs, point of purchase material, display material, brochures, handouts or other marketing or promotional material for use by *Sidewalk Juice* bars, you agree to purchase a reasonable amount of these materials and to use them as we require. We can mark up the cost of any of these items in a reasonable amount to pay for our development, administrative and handling costs.

(b) If we develop any material for display in *Sidewalk Juice* bars soliciting new *Sidewalk Juice* franchisees, you agree to display that material for the duration, at the location or locations and in the manner we require. You will not be compensated for displaying this material.

10.07 (a) You agree to follow all of our policies and procedures concerning your use of the Internet, other electronic media and any other media whether or not otherwise specified in this Agreement and whether that media now exists or may be developed in the future, including its use in connection with your marketing, promotions or other activities. Without our prior written consent, you agree not to use any of our names or marks, or any names or marks confusingly similar to them, in connection with any use you make of the Internet, in social media or in other media. If you are granted the right to use our proprietary property in connection with an Internet domain name for your *Sidewalk Juice* bar we must approve the manner of that use and the content of your web site in advance. At our election, we will register an Internet domain name relating to your juice bar for you so that we will be the owner of the name. If you register an Internet domain name, or its equivalent, that includes our proprietary property, or any names or marks similar to them, at our direction you agree to assign us all of your rights to that domain name at the time and in the manner we require.

(b) Upon the expiration or termination of this Agreement, any sites, domain names and all other identifying names, marks, symbols and other means of identification that you may have used in connection with your *Sidewalk Juice* bar will become our property and must be transferred to us in the manner we specify.

(c) Unless we agree otherwise, your exclusive presence on the Internet, and on or in any other electronic or alternative media, can only be on or through our Internet site and/or on or in such other media as we specify.

(d) Your Internet and other media presence, whether on our Internet site or otherwise, must have the appearance and contain the content that we periodically specify or otherwise approve.

(e) If we allow you to have your own Internet site, or if you have any other electronic or alternative media presence, you agree not to use, or authorize the use of, any means of referring to your site, such as by meta tags, links or other reference devices, without our prior written consent. In addition, your site or presence must not refer to or show the site of another, such as by the use of links or frames, without our prior written consent.

(f) If we have not then begun our Marketing Fund, we have the right to charge you a reasonable fee for the maintenance of our web site and/or any other media presence we maintain and on which your *Sidewalk Juice* bar is represented.

10.08 You agree to use any intranet, extranet and the like that we maintain for the internal use of our franchisees or their employees for information, reporting, training and other purposes, strictly in the manner we specify. You further agree not to inform any third person, other than those we may authorize in writing, how to access or derive information from our intranet, extranet or other nonpublic sites. The manner of accessing and obtaining information from these sites, as well as the information contained on such sites, are our trade secrets and are subject to the provisions regarding trade secrets and proprietary information set forth elsewhere in this Agreement.

10.09 You agree to send us copies of all articles, material mentions on the Internet, other publicity or other media exposure you receive, whether positive or negative, promptly upon becoming aware of it.

11. Records, Accounting, Audits, Trade Accounts, Security Interest and Late Charges.

11.01 (a) You agree that you will maintain a separate business bank account into which you will deposit all of the proceeds from the operation of your *Sidewalk Juice* bar and from which you will pay all of its expenses, including the royalties and Marketing Fund payments described above. You agree not to use that account for any other purpose.

(b) You agree to maintain current and accurate books, records, accounts, tax returns and all related back-up material showing the results of the operation of your *Sidewalk Juice* bar including all of the books and records that we list in our manuals and other directives. If we so require, you agree to use the chart of accounts and accounting software that we specify. You agree to maintain all such materials at your principal place of business unless we otherwise approve.

(c) You agree to retain all of your business records, including your business tax returns, sales tax reports and related back-up material for at least as long as required by law or 3 years following the end of the year to which the items pertain, whichever period is greater. You agree to make these records available to our representatives at your principal place of business at the times we may reasonably require.

11.02 (a) You agree at your expense to provide us with the reports and the other data we specify in our manuals and as we otherwise request. We can require data to be transmitted to us by telephone, electronically or by other means.

(b) You agree at your expense to send us a profit and loss (income) statement in the form we specify within 15 days after the end of each of your fiscal quarters and an annual balance sheet within 30 days after the end of your fiscal year. The reports can be made using the accounting method you use for reporting your income taxes.

(c) If you have repeatedly underreported your gross receipts or failed to provide the statements and reports required by this Agreement, we can require that your financial statements

be prepared by an independent certified public accountant at your expense. If we require that an independent certified public accountant prepare your financial statements, we will indicate on what basis those statements have to be presented, such as on a compilation, review or audited basis. We can change these requirements whenever we feel that it is necessary in order to get timely and accurate financial statements from you.

11.03 (a) We have the right to inspect and/or audit your books and records at any reasonable time at your juice bar or at such other location as may be mutually agreed upon between us.

(b) If the inspection or audit reveals an understatement of gross receipts for any reporting period in an amount of 3% or more or if an audit is necessary because you have not complied with the financial reporting or record keeping requirements of this Agreement, our manuals or our directives, you agree to pay the costs of the inspection or audit as soon as we advise you of those costs. These costs can include the costs and expenses we incurred for accountants, attorneys or any others with whom we have incurred costs in connection with the inspection and/or audit, as well as for the time our employees devote to the inspection or audit.

(c) Regardless of whether you have to pay the costs of the audit, you agree to pay all sums that are shown to be due because of any understatement of gross receipts or any other underpayment, plus any late charge that results from the nonpayment. If the inspection or audit shows an overpayment to us of any amount, the amount of the overpayment will be applied to the next amounts due to us.

(d) If we discover by inspection, audit or otherwise that you have intentionally underreported your gross receipts for any period in any amount or have underreported your gross receipts in the amount of 10% or more for any period, whether or not the underreporting was intentional, we have the right to terminate this Agreement in addition to having all of our other rights and remedies under this Agreement and those available to us under applicable law.

11.04 All amounts that you owe us that are past due shall be subject to a late charge in the amount of 1½% per month. If that amount is not allowed by applicable law, the late charge will be equal to the highest lawful interest rate on loans between businesses in the state whose law governs this Agreement.

11.05 Neither because we impose, nor because you pay, a late charge does that payment waive or otherwise affect any right or remedy that we have under this Agreement or under law because of the late payment.

11.06 Because it is very important that *Sidewalk Juice* bars have good trade relations with their suppliers so that we can try to get the best prices and service from them, you agree to pay your vendors, contractors and suppliers promptly. If you have a dispute with any of them, you agree to attempt in good faith to resolve the dispute promptly and fairly.

12. Insurance, Damage and Destruction

12.01 (a) Before you begin the construction of your *Sidewalk Juice* bar, you agree to procure, and while this Agreement is in effect maintain, commercial general liability insurance on the form we approve. Your insurance must cover your premises and operations, products and completed

operations, contractual liability, property damage and personal injury liability in the minimum amount of \$1,000,000.00 for each occurrence. This coverage may be obtained with a combined single limit for bodily injury and property damage. You must also obtain and maintain automobile liability insurance, including coverage for all owned, hired and non-owned vehicles, in a minimum amount of \$1,000,000.00 combined single limit for each accident.

(b) Your liability insurance policies must be written on an “occurrence” and not on a “claims made” basis.

12.02 You also agree to obtain and maintain throughout the term of this Agreement insurance on the improvements, furniture, fixtures, equipment, décor and the other physical assets of your juice bar. That insurance shall include fire and extended coverage insurance on a replacement cost basis, in amounts adequate to reconstruct, redecorate, resupply and reopen your juice bar in the event of a covered loss.

12.03 Your insurance policies must comply with the following requirements:

(a) Your insurance carrier must have and maintain a Best rating of at least "A-7" or its equivalent.

(b) Your insurance policies must not contain a coinsurance clause.

(c) The deductible portion of any claim or loss under any of your insurance policies cannot exceed \$2,500.00 without our prior written consent.

(d) Your insurance policies must be written as primary policies regardless of whatever other policies you carry or those carried by us, our licensor or our affiliates.

12.04 In addition to the insurance coverage described above, you agree to carry such other and additional insurance as may be required by the lease of your juice bar premises and that required by your lender or equipment lessor, if any. You also must carry workers’ compensation and employer’s liability insurance as required by law. Employer’s liability insurance shall be obtained in an amount of not less than \$1,000,000.00 per accident for bodily injury by accident and \$1,000,000.00 per employee for bodily injury by disease with a \$1,000,000.00 policy limit by disease.

12.05 We have the right to require from time to time that you carry different limits and/or different types of insurance coverage if we believe it is prudent in our reasonable judgment. You must comply with our requirements promptly upon receipt of written notice of any those requirements.

12.06 You acknowledge that the limits on your insurance policies do not limit your liability to us under the indemnification obligations of Section 13 below or your other obligations under this Agreement.

12.07 (a) You agree at your expense to name us, our licensor and those of our affiliates that we may specify and our and their officers, directors, members, shareholders and employees as additional insureds on all of your policies of liability insurance including your general liability, vehicle liability and umbrella liability policies.

(b) We can designate other entities and/or persons to be named as additional insureds on your insurance policies from time to time and you agree to include those persons or entities on your policies as long as you can do so at minimal expense.

(c) You agree to have your insurance carriers provide to each additional insured a certificate of insurance evidencing the required coverage.

(d) All of your insurance policies must specify that the insurance carrier will give 30 days prior written notice to each additional insured under that policy if the policy in which such persons or entities are named is to be canceled or not renewed.

(e) You agree to provide us with copies of those of your insurance policies that we request.

12.08 (a) If during the term of this Agreement all or part of your juice bar is damaged or destroyed by fire or other casualty, then, except as provided below, you must repair, restore or rebuild your juice bar to the extent allowed by, and in compliance with, the terms of your lease and applicable law.

(b) If you are allowed to rebuild your juice bar under the terms of your lease and by applicable law, the term of this Agreement will be extended for a period of time equal to the time your juice bar was closed due to the damage or destruction but not in excess of 12 months from the date of the damage or destruction.

(c) If your lease requires or permits you to repair or rebuild, all of the proceeds of any insurance payable on account of the damage or destruction must be used to pay for restoring your juice bar. The restoration of your juice bar must comply with our standards at the time for the construction of new *Sidewalk Juice* bars.

(d) To the extent prevented by circumstances beyond your reasonable control, except for your financial inability to proceed unless that is caused by a delay in the receipt of your insurance proceeds, you agree to begin the restoration of your juice bar within 90 days after the damage or destruction occurs and to proceed with the reconstruction and reopening of your juice bar with due diligence.

(e) If your lease permits you to terminate the lease because of the damage or destruction and you do so, this Agreement will end on the date your lease ends.

12.09 (a) If your juice bar, or the premises in which it is located, is taken in an eminent domain, condemnation, compulsory acquisition or similar proceeding for any public or quasi-public use or purpose or is sold under the threat of such an action, and if it is not feasible or prudent in our reasonable judgment to use any remaining portion for the operation of a *Sidewalk Juice* bar, this Agreement will end as of the date of the taking. In the event that this Agreement is terminated for this reason, you agree to pay us out of the compensation you receive as restitution for the taking, or from the proceeds of the sale, an amount equal to the payments required by Sections 9.02 and if applicable, 9.03 above, for the 12 months immediately preceding the date of the termination of this Agreement or the actual time your juice bar was open if it was open less than 12 months.

(b) If the taking is only partial and the remaining portion of your juice bar is sufficient in our reasonable judgment to continue the operation of your juice bar, you agree promptly to restore your juice bar to a condition adequate for the conduct of business, subject to the consents and approvals you are required to obtain from us as in specified in Section 6 above.

13. Relationship of the Parties; Indemnification.

13.01 Even though you will operate your juice bar under the *Sidewalk Juice* name, you are an independent contractor.

13.02 (a) Nothing in this Agreement or in our franchise relationship makes you our agent, partner or joint venturer. Similarly, we are not your agent, partner or joint venturer for any purpose.

(b) None of your employees are to be considered our employees and none of our employees are to be considered your employees for any purpose.

(c) You acknowledge that our licensor is a separate entity that it is not responsible or liable for our acts or omissions. If we have our licensor perform any services for us, it does so as an independent contractor. You hereby waive and release any claims you may have or later acquire against our licensor based solely on its relationship with us but not based on its own actions or inactions.

13.03 Neither of us is liable for the debts, liabilities, taxes, duties, obligations, defaults, compliance, intentional acts, negligence, errors or omissions of the other. You agree to do nothing that will give the impression to third parties that it is otherwise.

13.04 (a) Each of the parties to this Agreement guarantees that it will not intentionally do anything to give anyone the impression that our relationship is other than franchisor and franchisee.

(b) If you do anything or fail to act in any way that causes us or our licensor to be exposed to any liability or to incur any expense merely because of our relationship, you must indemnify and hold us and our licensor harmless against any liability, costs or expenses in the matter, including attorneys' fees, unless we or our licensor actually did something to participate in a significant manner in the conduct giving rise to the liability in which case the liability will be proportioned in an equitable manner.

(c) If you claim that we or our licensor did participate in the conduct giving rise to the liability and it is subsequently shown that we or they did not do so, you must reimburse us and our licensor for all costs, expenses and liabilities, including reasonable attorneys' fees, we and/or our licensor incurred to show that we and they did not participate in any significant way in the conduct or inaction that gave rise to the liability.

13.05 As used in this Section 13, "we" and "us" also means our and our licensor's officers, directors, shareholders, employees, members, agents and others for whose conduct we or they are responsible.

13.06 You agree to post, display, include and otherwise promptly use and maintain all signs and/or notices we specify, and any that are required by applicable law, indicating the status of the

parties and our relationship, including notices on stationery, business cards, signs, in marketing, promotional and public relations material and so forth.

13.07 (a) You agree to defend, indemnify and hold harmless us and our licensor, and our and their successors and assigns, against all losses, liabilities, damages, costs and expenses, including reasonable attorneys' fees, resulting directly or indirectly from, or in any way pertaining to, the design, construction, fixturing, decorating, stocking, use, occupancy, maintenance, repair, operation, sales, policies, procedures, practices, actions, hiring practices, personnel policies, employment practices and all other activities of your juice bar, including your intentional acts and negligence and those of your agents, officers, directors, partners, shareholders, members, employees and any others for whose conduct you are responsible. However, we shall be responsible for and will indemnify you against, any loss, costs or damage to the extent resulting from your compliance with our written policies, procedures and directives but only as long as you have fully complied with our requirements at the times and in the manner we require.

(b) You also are responsible for any loss, damage, cost and expense, including attorneys' fees, that arise out of the representations you made or you were required to make but failed to make in obtaining this franchise.

(c) The foregoing indemnity provisions are not limited by the insurance requirements of Section 12 above or by any other provisions of this Agreement.

13.08 If we ever learn about a matter against which you have indemnified us, we will notify you about it and you agree to defend us against it. However, if the claim is one that may affect more than one *Sidewalk Juice* bar, we can take over the defense of the matter with counsel of our choosing. In that case, you will be responsible for a pro rata portion of the costs and expenses involved in defending the matter, including attorneys' fees.

13.09 If you are defending us and/or another indemnified party in any action, you agree not to settle the matter until we and the other indemnified party or parties, if any, approve the terms of the settlement. You cannot commit us or any of the other indemnified parties to making any expenditure or taking or withholding any action as a part of any settlement without our and, if applicable, their prior written consent.

14. Use and Protection of the Licensed Commercial Symbols and Other Proprietary Property.

14.01 (a) All of the trademarks, trade names, service marks, logotypes, symbols, designs, patents, copyrights and/or other commercial property we license to you now and in the future are collectively referred to in this Section 14 as "the licensed intellectual property". Your use of the licensed intellectual property is nonexclusive. That means that, except as may be limited by this Agreement, we, our licensor and our affiliates can use and can license others to use, the licensed intellectual property in any manner and at any place.

14.02 (a) As of the date of this Agreement, you are licensed to use only those trademarks, trade names, service marks, logotypes, symbols and designs indicated on Exhibit C to this Agreement.

(b) All of the licensed intellectual property that you are permitted to use under this Agreement, whether presently licensed or that which may be licensed to you in the future must be used strictly in compliance with all of the terms and conditions of this Agreement, our manuals and our other directives.

14.03 In the event you become aware of any claim of infringement resulting from, or other challenge to, your use of any of the licensed intellectual property, you agree to notify us immediately of the facts concerning the claim or challenge. We have sole discretion as to what action to take, if any, regarding any claim or challenge concerning the licensed intellectual property. You agree to join as a party to any action concerning the licensed intellectual property or to allow an action to be brought solely in your name, but only when, as and if we so direct.

14.04 We will have sole control over each and every legal, administrative and other action of any type concerning the licensed intellectual property. In the event of any legal, administrative or other action concerning the enforcement or defense of our rights in the licensed intellectual property, we agree to bear the legal fees and court costs incurred in the handling of the matter.

14.05 We agree to pay all damages for which you are held liable in any proceeding involving your right to use the licensed intellectual property but only on the condition that you have used the licensed intellectual property in strict accordance with this Agreement, our manuals and our other directives, have promptly notified us of any challenge to your use of the licensed intellectual property and fully cooperate with us in the handling of any proceeding concerning the licensed intellectual property.

14.06 (a) We have sole discretion as to what legal, administrative or other action to take, if any, against any third person or entity making unauthorized use of the licensed intellectual property. You agree to cooperate fully with us in our handling of any such legal, administrative or other proceeding.

(b) If we elect to take legal, administrative or other action against a third party in any matter concerning the licensed intellectual property, you agree to join as a party to the action or to allow the action to be brought solely in your name, but only when, as and if we require. We will bear all legal costs in connection with that action.

14.07 (a) You agree to comply with our instructions if it becomes advisable at any time in our sole discretion to modify or discontinue the use of any of the licensed intellectual property.

(b) In the event we require you to discontinue the use of any marks, names and/or any other part of the licensed intellectual property, our sole obligation will be to reimburse you for your reasonable out of pocket costs in connection with that compliance but only to the extent that those costs are for the replacement of tangible items bearing the concerned names, marks, symbols and/or designs and provided that your compliance is in accordance with our directives, such as in the liquidation of existing supplies of distinctively marked materials, the disposition of signs, the replacement of marketing and promotion material and so forth. We will not be obligated to reimburse you for the replacement of any items bearing our names or marks as long as you have been given a reasonable time to use up items that are consumed in the normal operation of your *Sidewalk Juice* bar

business or to amortize the cost of items that are not capable of such use over a reasonable period of time.

14.08 You agree to use one or more additional trademarks, service marks, logotypes, names, slogans and/or other commercial symbols in connection with the operation of your juice bar if we so require. In that event, you agree to bear the cost of using those additional items.

14.09 (a) You agree to take no action that will interfere with our rights in the licensed intellectual property or its use by us, our licensor, our affiliates and/or by those we authorize to use it and those so authorized by our licensor or affiliates.

(b) You agree to make no application for registration or other protection of any of the licensed intellectual property or any items similar to them.

(c) You agree not to contest the validity or ownership of any of the licensed intellectual property or to assist anyone else in doing so.

14.10 If we so direct, you agree to give the notices, file the forms and take any other action we reasonably require in connection with your use of the licensed intellectual property.

14.11 In connection with your use of the licensed intellectual property, you agree to show all of the symbols and display all of the legends we specify indicating that any mark, name, logotype or symbol is a trademark, service mark, copyright or is otherwise subject to protection under the law and is owned by us or by our licensor or affiliates.

14.12 Since it is essential to the goodwill and operation of *Sidewalk Juice* bars that competing bars are not aware of and/or do not use, our trade secrets, including our recipes, marketing plans, supplier information, merchandising and promotional programs, financial data, operational practices and procedures and other proprietary information, you agree that if you have more than one *Sidewalk Juice* bar and you do not enter into a new Franchise Agreement for any of those bars when the Franchise Agreement applicable to it expires but are allowed by operation of law, or otherwise, to operate a business a principal activity of which is the sale of items of a type similar to those sold in *Sidewalk Juice* bars, in our sole and absolute discretion we can terminate your remaining *Sidewalk Juice* franchises without further obligation to you. These terminations will be considered terminations without default. In the event we terminate any of your franchises for this reason, you agree promptly to comply with all of the post-termination obligations set forth in Section 16 of this Agreement.

15. Transfers and Our Right of First Refusal.

15.01 (a) As used in this Section 15 the words “you” and “your” also mean anyone owning any interest in this franchise including anyone owning any interest in any entity having an ownership interest in this franchise.

(b) "Transfer" means any assignment, sale or other disposition, whether it occurs voluntarily or involuntarily, including the transfer, issuance or reacquisition of any shares or other ownership interest in, or the merger, acquisition, recapitalization, consolidation or other restructuring of, any corporation, limited liability company, partnership or other entity that owns any interest in this franchise or in the assets of your juice bar.

(c) In this Section 15, “this franchise” means this Agreement, the rights granted by this Agreement, any ownership interest in this Agreement or in any entity with any ownership interest in this Agreement or in your *Sidewalk Juice* bar or its assets.

15.02 You agree to notify us before you take any action to market this franchise or your *Sidewalk Juice* bar. You should provide us at that time with your plan for marketing this franchise including the means and methods you plan to employ in that regard and copies of any advertisements and materials you propose to use. You must obtain our consent to all of those advertisements and materials prior to their use, which consent will not be unreasonably withheld or delayed. The foregoing includes advertisements and notices you plan to place on the Internet or publish or distribute by any other means.

15.03 You only can transfer this franchise with our prior written consent. Any attempted transfer that we do not approve in advance is not binding on us and is grounds for the termination of this Agreement.

15.04 (a) In determining whether your proposed transferee is acceptable, we will consider, among other things, our standards at the time for new *Sidewalk Juice* franchisees including the net worth, creditworthiness, background, training, personality, reputation and business experience of the proposed transferee.

(b) We can disapprove the proposed transfer if, in our sole and absolute judgment, the sales price to be paid by the transferee or the other terms of the transaction are such that the transferee's successful operation of the franchised business may be jeopardized. You acknowledge that this provision is solely for our protection and is not intended to provide any assurance to the prospective transferee that our approval of the transfer in any way guarantees the transferee's success. You agree not to suggest anything to the contrary to anyone including your prospective transferee.

(c) Since you may disagree with our decision to disapprove your proposed transferee or the transfer transaction, you hereby waive and release us from any claims that our refusal to approve a proposed transfer is an unreasonable interference with your prospective advantage, is an interference with your contractual relations or otherwise gives you or the proposed transferee any kind of claim against us. We will not review the application of the proposed transferee if you do not agree to this waiver and release.

15.05 You agree that you will finalize a proposed transfer only when you receive our written approval of the prospective transferee and the transfer transaction and following our decision not to purchase the interest or property proposed to be transferred under our right of first refusal described below. The decision whether to approve the proposed transfer is within our sole and absolute discretion.

15.06 (a) You agree to follow the transfer procedures set forth in our manuals and other directives, to provide us with the documents and to perform the other duties regarding the transfer called for by our manuals or directives.

(b) You agree that we can require that the closing date of the transfer be delayed for a reasonable time to allow us to perform our duties concerning the transfer.

15.07 So that we can review your proposed transferee's qualifications, your proposed transferee must submit an application in the form we specify. Until all of the information we reasonably request is provided, we are not obligated to take any action on the application of the proposed transferee. We will review the application and, if we so desire interview the proposed transferee, within a reasonable time and advise you whether your proposed transfer has been approved.

15.08 (a) Except as provided below, if we approve your proposed transferee, you must pay us as a transfer fee an amount equal to 50% of the initial franchise fee we are charging at the time for new *Sidewalk Juice* single bar franchises of the type you are transferring.

(b) If the proposed transferee is an existing *Sidewalk Juice* franchisee, rather than paying 50% of the then-current initial franchise fee, the transfer fee will be equal to 25% of the initial franchise fee we are charging at that time for new single bar franchises. If the transferee is an existing *Sidewalk Juice* franchisee, we will not be required to provide any services in connection with the transfer. However, if in our discretion any such services are required, you or the transferee must reimburse us for any costs that we incur in connection with the transfer including any training we require the transferee to undertake and travel, lodging and related costs involved in any visits to juice bar that we make related to the transfer.

(c) If no new *Sidewalk Juice* franchises are being offered at the time of the transfer, the amounts referred to above will be based on the initial fee that was being charged to new *Sidewalk Juice* franchises at the time we stopped granting new franchises, adjusted by any increase in the Consumer Price Index as described in Section 21 below, between the date we stopped offering new franchises and the date of the transfer.

(d) If more than one *Sidewalk Juice* bar is being transferred at the same time to the same transferee as part of the same transaction, and if the transferee is not then a *Sidewalk Juice* franchisee, the transfer fee will equal 50% of our then-current initial franchise fee for the first bar being transferred and 25% of that fee for each additional bar being transferred.

(e) The required payments must be made within 10 days of when we notify you that we have approved the transferee and the transfer transaction or our approval can be withdrawn. We will not schedule any required training of your transferee until this payment is made.

(f) If you notify us that the proposed transfer transaction has been terminated before your proposed transferee has started our training course, we will refund the transfer fee, less any amounts we have expended in connection with the proposed transfer, including a reasonable allowance for the time our employees have spent in connection with the proposed transfer.

(g) If you own any existing *Sidewalk Juice* bars as well as the right to open additional *Sidewalk Juice* bars, you must transfer both your juice bar or bars and your remaining rights to the same transferee unless we agree otherwise at the time. Your transferee must agree to pay the balance of the franchise fees due for remaining bar or bars as required by this Agreement.

15.09 We can require the proposed transferee to complete our training course, or such parts of it as we specify, to our reasonable satisfaction as a condition of our approval of the transfer. If the transferee is required to undertake all or part of our training course and does not complete it to our

reasonable satisfaction, you may not complete the transfer, the proposed transferee will have no further rights and we can retain the transfer fee without refund.

15.10 (a) Before you close any transfer transaction, you and the transferee must sign the transfer documents we require. We can condition our approval of the transfer on your agreement to any terms we feel are necessary to insure that the transferee performs his or her duties under the Franchise Agreement that is signed in connection with the transfer. These terms can include requiring you to subordinate or defer any debt that you take back on the transfer to the transferee's faithful performance of the duties called for in the Franchise Agreement that is signed in connection with the transfer.

(b) Before you complete the transfer you agree to sign a general release of all claims against us, our licensor, our affiliates and our and their officers, directors, members, shareholders, employees, agents and any others with whose conduct we and they are chargeable. The form of release we currently use is attached to this Agreement as Exhibit E.

(c) If a transfer results in the change in the managing agent, the provisions of Section 8.17 of this Agreement concerning the appointment of a successor managing agent will apply.

15.11 (a) If any transfer results in the cumulative transfer of over 50% of the ownership of the original owner or owners of this franchise or the ownership interests of the original owner or owners of any entity that owns a majority interest in this franchise, as a condition of our approving the proposed transfer we can require that the person who, or entity which, will own this franchise to sign the Franchise Agreement we are using for new *Sidewalk Juice* franchisees at the time of the transfer even if there is no change in any entity that owns this franchise.

(b) Even though a new Franchise Agreement may be signed, the term under the new agreement, and your Multiple Unit Opening Schedule if applicable, will be as set forth in this Agreement unless we agree otherwise at the time.

15.12 We can request that you guarantee the obligations of your transferee under the transferee's new Franchise Agreement. You can decline to provide us with this guaranty but we can consider the absence of such an undertaking in deciding whether to approve the transfer. The form of Continuing Guaranty we currently use is attached to this Agreement as Exhibit D.

15.13 As a condition of our approvals, we can require the transferee to update the bar to comply with our standards at the time. We will advise your prospective transferee of what we will require in that regard at the time we approve the transfer.

15.14 (a) You can make a transfer to a corporation, limited liability company or other entity, wholly-owned by those who own the franchise before the transfer without our consent, payment of fees or signing a new Franchise Agreement. This type of transfer will not give us the right to exercise our right of first refusal or require you to upgrade your juice bar as in the case of other transfers. You must transfer the assets of your juice bar to that entity at the time you transfer this Agreement to it.

(b) In the case of a transfer of the type described in subsection (a) above, those owning the entity to which this franchise is transferred agree:

- (i) They will own the entity in the same proportion as they currently own the franchise.
- (ii) They are personally responsible for the entity's performance of the terms of this Agreement and any other agreements between us to the extent they were so prior to the transfer.
- (iii) They will sign the forms we require reflecting their obligations including personal continuing guarantees of the obligations of the new entity.
- (iv) The share or ownership certificates of the entity will contain a notice that there are restrictions on the transfer of the concerned ownership interest which are described in Section 15 of this Agreement.

(c) If for any reason we are not notified before the transfer, the failure of the owners of the entity to which this franchise is transferred to sign the documents we require will not affect their personal liability for the obligations of that entity.

15.15 (a) You must notify us at or before the transfer if a proposed transfer is only among the original owners any entity owning this franchise. If the transfer does not result in the cumulative transfer of over 50% of the interests of the original owners of the concerned entity, the transaction will not be considered a transfer subject to the provisions of this Agreement and you need not obtain our approval prior to the transfer, we will not charge any fees in connection with the transaction, a new Franchise Agreement will not have to be signed, we will not exercise our right of first refusal and we will not require an upgrade of the juice bar. If the transfer is over 50% of the ownership of the original owners on a cumulative basis, that will be considered a transfer under this Agreement. If the transferor retains less than 50% of the entity after the transfer, the transferor must sign a release of all claims against us, our licensor, our affiliates and their officers, directors, shareholders, partners, members and other others with whose conduct any of the foregoing are chargeable. The form of release we currently use is attached to this Agreement as Exhibit E.

(b) If the transferee previously owned less than 50% of the interests in this franchise and after the transfer owns more than that amount, the transferee must complete our training course to our reasonable satisfaction prior to the transfer, if they have not already done so. We can charge our training fee if training of the transferee is required.

15.16 You do not have the right to grant a subfranchise or to franchise, license or otherwise permit anyone else to use any of the licensed assets other than allowing your employees to use the things we authorize them to use in the normal course of your business.

15.17 We can transfer this Agreement in whole or in part without your consent. However, we agree that any such transfer will not interfere in a material manner with your receipt of the benefits granted to you by this Agreement.

15.18 (a) Other than as described above, when there is a proposed transfer, you agree to notify us of its terms and conditions. You agree to tell us what interest is proposed to be transferred, the purchase price or other consideration that is to be received, any credit or financing terms that are

being offered by the proposed transferor, the date the proposed transfer is to close and all other pertinent information concerning the transaction. In addition, you agree to send us a copy of any contract, agreement, memorandum of sale, deposit receipt, letter of intent and the like, concerning the proposed transfer as soon as it is signed. You also agree to inform us promptly of any changes in the terms of the proposed transfer prior to its completion.

(b) After we receive all of the information and documents that we need concerning the proposed transfer, we will have 14 days within which to advise you whether we want to have the interest proposed to be transferred assigned to us on the same terms and conditions. However, we have the right to substitute equivalent cash for any noncash consideration that has been accepted.

(c) If we decide to purchase the interest proposed to be transferred, the transferor or transferors must cooperate with us to complete the transfer as agreed. However, we can extend the date for the completion of the transfer for up to 30 days beyond the date originally scheduled for the closing in order to allow the completion of the transaction in a manner more convenient to us.

(d) After we notify you that we have decided not to purchase the concerned interest, or following the time within which we could have exercised our right of first refusal, if there are any material changes in the terms of the proposed transfer, you agree to notify us in writing promptly of those changes. We will have 10 days after we receive that notice within which to decide whether to purchase the interest being transferred on the revised terms and conditions. "Material changes" are those that may reasonably tend to influence us in making our decision whether to exercise our right of first refusal.

(e) If the proposed transfer is not completed for any reason within 60 days after we notify you that we have decided not to purchase the interest proposed to be transferred, or if we have not given you that notice within the time required, a new right of first refusal begins as to the transaction as well as to any subsequent proposed transfers.

(f) If the proposed transfer involves more than 50% of the ownership of this franchise or of any entity that owns a majority interest in this franchise and we want to purchase the interest or interests being transferred, we have the right to require those who would hold the resulting minority interests to transfer their interests to us at a price proportionate to the price we are paying for the majority interest that we are buying. We will purchase the minority interest at the time and in the manner that we complete the purchase of the majority interest. At any time at our request, you agree to have all minority owners sign a document agreeing to our right to make such a purchase.

(g) If we decide not to purchase the interest proposed to be transferred, the transfer can be completed on the terms and conditions proposed but only after we have approved the transferee, the terms of the transfer and the transferor and transferee have satisfied all of the other transfer requirements of this Section 15.

15.19 (a) An interest in this franchise is transferable by will or by intestate succession upon the death of the owner of that interest. Also transferable by will or by intestate succession is any interest the owner may have in any entity that owns any interest in this franchise.

(b) If the owner of any interest in this franchise or in any entity with any interest in this franchise is determined by a court of competent jurisdiction to be legally incompetent, his or her court-appointed guardian can transfer this franchise or the concerned interest.

(c) A transfer because of death or legal incompetence is subject to all of the conditions and requirements concerning transfers described in this Section 15. As such, among other things, prior to the transfer we must approve the potential transferee, and if the appropriate conditions apply, the transferee must satisfactorily complete our training course, the transfer fee described above must be paid, the transferee must sign an updated Franchise Agreement and our right of first refusal applies.

15.20 (a) If we do not approve a potential transferee by will or intestate succession who would otherwise take this franchise or an interest in any entity owning any interest in this franchise, the concerned estate can sell this franchise or the concerned interest to a transferee acceptable to us within 6 months after our disapproval of the original proposed transferee. If an approved transfer of this franchise is not completed within the 6 month period, we have the right to terminate this Agreement.

(b) During any period following the death or incapacity of an owner of this franchise or an owning entity, the operator of the business must continue to comply with the terms of this Agreement and must run the business as this Agreement requires. This compliance is not excused or reduced because of the concerned death or incapacity.

15.21 (a) If in our reasonable judgment, the *Sidewalk Juice* bar is not being operated in accordance with this Agreement during any period following the death or incapacity of an owner, we can, but are not obligated to, take over the operation of the juice bar for the account of the owner's estate and can deduct from the proceeds of the bar's operation, including the payment of wages and any other expenditures required by law, any amounts we incur in the operation of the business. This includes any transportation, lodging, living expense, salaries and benefits of those we employ to operate the bar during this period. If the proceeds are inadequate to cover those costs and expenses, the estate must promptly reimburse us for any shortfall.

(b) If we do take over the operation of the bar under these circumstances, we can discontinue our operation of the bar at any time and turn it back to the concerned estate's personal representative.

(c) Our operation of the bar will not forgive any violation of this Agreement occurring before or after the period during which we operate the bar.

(d) You agree that we will not be liable for any losses occurring during any period that we operate the bar unless we are guilty of gross negligence or willful misconduct in the operation of the juice bar.

15.22 (a) If an owner of this franchise or of any entity with an ownership interest in this franchise is ordered, or if that owner agrees, to transfer all or any part of the owner's interest in this franchise, the concerned entity or in a substantial portion of the assets used in the juice bar, to the owner's spouse, domestic partner or their equivalent, that order or agreement will constitute a proposed transfer of this franchise and will cause the transfer to be subject to all of the terms and conditions concerning transfers described in this Section 15.

(b) If we approve the transfer and the person to whom the transfer is being made has completed all necessary training, has been active in the operation of the bar and the bar has been in compliance with this Agreement for at least one year prior to the transfer, we will not require the transferee to complete further training, sign a new Franchise Agreement, update the facility, except as otherwise specified in this Agreement, nor will we charge a fee in connection with the transfer. However, the transferee must reimburse us for any costs we incur in connection with the transfer, including an allowance for the time of our employees, such as in visiting the bar to confirm compliance with this Agreement. All of the other conditions concerning a transfer set forth in this Section 15 will apply in these circumstances except our right of first refusal if the proposed transferee has been active in the operation of the business for a reasonable period prior to the transfer.

(c) If we do not approve the transfer, we have the right to terminate this Agreement and also have the right to purchase some or all of the physical assets of the bar at their fair market value as described in Section 16.08 below.

16. Defaults, Cures, Termination and Remedies.

16.01 In addition to any other provisions of this Agreement that give us the right to terminate this Agreement without an opportunity for you to cure a default, we can terminate this Agreement without giving you notice or an opportunity to correct the concerned condition of default under any of the following circumstances:

(a) If you or any entity with any interest in this franchise is declared bankrupt or judicially determined to be insolvent, if all or a substantial part of your juice bar assets or property or that of the concerned entity is assigned to or for the benefit of any creditor or creditors or if you or the concerned entity admit an inability to pay debts as they become due;

(b) If we mutually agree in writing to terminate this Agreement;

(c) If you or the owner of any interest in any entity that owns any interest in this franchise has made a material misrepresentation relating to the acquisition of this franchise or if you or any such owner engages in conduct that reflects upon the operation and/or reputation of *Sidewalk Juice* bars in a materially adverse manner;

(d) If you fail to comply with any material federal, state or local law or regulation applicable to the operation of your juice bar and fail to cure the violation within the time period allowed for the cure following notice of the violation;

(e) If during any 12 month period you receive 3 or more notices of valid defaults under material provisions of this Agreement even if the defaults are cured within the time periods allowed in the notices;

(f) If your juice bar, this Agreement or a material portion of your juice bar property is seized, taken over or foreclosed by a government official in the exercise of his or her duties or seized, taken over or foreclosed by a creditor, lienholder or anyone else, whether by foreclosure, attachment or otherwise and the property is not restored to you or the concerned entity within 5 days of the foreclosure, attachment, execution or seizure or if any judgment against you or the concerned entity remains unsatisfied for at least 30 days unless an appropriate appeal bond has been filed;

(g) If you or any partner, officer, director, shareholder, member or owner of any entity that owns any interest in this franchise is convicted of a felony of any type or any other criminal misconduct that is relevant to or reflects adversely on your juice bar or the *Sidewalk Juice* system;

(h) If you fail to pay any fees, charges or other amounts due to us, our licensor or any of our affiliates when they are due, but in any event within 5 days after receiving notice that such fees, charges or other amounts are past due;

(i) If we make a reasonable determination that continued operation of your juice bar will result in an imminent danger to public health or safety;

(j) If you fail to maintain the insurance coverage required by this Agreement or do not provide us with the required certificates of insurance within 5 days after notice of that failure;

(k) If you abandon your juice bar by failing to operate it for 5 consecutive days during which you are required by this Agreement to keep the bar in operation or if you fail to operate it for any lesser period after which under the facts and circumstances it is not unreasonable for us to conclude that you do not intend to continue its operation unless that failure is caused by fire, flood, earthquake or other similar cause beyond your control but not because of your inability to operate the business, whether financial or otherwise, or if at any time you expresses an unwillingness or inability to go forward with any of your obligations under this Agreement; or

(l) If you disclose or use any of our trade secrets, other proprietary information or intellectual property except as permitted by this Agreement.

16.02 (a) In addition to the grounds for immediate termination set forth in Section 16.01 above, we can, in our sole and absolute discretion, terminate this Agreement immediately if you violate any other agreement between us or any agreement between you, our licensor or any of our affiliates, including any other Franchise Agreement between us, and that violation is not cured within the time period allowed by the concerned agreement.

(b) If your right to occupy your business premises is lost because of your default under your lease, we can terminate this Agreement without giving you the right to seek a new location.

(c) If the term of your lease expires, or if your right to possession of your business premises is otherwise lost without you being at fault, we will not terminate this Agreement as long as you relocate and reopen your *Sidewalk Juice* bar at a location and under occupancy terms we find acceptable within 90 days from the date on which your prior lease terminated. The provisions of Sections 5 and 6 above and the other provisions of this Agreement, apply to the relocation of your *Sidewalk Juice* bar including the payment of our relocation fee.

(d) If this Agreement is terminated because you are unable to relocate your juice bar but we are satisfied that you have made a good faith effort to relocate and have not refused to accept any new site that we have found for you, the termination of this Agreement will not be deemed to be a termination because of a default and the liquidated damages provisions of subsection 16.13 of this Agreement will not apply.

16.03 (a) If you have committed a violation of this Agreement and that violation does not result in the immediate termination of this Agreement, you must correct the default to our reasonable satisfaction within 20 days after we give you notice of the condition that constitutes the violation and the corrective action that you must take in order to cure the default, if any corrective action is possible. If the violation is something that can be corrected within a reasonable time and more than 20 days are reasonably required to cure the violation, we will give you the additional time that we feel is reasonably necessary to cure the default. However, you agree to start your corrective action within the 20 day period and proceed with the cure diligently to its completion.

(b) If you do not correct a default under this Agreement within any time period allowed for its cure, we can terminate this Agreement by giving you a notice of termination sent in accordance with Section 20 below. The termination will be effective at the time described in Section 20 whether or not you actually receive the notice.

(c) If applicable law requires that we give you more than 20 days to cure the default, you will have the time period required by law within which to correct the default. See the State-Specific Addendum below for the details of any such requirements.

16.04 If we decide not to enforce, or are prevented by law from enforcing, any of the immediate termination provisions of Sections 16.01 or 16.02 above, the provisions of subsection 16.03 will apply to the concerned default.

16.05 If you maintain that we have committed a violation of a material term of this Agreement, you agree to give us written notice of the claimed default. We must correct any actual default within 20 days after you have given us notice of the condition that constitutes the violation. If the default is of such a nature that more than 20 days are reasonably required to cure the violation, we will have the additional time that is reasonably necessary to cure the default. However, we agree to start our corrective action within the 20 day period and proceed with the cure diligently to its completion. If we do not cure the default within the designated time period, you can pursue all rights that you have under applicable law.

16.06 (a) Upon the termination of this Agreement for any reason, including its expiration at the end of its term, you must, without delay:

- i) Bring all accounts with us, our licensor and our affiliates current;
- (ii) Stop using our trade names, trademarks, service marks, logotypes, commercial symbols, trade dress, designs, patents, copyrighted items, recipes, proprietary techniques, confidential information, trade secrets, proprietary material and other intellectual property;
- (iii) If we have notified you that we do not intend to purchase the juice bar from you as described in Section 16.08 below, and you are allowed to continue in a similar business at your location, you must discontinue the use of any color schemes, interior and exterior decoration, signs, displays, marketing and promotional material and all other items that are distinctive to *Sidewalk Juice* bars and redecorate the bar so that it will be distinctly different from a *Sidewalk Juice* bar. In this regard,

at our direction you agree to remove at your own cost and expense all distinctive furniture, décor, equipment, trade fixtures and other items, reasonably associated with *Sidewalk Juice* bars. You also agree not to use any other furniture, fixtures; décor, recipes, uniforms, menus or other items identifiable with *Sidewalk Juice* bars;

- (iv) At your expense, send us all of our manuals and all other material that you obtained from or through us or that you received by virtue of being a *Sidewalk Juice* franchisee;
- (v) Obtain a new telephone listing and telephone number and at our election and in the manner we specify, assign your previous telephone listing and telephone number, as well as all Internet-related addresses and other items to us or to any other person or entity we designate;
- (vi) Cancel any fictitious business name or equivalent registrations and all listings and uses, including on the Internet and on social media, indicating that you are in any way affiliated with *Sidewalk Juice* bars; and
- (vii) Notify all of your suppliers, customers, utilities, landlords, creditors and concerned others, including those with which you have placed advertisements, that you are no longer affiliated with *Sidewalk Juice* bars.

(b) You also agree not to identify yourself, any entity that owned any interest in this franchise and any present or future business in which you may have an interest, as having been associated with *Sidewalk Juice* bars. This provision will not prevent you from responding honestly to inquiries about your employment history but, rather, is intended to prevent you from indicating your former affiliation with us to the public.

16.07 (a) Until you have completed all of the duties described in Section 16.06 above, you agree to pay us on a monthly basis an amount equal to the monthly average of the royalty and Marketing Fund fees you were required to pay over the 12 month period just prior to the termination or expiration of this Agreement. This obligation does not permit you to continue to use our names, marks, trade dress, bar format, manuals, recipes, intellectual property or proprietary material or information or to carry any merchandise which is identified in any way with *Sidewalk Juice* bars.

(b) In addition to the amounts due under subsection 16.07(a), if you do not return our manuals and other materials within 10 days of the termination or expiration of this Agreement, you agree to pay us \$50.00 per day for each item you have not returned until all such items are returned to us. If you have not returned our material after 30 days following the end of this Agreement, you agree to pay us immediately upon the conclusion of the 30 day period \$250.00 per item per day. Even if you pay any or all of these amounts, you are not allowed to disclose the contents of our manuals and other proprietary material to third parties or to use them for any purpose since our manuals and

materials constitute our trade secrets and have their own value independent of our franchise and the operation of our juice bars.

16.08 (a) Upon the termination of this Agreement for any reason, including its expiration at the end of its term, we have the right to purchase from you any or all equipment, decor, furniture, fixtures and any or all other tangible property used in the operation of your *Sidewalk Juice* bar. If we so choose, you agree to sell us your entire *Sidewalk Juice* bar and assign us your right to occupy the bar's premises.

(b) We will pay you the fair market value of the physical assets we purchase from you. The fair market value of the items is to be determined as of the date this Agreement came to an end without any allowance for any claimed going business value, goodwill or any other intangible asset and without consideration that the bar is or was a *Sidewalk Juice* bar.

(c) We will notify you whether we will purchase some or all of the assets of your *Sidewalk Juice* bar during the period from 60 days before to 30 days after the termination, cancellation, expiration or nonrenewal of this Agreement. If we give you this notice, you agree to meet with us promptly to try to agree on the fair market value of the assets we propose to purchase.

(d) If we cannot agree on the fair market value of the assets we propose to purchase within 20 days after we give you notice of our desire to purchase those assets, we each must appoint a professional business appraiser each of whom will separately determine the fair market value of the concerned assets. The appraisers will be instructed to make and deliver their appraisals to us both within 20 days of their appointment. If we cannot agree on the fair market value of the concerned assets within 10 days of the delivery of the appraisals, the two appraisers will be instructed to appoint a third party arbitrator who will be instructed to pick within 20 days after his or her appointment which of the appraisals he or she deems to be closest to the fair market value of the concerned assets and that value shall then be the purchase price of the assets. The arbitrator can hold such hearings as he or she may determine to assist at arriving at a decision. Each of us will bear the cost of our own appraiser, attorneys and expert witnesses and shall divide equally the cost of the third party arbitrator and any expert witnesses called exclusively by the third party arbitrator. If either of us fails to appoint an appraiser within the required time period, the determination of fair market value by the single appointed appraiser shall be the purchase price.

(e) Once the fair market value of the assets we propose to purchase has been determined, either by agreement or as set forth in subsection (d) above, we each agree to enter into a standard purchase and sale of assets agreement within 10 days after the purchase price has been determined. If we have not entered into such an agreement within 20 days after the purchase price is determined, we can set the terms of the agreement and it will be deemed complete and binding whether or not the agreement is signed by either or both of us. Unless we mutually agree otherwise, we will have the right to allocate the purchase price among the assets we purchase and will pay any resulting sales tax on the transaction. We will divide equally any escrow fees and any costs related to searching for liens and encumbrances on the assets we are purchasing, including those on the real property on which your juice bar is located if we are taking over the occupancy of the premises. You will be responsible for prompt compliance with any applicable bulk sale, or equivalent, law and will bear the costs of that compliance. Each side will bear its own attorneys' and other fees in the determining the terms of the purchase and sale transaction.

(f) Transfer of the assets we purchase will occur not later than 20 days after the purchase and sale agreement is completed or upon completion of compliance with any applicable bulk sale law unless the purchase and sale agreement states otherwise.

(g) Unless we otherwise agree in writing, our election to purchase some or all of the assets of your *Sidewalk Juice* bar and the purchase procedure set forth above, will not extend the term of this Agreement, will not waive or cure any default that has resulted in the termination of this Agreement, nor will it extend any period within which you have had the opportunity to correct any condition of default.

(h) If we elect to purchase any or all of the physical assets of your juice bar as described above, we will pay you the purchase price for those assets in a lump sum at the closing of the transaction. We can reduce the purchase price by any amounts you owe us, our licensor or any of our affiliates and any of your indebtedness that we assume as part of the purchase price.

16.09 (a) Upon the termination of this Agreement for any reason, including its expiration at the end of its term, we have the option to have you assign your lease to us. If we do so, you will not be entitled to any compensation on account of the transfer.

(b) If we require an assignment of the lease, you agree promptly to bring the premises into full compliance with the requirements of the lease and with all laws, statutes, ordinances, rules, regulations, orders and the like, applicable to the premises. You also agree to bring all accounts with and other obligations to, the lessor, sublessor, etc. current as of the date on which we take over the premises.

(c) If we assume the lease, you agree to indemnify us against all losses and costs attributable to the period of your possession of the premises. Following our taking over possession of the premises, we agree to indemnify you against all losses and costs attributable to the period of our possession of the premises, except to the extent that any of those losses or costs are the result of any of your obligations, actions or inactions.

(d) If we are notified by the lessor, sublessor, etc. any time after we take over the lease that you have overpaid any costs or expenses attributable to your period of occupancy, we will refund those amounts to you to the extent that we have gained the benefit of those overpayments, such as by receiving credits for future payments we are required to make under the lease. To the extent you have underpaid any costs or expenses attributable to your period of occupancy, you agree to pay us those amounts promptly upon being notified of the basis for owing them and the amount due.

16.10 In addition to the remedies set forth in this Agreement, in the event of your default we will have all other remedies available to us at law or in equity.

16.11 Any creation or increase in the value of any goodwill associated with the trademarks, service marks, logotypes, symbols and any other intellectual property we have licensed to you that you claim resulted from your operation of your *Sidewalk Juice* bar belongs to us and you hereby assign any such increase to us without cost. Therefore, upon the termination, nonrenewal or expiration of this Agreement for any reason, no payment is due to you on account of any goodwill, going business value, lost equity or for any other intangible assets claimed to have resulted from your operation or ownership of your juice bar or otherwise.

16.12 All of the provisions of this Agreement that apply by their terms or by implication after this Agreement ends will survive the termination or expiration of this Agreement.

16.13 (a) If this Agreement is terminated because you default, we will lose your royalty and Marketing Fund fees as well as the goodwill we would have received from your operation of the bar before the scheduled expiration of this Agreement. Therefore, since the extent of the actual loss to us that will occur for these reasons will be extremely difficult to determine, if this Agreement is terminated because you default, you agree pay to us in equal monthly installments an amount equal to the monthly royalty and Marketing Fund fees that would have become due following the termination of this Agreement as defined below. The monthly payments shall begin on the first day of the month following the month during which this Agreement was terminated and shall continue until we have established another company-owned or franchised *Sidewalk Juice* bar within your protected territory.

(b) The term "the monthly royalty and Marketing Fund fees that would have become due" means an amount determined by taking your gross receipts for the 12 months immediately before the date of termination, applying the royalty and Marketing Fund rates called for by this Agreement to your gross receipts and dividing that number by 12. If your *Sidewalk Juice* bar has been open less than 12 months prior to the termination of this Agreement, the actual gross receipts of the bar for the time it was open, annualized as appropriate, is to be used in the concerned calculation.

(c) If this Agreement is terminated because you default before your juice bar opens for business, we can use the gross receipts of a *Sidewalk Juice* bar we reasonably consider to be equivalent to your juice bar as the basis for the foregoing calculation.

16.14 After you have satisfied all of your payment and performance requirements following the termination or expiration of this Agreement, we both agree to sign a mutual release that will relieve us both from further liability to each other except for the continuing obligations described in this Agreement that apply following the termination or expiration of this Agreement, such as your promise not to use or reveal our trade secrets and your agreement not to compete with *Sidewalk Juice* bars for the period and in the areas described in Section 17 below.

17. Covenants Not to Compete.

17.01 You agree that as long as this Agreement is in effect you will not be an owner, employee, consultant, officer, director, shareholder, member, partner or otherwise participate in or own a business or any interest in any entity that owns a business at any location a principal activity of which is the sale of items similar to those sold in *Sidewalk Juice* bars.

17.02 (a) Except as otherwise provided in this Agreement, you agree that for 2 years following the expiration, termination, nonrenewal or transfer of this Agreement you will not be an owner, employee, consultant, officer, director, shareholder, member, partner or otherwise participate in or own a business or any interest in any entity that owns a business a principal activity of which is the sale of non-generic items of a type similar to those provided by *Sidewalk Juice* bars within the area that was granted to you as a protected territory or within 5 miles of any *Sidewalk Juice* bar then existing or one that is under construction.

(b) The foregoing prohibition will not apply to your passive ownership of 5% or less of the shares in a public corporation regardless of the nature of its business.

17.03 You agree that at no time will you or any person or entity over whom or which you have control make any unauthorized disclosure or use of our trade secrets, intellectual property or other proprietary material, including the contents of our manuals, any financial information concerning any *Sidewalk Juice* bar or the *Sidewalk Juice* system, and any other proprietary information which you obtained from or through us or in connection with the operation of your *Sidewalk Juice* bar.

17.04 You agree not to attempt to persuade or induce any of our employees, the employees of our licensor, those of our affiliates or the employees of any other *Sidewalk Juice* franchisee to leave their employment during the term of this Agreement, any renewals or extensions hereof and within one year thereafter.

17.05 You agree that the foregoing covenants survive the expiration, termination, nonrenewal or transfer of this Agreement and that they will apply whether this Agreement terminated at the end of its term, by the default of either party or for any other reason.

17.06 If a court or arbitration tribunal determines that the foregoing covenants cannot be enforced as written in the jurisdiction in which your juice bar is located, the court or arbitration tribunal is hereby authorized to alter the terms of the covenants to the extent required to permit the covenants to be enforced to the greatest extent possible in the concerned jurisdiction.

18. Dispute Resolution

Mediation

18.01(a) If there is ever a dispute or claim between us, our licensor and/or our affiliates related to this Agreement, its interpretation, inducement or breach, except those involving the validity or infringement of the trademarks, trade secrets, intellectual property or other proprietary property licensed to you under this Agreement, before taking any further action the parties agree to refer the matter to mediation pursuant to the rules of JAMS at its office in or nearest to the city in which our main business office is located at the time. You agree to attend or to have a member of your senior management attend the mediation on your behalf. You agree that the person who attends the mediation will have the authority to settle the dispute on your behalf.

(b) Unless we both agree otherwise at the time, the mediation will be limited to one day with the costs of the mediation divided equally between us. If any party that is required to attend the mediation refuses to attend and participate in good faith, that party will be responsible for the costs incurred by the other party or parties in connection with the mediation, including the costs of any action to compel attendance at a subsequent mediation, reasonable attorneys' fees, mediation charges for the original and subsequent mediation, travel and living costs and so forth.

(c) We both agree that no legal or other action will be filed, except as permitted below, prior to the completion of the foregoing process unless a party refuses to participate in the mediation process. If a party does refuse to participate in the mediation, either expressly or by any other action

or inaction, that party agrees not to bring an action of any type on his, her or its claims until after it gives at least 14 days prior written notice to the other party of his, her or its intent to bring such an action in order to permit the other party or parties to seek to enforce the mediation provisions set forth above.

Jurisdiction and Venue

18.02 (a) We both agree that the venue for any dispute resolution proceedings involving us, our licensor, our affiliates, this Agreement, our relationship, your *Sidewalk Juice* business or any related transactions, including the inducement and/or execution of this Agreement, the performance of any party to this Agreement or lack thereof, the inducement and/or execution of any other agreement between us, our licensor and/or our affiliates, the performance of any party to such other agreement or lack thereof or any action involving anyone owing us a duty by virtue of this franchise will be in the county in which our main business office is located at the time such action is instituted. You agree to submit to the jurisdiction of the courts located in that county. You agree that any process issued by those courts will be effective when delivered to you as though you were present in that county at the time of delivery. If service of process cannot be made on any party after commercially reasonable efforts are made to do so, service may be made by notice of other similar method as allowed by applicable law.

(b) Any action concerning the validity or infringement of the Marks licensed to you under this Agreement may be brought only in the federal court serving the district in which our main business office is located at the time of the action if its jurisdictional requirements are otherwise met.

Attorneys' Fees and Costs

18.03 In the event any party to this Agreement files a legal action against the other party or parties concerning the inducement, execution, breach, performance of, compliance with or enforcement of or otherwise related to this Agreement, the Marks licensed to you or our franchise relationship, the court or if arbitration is later agreed to, the arbitrator, may designate one or more of the parties as the "prevailing party". If the court or arbitrator does so, the court or arbitrator shall award the prevailing party its reasonable attorneys' fees, expert witnesses' fees and court costs in the matter and in the case of an arbitration award, reimbursement of the prevailing party's share of the costs imposed by the arbitration administrator and the arbitrator.

Limitations on Damages and Time Limit on Filing Actions

18.04 We both agree that:

(a) Neither party shall be entitled to punitive or exemplary damages from the other;

(b) Any claim either of us may have against the other will expire one-year from the date that the claim arises unless through the exercise of reasonable diligence the complaining party could not have learned of the claim in which case the one-year period will begin when the complaining party learns of the claim, or through the use of reasonable diligence could have learned of the claim, but, in any event, the claim shall expire at the conclusion of any statutory statute of limitations that would otherwise apply even if the basis for the claim has not yet been discovered.

No Class Actions

18.05 No class action shall be filed based on claims for which class action certification would otherwise be possible.

19. Modification of This Agreement.

19.01 This Agreement can be modified only by a written agreement signed by the parties to this Agreement.

19.02 We can modify our manuals, our operating procedures and all other aspects of the *Sidewalk Juice* system, whether those manuals, procedures or aspects now exist or are developed at a later time. You agree to adhere to any such changes at such times and in the manner we require, subject to the specific limitations contained in this Agreement.

20. Notices and Approvals.

20.01 (a) In order to be effective, all notices, approvals and consents required by this Agreement or related to it must be in writing. By giving a facsimile number and or an electronic mail address to the other party, the party providing that number or address agrees that notices, approvals and consents can be transmitted to them electronically as long as the method of electronic communication creates a record that can be retained, retrieved and reviewed by the recipient and can be directly reproduced on paper through an automated process.

(b) Notices, approvals and consents shall be deemed to have been received by the addressee at the earlier of when delivered to the addressee, when an acknowledgment of receipt is signed by the addressee or an agent of the addressee, the next weekday when sent to the addressee by facsimile transmission or by electronic mail, the next weekday after deposit with a recognized overnight express delivery service or 7 days after the deposit in the United States mail, when sent by certified mail, postage prepaid and properly addressed to the party to whom or which the notice is being sent.

(c) All notices of default must be sent by hard copy via United States certified mail, postage prepaid and properly addressed to the party to whom or which the notice is being sent or by means of a recognized overnight express delivery service which can provide proof of receipt even if those notices have also been sent in a manner described in subsection 20.01(b) above. The notices of default will be effective when receipt is acknowledged as described in subsection 20.01(b) or when delivery is accomplished when sent as described in this subsection (c), whichever occurs earlier. If no acknowledgement is signed or delivery of the hard copy is refused or cannot be accomplished, the notice will be effective when delivery is attempted when sent as described in this subsection (c).

20.02 For purposes of notices, approvals, consents, payments, receipts or other communications, the parties designate the addresses listed at the beginning of this Agreement.

20.03 Any party can change his, her or its address by giving written notice of the change to the other party as provided above.

21. Consumer Price Index Adjustment.

21.01 Whenever in this Agreement any charge, fee or other payment is to be adjusted by the Consumer Price Index (“the Index”), that adjustment will be based upon any increase between the date of this Agreement or such other time as may be set forth in the provision requiring the adjustment and the date on which the concerned payment is due in the Consumer Price Index for All Urban Consumers (base year 1982-84=100) for San Francisco-Oakland-San Jose, California, published by the United States Department of Labor, Bureau of Labor Statistics, most immediately preceding the concerned dates.

21.02 In no case will any adjustment occurring by virtue of this Section 21 result in the charge, fee or other payment that is subject to adjustment being adjusted below its original amount.

21.03 If the Index designated in Section 21.01 above is changed so that the base year or area differs from that in effect on the date of this Agreement, the Index shall be converted in accordance with the conversion factor published by the United States Department of Labor, Bureau of Labor Statistics. If the Index is discontinued or revised during the term of this Agreement, including any extensions or renewals hereof, such other government index or computation with which it is replaced shall be used in order to obtain substantially the same result as would have been obtained had the Index not been discontinued or revised.

22. Heirs, Successors and Assigns.

22.01 This Agreement is binding on and inures to the benefit of the parties and their heirs, successors, representatives and assigns except to the extent and only on the conditions and in the manner more specifically set forth elsewhere in this Agreement, including the transfer requirements of Section 15 above.

23. Waivers.

23.01 The failure by either party to enforce any right that he, she or it may have or to declare any default by the other party shall not be deemed to be a waiver or abandonment of that right or default unless the concerned right or default is waived by a written document signed by the party who is waiving the right or default.

23.02 The waiver of any right or default in one instance shall not be deemed to be a continuing waiver of the concerned right or default or a waiver of the concerned right or default, or any other right or default, in any other instance.

23.03 The acceptance of money or other performance by either party shall not constitute a waiver of any right or default other than the one to which the payment or performance pertains and then only to the extent of the payment or performance accepted by the other party.

24. Severability.

24.01 The invalidity or unenforceability of any portion of this Agreement shall not affect the validity of any other portion of this Agreement and unless the substantial performance of this

Agreement taken as a whole is impaired by such a finding, this Agreement shall remain in full force and effect.

24.02 Any invalidity or unenforceability of any portion of this Agreement in any jurisdiction shall not invalidate that portion or any other portion in any other jurisdiction.

25. Covenant of Further Assurances.

25.01 Whenever in our sole judgment we decide that it is advisable to execute any other and further documents necessary or desirable to carry out the purposes of this Agreement, you agree to execute those documents promptly, provided that they do not substantially alter your rights or increase your duties or expenses under this Agreement.

25.02 You agree to respond promptly and accurately to all inquiries from our accountants, attorneys, auditors, lenders and others we authorize, concerning the status of this Agreement, the status and amounts of any accounts between us and/or any other matters pertaining to the rights and obligations of the parties to this Agreement.

26. Governing Law.

26.01 (a) The parties agree that California law applies to this Agreement.

(b) Intentionally Omitted.

26.02 If a court or arbitration tribunal of competent jurisdiction determines that some or all of this Agreement must be governed by the laws of a state other than the state or states described in subsection 26.01(a) above, then the laws of that other state will govern the interpretation of this Agreement to the extent required by that court or tribunal.

26.03 If applicable law or regulations require there to be terms other than or in addition to the terms contained in this Agreement, then the required terms will be considered to be a part of this Agreement but only to the extent necessary to prevent the invalidity of this Agreement or any of its provisions or to prevent the imposition of any civil or criminal penalties or liability.

26.04 To the extent permitted by the laws of the state whose laws govern this Agreement, you hereby waive any provisions of law or regulations that render any portion of this Agreement altered, invalid or unenforceable in any respect.

27. Counterparts.

27.01 If more than one copy of this Agreement is signed by the parties, all of those copies taken together will represent only one agreement.

28. Headings and Gender.

28.01 The headings used in this Agreement are for convenience only and are not to be used in construing the provisions of this Agreement.

28.02 As used in this Agreement, the male or female gender shall include the other and the neuter. The singular shall include the plural and the plural shall include the singular, as appropriate.

29. Miscellaneous.

29.01 Time is of the essence in this Agreement.

29.02 The parties agree that in entering into this Agreement they intend to confer no benefit or right on any person or entity not a party to this Agreement except as specified regarding our licensor and our affiliates and the personal representatives of a party. Except for the benefits extended to those persons or entities, the parties agree that no third party shall have any right to claim any benefit or right as a third party beneficiary under any provision of this Agreement.

29.03 You are not entitled to claim any rights or benefits, including those of a third party beneficiary, under any contract, understanding or agreement between us and any other person or entity unless that contract, understanding or agreement specifically refers to you by name or to a class to which you belong and specifically grants rights or benefits to you or to the concerned class.

29.04 No fees, charges, royalties, marketing fees or other payments of any kind you make to us, or any that are made by someone else for your account, are refundable in whole or in part except as may be otherwise set forth in this Agreement.

29.05 The person or people signing this Agreement warrant that they have full power and authority to enter into this Agreement, and if they have signed on behalf of a partnership, limited liability company, corporation or other entity, that it has been duly organized, is validly existing, is qualified to do business and is in good standing in the jurisdiction in which it was formed and if necessary as a condition of doing business where your juice bar is located, in the jurisdiction where your *Sidewalk Juice* bar will be situated.

30. Innovations.

30.01 If you or anyone affiliated with you develops, any innovations, inventions, discoveries, concepts, processes, practices, techniques, procedures, products, services, merchandise or ideas (cumulatively referred to in this Section 30 as “innovations”) related to *Sidewalk Juice* bars, you agree to advise us promptly in writing of the innovations.

30.02 Except as otherwise limited by law, all innovations that you, your employees, your agents or anyone associated with you develop in connection with, or applicable to, *Sidewalk Juice* bars are our property.

30.03 It is solely within our complete and absolute discretion whether to authorize the use and or dissemination of any innovations and if we do so, the manner of their use.

30.04 You agree not to implement any innovations until we authorize you to do so in writing.

30.05 No compensation will be due and payable to you, or to any person or entity associated with you, on account of any innovations developed by you or by such person or entity whether or not we use, disseminate, authorize or otherwise employ the innovations.

31. Accord and Satisfaction.

31.01 No payment you make, any payment made by anyone for your account or any payment to any person or entity affiliated with us in an amount less than that required to be paid shall be deemed to be anything except a payment on account regardless of any endorsement to the contrary contained on the payment or in any oral or written communication transmitted in connection with the payment.

31.02 Neither by endorsing nor accepting any check nor by accepting any amount from you, or any amount paid on your behalf, are we bound by a claim that the endorsement or acceptance was an accord and satisfaction or other agreement to take less than the full amount due.

31.03 Payments made to us, our licensor and/or our affiliates shall be applied first to any late charges and/or interest owing and then to the earliest of the principal amounts due unless there is a signed agreement between you and the payee that specifies that the payment is to be applied otherwise.

31.04 Neither any payment to us, or licensor or our affiliates nor the acceptance of the payment shall prejudice or be deemed to be a waiver of our right, or that of our licensor or affiliates, to require full payment and performance of all of your duties and obligations under this Agreement or any other agreement under which the concerned obligation arose.

32. Joint and Several Liability.

32.01 If two or more persons, corporations, partnerships, limited liability companies or other entities, or any combination of them, sign this Agreement, the liability of each is joint and several.

33. Our Right to Act.

33.01 If you fail to perform any duty or obligation required under this Agreement, we have the right, but not the obligation, to perform that duty or obligation on your behalf, for your account and/or in your name. If we elect to do so, you agree to pay us immediately all costs and expenses we incur in that performance.

33.02 All sums required to be paid to us pursuant to Section 33.01 that are not immediately paid will subject to the late charge set forth in Section 11.04 of this Agreement.

33.03 No performance we undertake on your behalf will be a waiver or release of any claims we may have against you because of your failure to perform the concerned duty or obligation.

34. Entire Agreement.

34.01 This Agreement, any signed exhibits and/or addenda attached to this Agreement, and the Franchise Disclosure Document that accompanied this Agreement, contain the entire understanding between us and encompass all representations on which we both have relied.

34.02 This Agreement supersedes all negotiations, agreements, representations, promises, commitments, inducements, assurances, conditions and covenants between us whether direct, indirect

or implied and whether oral or written, except for those contained in this Agreement, any signed exhibits or addenda to this Agreement and in the Franchise Disclosure Document accompanying this Agreement.

34.03 Intentionally Omitted.

34.04 Intentionally Omitted.

34.05 Except for any additional representations contained in the Franchise Disclosure Document that accompanied this Agreement, we both agree that this Agreement and any signed exhibits or addenda to this Agreement is intended to be the entire integration of all of our understandings of every type concerning the matters related to the subject matter of this Agreement, whether those understandings arose before or at the time we signed this Agreement.

34.06 Intentionally Omitted.

34.07 Intentionally Omitted.

_____	Sidewalk Juice LLC
_____	By _____
Signature	Its _____
_____	Title
Typed or Printed Name	

Title	

**STATE-SPECIFIC ADDENDUM TO
Sidewalk Juice FRANCHISE AGREEMENT**

The following provisions are applicable to franchises in the State of California:

1. *California Business and Professions Code* Sections 20000 through 20043, the California Franchise Relations Act, provide rights to franchisees concerning termination, nonrenewal or transfer of a franchise. If the Franchise Agreement contains a provision that is inconsistent with the law, the law will control.

2. The Franchise Agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law. (11 U.S.C.A. Sec. 101 et seq.)

3. The Franchise Agreement contains a liquidated damages clause. Under California Civil Code Section 1671 certain liquidated damages clauses are unenforceable.

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

5. Neither the franchisor nor any of the people identified in Item 2 is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a et seq., suspending or expelling such persons from membership in that association or exchange.

6. California's Franchise Investment Law (Corporations Code section 31512 and 31512.1) states that any provision of a franchise agreement or related document requiring the franchisee to waive specific provisions of the law is contrary to public policy and is void and unenforceable. The law also prohibits a franchisor from disclaiming or denying (i) representations it, its employees, or its agents make to you, (ii) your ability to rely on any representations it makes to you, or (iii) any violations of the law.

7. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

Dated: _____

Sidewalk Juice LLC.

Signature _____

By _____
Its _____

Typed or Printed Name

Title

EXHIBIT A
to *Sidewalk Juice* Franchise Agreement

Location and Protected Territory

Immediately upon its execution by the parties, this Exhibit A becomes a part of the Franchise Agreement dated _____, between Sidewalk Juice LLC and _____.

The Franchise Agreement of which this exhibit is a part is for a Conventional/Kiosk *Sidewalk Juice* bar. (delete the inapplicable word)

We both agree that the location for your *Sidewalk Juice* bar is:

Any protected territory granted in connection with your juice bar is described as follows:

If a map that depicts your protected territory is attached, and there is a conflict between the map and the above-description, the above-description will control.

This EXHIBIT A is signed on _____.

Sidewalk Juice LLC

Signature

By _____
Its _____

Typed or Printed Name

EXHIBIT B
to *Sidewalk Juice* Franchise Agreement
Multiple Unit Opening Schedule

If the Franchise Agreement to which this is an exhibit grants you the right to open more than one *Sidewalk Juice* bar, you agree to comply with the following Multiple Unit Opening Schedule.

Your Development Area is _____

 _____.

If a map that depicts your Development Area is attached, and there is a conflict between the map and the above-description, the above-description will control.

Total number of bars covered by the Franchise Agreement is _____.

Number of bars to be open by date indicated:

Date:					
Number					
Type of Juice Bar (Conventional or Kiosk)					

Exhibit A to the Franchise Agreement should be amended, or a new Exhibit A completed and signed, for each new juice bar to show the address of the juice bar and its protected territory.

This EXHIBIT B is signed on _____.

Sidewalk Juice LLC

Signature

By _____

Its _____

Typed or Printed Name

EXHIBIT C
to *Sidewalk Juice* Franchise Agreement

Licensed Mark



®

This EXHIBIT C is signed on _____.

_____ Sidewalk Juice LLC

Signature

By _____
Its _____

Typed or Printed Name

EXHIBIT D
to Sidewalk Juice Franchise Agreement

CONTINUING GUARANTY

(To be used to guaranty the obligations of a corporate or limited liability company franchisee or to guaranty the obligations of a franchisee other than the guarantor)

_____ (hereinafter referred to as “Guarantor”) whose address is _____, as a material inducement to and in consideration for Sidewalk Juice LLC, a California limited liability company (hereinafter referred to as “Franchisor”) entering into a Franchise Agreement (“the Franchise Agreement”) with _____ (hereinafter referred to as “Franchisee”), dated _____, unconditionally guarantees and promises to and for the benefit of Franchisor, and any other person or entity which is named herein, that Franchisee will perform faithfully and completely all of the provisions, obligations and duties that Franchisee has agreed to perform under the Franchise Agreement and/or any other obligations undertaken or to be undertaken by Franchisee in favor of Franchisor and/or Franchisor’s licensor, parent, subsidiary or affiliated persons and/or entities. Guarantor also agrees to be bound by the confidentiality and noncompetition covenants in the Franchise Agreement.

If Guarantor is more than one person, Guarantor’s obligations are joint and several. Guarantor’s obligations are also independent of Franchisee’s obligations. A separate action may be brought or prosecuted against any Guarantor whether or not the action is brought or prosecuted against any other Guarantor or against Franchisee or any or all of them or whether any other Guarantor or Franchisee is or are joined in the action.

Guarantor waives the benefit of any statute of limitations or other provision of law which in any way affects or limits Guarantor’s liability under this Guaranty.

The provisions of the Franchise Agreement or other obligation involving Franchisee may be changed between Franchisor, or the other concerned party or entity, and Franchisee at any time and in any manner, either by written or oral agreement, by operation of law, by course of conduct or otherwise, without the consent of or notice to Guarantor. This Guaranty shall continue to guaranty the performance of Franchisee under the Franchise Agreement and/or other obligation as so modified without further agreement or act of Guarantor being required.

Assignment by Franchisee or by Franchisor of the Franchise Agreement or other obligation as permitted in that Agreement or the other obligation shall not affect this Guaranty as to the obligations of Franchisee and the obligations of Guarantor hereunder shall carry over to the transferee of the Franchise Agreement or of the concerned person or entity covered by this Guaranty.

This Guaranty shall not be affected, nor the obligations of Guarantor hereunder limited in any way, by Franchisor’s, or any other person or entity’s, delay in enforcement or failure to enforce any of its rights under the Franchise Agreement, other guaranteed obligation or under this Guaranty.

If Franchisee commits a breach of the Franchise Agreement or other guaranteed obligation, Franchisor, or any other person or entity covered by this Guaranty, can proceed immediately against Guarantor or Franchisee or both or Franchisor, or other beneficiary of this Guaranty, can enforce

against Guarantor or Franchisee, or both, any rights which Franchisor or such person or entity has under the Franchise Agreement, other obligation or pursuant to applicable law or both. If the Franchise Agreement or other obligation terminates, Franchisor and/or such other beneficiary can enforce any rights it has following such termination against Guarantor, Franchisee or both, without giving prior notice to Guarantor, Franchisee or either, and/or without making demand on Guarantor, Franchisee or either.

Guarantor waives the right to require Franchisor or other beneficiary to proceed against Franchisee before proceeding against Guarantor, to proceed against or exhaust any security that Franchisor or the other beneficiary holds from Franchisee, Guarantor or any other source, and/or to pursue any other remedy available to Franchisor or the concerned beneficiary prior to proceeding against Guarantor, Franchisee or either. Guarantor further waives any defense available to Guarantor, Franchisee or either, by reason of any disability of Franchisee and further waives any other defense based on the termination or limitation of Franchisee's liability by reason of any cause, event, term or condition including any defense or limitation available by operation of law.

Until all of Franchisee's obligations to Franchisor or any other beneficiary of the Guaranty have been satisfied and discharged in full, Guarantor waives any right of subrogation against Franchisee. Guarantor waives any right it may have to enforce any remedies that Franchisor or such beneficiary may now have against Franchisee or may have at a later time. Guarantor further waives all presentments, protests, demands of any type, notices of any type, including notices of protest, notices of dishonor and notices of acceptance of this Guaranty. Guarantor waives the foregoing as to present and/or future obligations and specifically waives any and all notices of the existence, creation or incurring of any new or additional obligations of Franchisee to Franchisor or any other concerned beneficiary.

If Franchisor or other beneficiary seeks to enforce Guarantor's obligations under this Guaranty by legal proceedings, and/or by the employment of an attorney or takes any other or additional collection or other action to enforce his, her or its rights hereunder, Guarantor agrees to pay to Franchisor and/or the concerned beneficiary all costs incurred by Franchisor and the beneficiary or beneficiaries in such proceedings, action, and/or employment, including court costs, costs of suit and attorneys' fees.

This Guaranty shall be binding upon Guarantor and each and all of them if more than one and upon his, her, its or their, successors, representatives and assigns.

Executed at _____, on _____.

EXHIBIT E
to *Sidewalk Juice* Franchise Agreement

GENERAL RELEASE

This General Release is made on _____, by _____, hereinafter referred to as “Franchisee” in favor of Sidewalk Juice LLC, a California limited liability company, hereinafter referred to as “Franchisor”

This General Release is made with reference to the following facts:

A. Franchisor and Franchisee entered into a Franchise Agreement dated _____, hereinafter referred to as “the Franchise Agreement”.

B. The Franchise Agreement is for a *Sidewalk Juice* bar (“the juice bar”) located at: _____.

As a condition of the relocation/renewal/transfer (delete inapplicable words) of the juice bar, Franchisee is required by the Franchise Agreement to provide Franchisor with this General Release.

NOW, THEREFORE, in consideration for Franchisor allowing the relocation/renewal/transfer of the juice bar, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and with the intent to be legally bound, the parties hereto agree as follows:

1. The facts set forth above are true.

2. Except for the obligations undertaken by Franchisor in this General Release, Franchisee hereby forever releases, forgives, and discharges Franchisor from any and all liability of any kind and nature whether arising out of the Franchise Agreement, its inducement, execution and performance, the franchise relationship between Franchisee and Franchisor or otherwise, including, but not limited to, any and all claims, demands, rights of action, causes of action and liability caused by errors, omissions, intentional acts and negligence, of any kind or character whatsoever, which Franchisee may now have or claim to have against Franchisor. Franchisee understands and agrees that this release covers all claims of every kind and nature, past and present, known and unknown, suspected and unsuspected, except for claims arising pursuant to obligations undertaken under this General Release. Franchisee expressly waives any and all rights or claims under Section 1542 of the California Civil Code, which states:

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

3. If any legal action, or other action or proceeding, is brought for the enforcement of this General Release, or because of a dispute, breach, default or misrepresentation in connection with any of the duties, obligations, covenants, representations, warranties, performance, promises or provisions of this General Release, the party prevailing in that action or proceeding shall be entitled to recover its reasonable attorneys' fees and all other costs incurred in that action or proceeding in addition to any other relief to which that party may be entitled.

4. Franchisee warrants and represents he, she or it, as appropriate, has full power and authority to enter into this General Release. Franchisee warrants and represents that no third party has any interest or right in any claim, potential claim, right of action or cause of action covered by this General Release and the consent of no third party is required for the effectiveness of this General Release.

5. It is agreed that the agreements and undertakings contained in this General Release shall be binding upon Franchisee and also upon Franchisee's heirs, successors, representatives, and assigns.

6. Unless prohibited by any applicable law, this General Release shall be construed and governed by the laws of the state of California. This General Release does not release any claims the forgiveness of which is specifically prohibited by any applicable law.

7. Should any provision of this General Release be found to be invalid or unenforceable under any law which may be found to govern this General Release, that invalidity or unenforceability shall not affect the validity or enforceability of any other portion of this General Release and, unless substantial performance of this General Release taken as a whole is prevented thereby, this General Release shall remain in full force and effect.

8. This General Release contains the entire understanding and agreement of the parties pertaining to the subject matter hereof and supersedes all prior and contemporaneous negotiations, inducements, assurances, conditions, agreements, contracts, representations, promises, commitments, covenants and understandings between them whether direct or implied and whether oral or written concerning Franchisee's release of claims as part of the effected relocation, renewal or transfer.

IN WITNESS WHEREOF, this General Release has been duly executed it as of the date first written above.

FRANCHISEE

By _____

Its _____

EXHIBIT F
to *Sidewalk Juice* Franchise Agreement

ADDENDUM TO LEASE AGREEMENT

This Agreement is made on _____, 20____, by and between _____, referred to herein as “Lessor”, _____, referred to herein as “Lessee”, and Sidewalk Juice LLC, a California limited liability company, referred to herein as “Franchisor”.

Lessor and Lessee have entered into a Lease Agreement dated _____, (“the lease”) so that a *Sidewalk Juice* bar can be opened and operated at _____ (“the premises”) pursuant to a Franchise Agreement with Franchisor. As partial consideration for Franchisor approving the location and lease for the premises, the parties hereto have agreed to enter in to this Addendum.

1. (a) In the event that Lessor claims that Lessee is in default under any provision of the lease, Lessor agrees to notify Franchisor in writing of the claimed default and the time within which Lessee can cure the default prior to the default resulting in the termination of the lease.

(b) If Lessee fails to cure the claimed default, Lessor agrees to so notify Franchisor in writing and to allow Franchisor an additional reasonable period of time, which shall not be less than 15 days, within which to cure the default, if Franchisor elects to do so. If the nature of the default is such that more than 15 days are reasonably required to cure the default, Lessor shall allow Franchisor such additional time to cure the default as is reasonably necessary.

2. Both Lessee and Lessor agree that at the times Franchisor so requests, Lessor will provide to Franchisor copies of all sales reports and any other information Lessor may possess regarding the premises and the operation of Lessee’s business at the premises.

3. (a) If Lessee’s Franchise Agreement with Franchisor expires or is terminated for any reason, Lessor agrees that upon the election of Franchisor the lease shall be deemed assigned to Franchisor, or to such other entity as may be specified by Franchisor, upon written notice to Lessor. Notwithstanding any other provisions of the lease, upon the giving of such notice from Franchisor to Lessor, no additional consent of Lessor or any payment on account of the assignment to Lessor will be required to perfect the assignment to Franchisor or to the designated entity.

(b) The parties hereto agree that upon Franchisor’s election to have the lease assumed, whether by Franchisor or by a designated person or entity, Lessee will be solely responsible for full performance of the terms of the lease until the effective date of the assumption of the lease and that the person or entity to whom or which the lease is assigned will be solely responsible for full performance of the lease after that date.

(c) Lessor agrees that Franchisor, or the person or entity who or which assumes the lease, will not be responsible for the performance of any duties or responsibilities, including any payments, arising during, becoming due during, or attributable to the period of Lessee’s tenancy under the lease.

(d) It is agreed that neither Lessor, Franchisor, nor any person or entity whom or which may assume the lease, will be obligated to Lessee in any way because of the assignment of the lease to Franchisor or such person or entity pursuant to the terms of this Addendum or otherwise.

EXECUTED as of the date first written above.

LESSOR

LESSEE

FRANCHISOR
Sidewalk Juice LLC,
a California limited liability company

Name: _____

Its: _____

EXHIBIT D
to *Sidewalk Juice* Franchise Disclosure Document

Disclosure and Confidentiality Agreement

DISCLOSURE AND CONFIDENTIALITY AGREEMENT

Sidewalk Juice LLC, a California limited liability company, is willing to disclose to you certain data, including trade secret material and proprietary information, relating to the site selection, leasing, design, construction, operations, and similar information, including allowing you to examine our manuals and other materials, concerning *Sidewalk Juice* bars for your use in evaluating the purchase of a *Sidewalk Juice* franchise.

Your signature below is your agreement on behalf of yourself and any organization or entity with which you are or may become associated to hold all such information in confidence, not to disclose the information to others and not to use the information for any purpose, whether commercial or noncommercial, or for the developing or improving of any business or any other enterprise, without the prior written consent of Sidewalk Juice LLC. You agree that all of the information disclosed to you is the property of Sidewalk Juice LLC and that its unauthorized disclosure will cause Sidewalk Juice LLC irreparable injury.

This Agreement is effective from the date written below and is effective as long as there are any *Sidewalk Juice* bars in operation unless Sidewalk Juice LLC agrees in writing that your obligations under this Agreement can be terminated sooner or until you become a *Sidewalk Juice* franchisee. If you become a *Sidewalk Juice* franchisee, your obligations concerning the trade secret and proprietary information of Sidewalk Juice LLC will be contained in your Franchise Agreement.

EXECUTED at _____, California, on _____,

Signature

Signature

Signature

Signature

ACKNOWLEDGMENT OF REVIEW

I/We hereby acknowledge that I/we reviewed the above-described manuals to my/our satisfaction on _____, 20____.

EXHIBIT E
to *Sidewalk Juice* Franchise Disclosure Document

Acknowledgment at Closing

VOID AND UNENFORCEABLE IN CALIFORNIA
CALIFORNIA FRANCHISEES SHOULD NOT COMPLETE THE ACKNOWLEDGMENT AT CLOSING

ACKNOWLEDGMENT AT CLOSING

In this document “Franchisee” means _____
_____ and “Franchisor” means Sidewalk Juice
LLC, a California limited liability company.

The execution of documents for the awarding of a *Sidewalk Juice* franchise to Franchisee finalizes a process in which Franchisee reviews a great deal of information provided by the Franchisor and others. Much of this information has a significant impact upon the transaction. The information considered by Franchisee serves as the basis upon which Franchisee makes a decision whether to purchase a franchise.

Franchisee wishes to enter into a Franchise Agreement with Franchisor for a *Sidewalk Juice* bar to be located at _____
_____.

In order to induce Franchisor to enter into a Franchise Agreement with Franchisee, Franchisee acknowledges that the following statements with regard to the documents, data and other material described below are true and are an accurate reflection of the transaction with Franchisor. **If they are not, Franchisee is instructed to insert the correct information where appropriate and to initial, and to have Franchisor initial, the changes.**

(1) Franchisee received the Franchise Disclosure Document for prospective franchisees required by the state in which Franchisee resides and/or in which his or her business will be operated at least 14 calendar days prior to the execution of any documents or the transfer of any funds by Franchisee or on behalf of Franchisee.

(2) Franchisee received and reviewed all completed contract documents at least 7 calendar days prior to the execution of those documents.

(3) Franchisee acknowledges that the success or failure of Franchisee’s business depends primarily upon Franchisee’s business ability, the quality and quantity of the effort put forth by Franchisee and upon Franchisee’s compliance with the manuals, requirements, instructions and directives of Franchisor.

(4) Franchisee acknowledges that neither Franchisor nor anyone purporting to act for Franchisor has made any promises or representations concerning Franchisee’s business, the sales volumes that will be produced by Franchisee’s business, the profits to be made in the business, the likelihood of success of the franchised business or any other matter in connection with the proposed franchise or the franchised business other than those that are set forth in the Franchise Disclosure Document, the Franchise Agreement and any other signed amendments or agreements between Franchisee and Franchisor. If any such promises have been made, Franchisee is instructed to make sure that they are set forth in writing in the Franchise Agreement or in an amendment or exhibit thereto which is signed by both

parties. Franchisor in granting this franchise is relying on Franchisee to see that all such matters are reduced to writing, are signed by Franchisee and Franchisor and are attached to the Franchise Agreement. If they are not, Franchisee hereby waives any such representation, warranty and promise and agrees that Franchisee will not be able to rely in any way on them and that Franchisor will not be bound by them.

Nothing in this Acknowledgment at Closing will alter the law of the state whose law governs this transaction.

IN WITNESS WHEREOF Franchisee has executed this Acknowledgment on _____.

Signature

Name: _____

Signature

Name: _____

And if an entity:

Name of Entity

Title: _____ Title: _____

Franchisor acknowledges Franchisee's representations and commitments stated above and based on those assurances, among other things, Franchisor agrees to award Franchisee a *Sidewalk Juice* franchise.

FRANCHISOR:
Sidewalk Juice LLC
a California limited liability company.

Signature: _____

Name: _____

Its: _____

EXHIBIT F
to *Sidewalk Juice* Franchise Disclosure Document

STATE EFFECTIVE DATES

STATE EFFECTIVE DATES

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

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

State	Effective Date
California	Pending

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 G
to *Sidewalk Juice* Franchise Disclosure Document

RECEIPTS

RECEIPT
(YOUR COPY)

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 Sidewalk Juice LLC offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

In New York, Sidewalk Juice LLC must provide you with this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the Franchise Agreement or other agreement or the payment of any consideration that relates to the franchise relationship.

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

The franchise seller or sellers with whom you have dealt in connection with this franchise offer is/are (Please check appropriate name or names):

- Ghassan "Gus" Daibis
- Jason Nazzal

1860 El Camino Real, Suite 212
Burlingame, California 94010
(415) 860-0044

The issuance date of this disclosure document is April 15, 2024. The effective dates of this document in certain states are listed on the State Effective Dates page to this disclosure document.

I received a disclosure document dated (Pending) , that included the following exhibits:

- | | |
|-------------------------------------------------------------------------|-------------------------------------------------|
| A. State Franchise Law Administrators and Agents for Service of Process | D. Disclosure and Confidentiality and Agreement |
| B. Financial Statements | E. Acknowledgment at Closing |
| C. Franchise Agreement | F. State Effective Dates |
| | G. Receipts |

Dated: _____

If an entity, name of entity: _____

Name: _____

Name: _____

If an entity: Title _____

Title: _____

Sign and keep this copy for your records.

RECEIPT
(OUR COPY)

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 Sidewalk Juice LLC offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

In New York, Sidewalk Juice LLC must provide you with this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the Franchise Agreement or other agreement or the payment of any consideration that relates to the franchise relationship.

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

The franchise seller or sellers with whom you have dealt in connection with this franchise offer is/are (Please check appropriate name or names):

- Ghassan "Gus" Daibis
- Jason Nazzal

1860 El Camino Real, Suite 212
Burlingame, California 94010
(415) 860-0044

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| B. Financial Statements | E. Acknowledgment at Closing |
| C. Franchise Agreement | F. State Effective Dates |
| | G. Receipts |

Dated: _____

If an entity, name of entity: _____

Name: _____

Name: _____

If an entity: Title _____

Title: _____

Please sign this copy of the receipt, date your signature, and mail it to: Sidewalk Juice LLC at 1860 El Camino Real, Suite 212, Burlingame, CA 94010.