

FRANCHISE DISCLOSURE DOCUMENT



Protein Bar and Kitchen Franchising, LLC
a Delaware limited liability company
231 South LaSalle Street, Suite 2100
Chicago, IL 60604
(312) 300-2560
hq@theproteinbar.com
www.theproteinbar.com

The franchise is for a Protein Bar & Kitchen® business that offers customers healthy food choices consisting of customizable high-protein salads, wraps, bowls, shakes and smoothies, and related products. The total investment necessary to begin operation of a Protein Bar & Kitchen business ranges from \$369,500 to \$685,000. This includes \$40,900 that must be paid to the franchisor or its affiliates.

If you elect to purchase multiple franchises over time, you will sign a Multi-Unit Development Agreement (a "Development Agreement") and commit to acquiring at least 2 franchises, but the total commitment, typically between 2 and 5 franchises (the "Typical Development Agreement"), would be agreed upon when you sign the Development Agreement. You would be required to (a) pay the initial franchise fee for the 1st franchise when you sign the Development Agreement, and (b) pay a development fee of \$20,000 for each franchise (less the 1st one) you agree to acquire. The development fee for a Typical Development Agreement would be \$20,000, \$40,000, \$60,000 or \$80,000 for a 2-, 3-, 4-, or 5-franchise commitment, respectively. The initial franchise fee for the 1st franchise (\$40,000) and the development fee represent the total investment necessary to commence activities under a Development Agreement. For a Typical Development Agreement, the initial investment would be \$60,000 to \$120,000 (increasing by \$20,000 for each additional franchise over 5 you agree to acquire), all of which is paid to the franchisor. We credit the development fee, in \$20,000 increments, toward the initial franchise fee due as franchise agreements (after the 1st one) are signed until the total amount of these credits equals the development fee.

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

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Protein Bar and Kitchen Franchising, LLC at 231 South LaSalle Street, Suite 2100, Chicago, IL 60604, phone: (312) 300-2560.

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

Buying a franchise is a complex investment. The information in this disclosure document can help you make up your mind. More information on franchising, such as "*A Consumer's Guide to Buying a Franchise*," which can help you understand how to use this disclosure document, is available from the Federal Trade Commission. You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, D.C. 20580. You can also visit the FTC's home page at www.ftc.gov for additional information. Call your state agency or visit your public library for other sources of information on franchising. There may also be laws on franchising in your state. Ask your state agencies about them.

Issuance Date of this Disclosure Document: May 15, 2023, as amended October 10, 2023.

How to Use This Franchise Disclosure Document

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

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibits G-1 and G-2.
How much will I need to invest?	Items 5 and 6 list fees you will be paying to the franchisor or at the franchisor's direction. Item 7 lists the initial investment to open. Item 8 describes the suppliers you must use.
Does the franchisor have the financial ability to provide support to my business?	Item 21 or Exhibit F includes financial statements. Review these statements carefully.
Is the franchise system stable, growing, or shrinking?	Item 20 summarizes the recent history of the number of company-owned and franchised outlets.
Will my business be the only Protein Bar & Kitchen 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 Protein Bar & Kitchen® franchisee?	Item 20 or Exhibits G-1 and G-2 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 to be made to your franchise agreement. If so, you should check the State Specific Addenda. See the Table of Contents for the location of the State Specific Addenda.

Special Risks to Consider About *This Franchise*

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

1. **Out-of-State Dispute Resolution:** The franchise agreement and multi-unit development agreement require you to resolve disputes with the franchisor by arbitration or litigation only in Illinois. Out-of-state arbitration or litigation may force you to accept a less favorable settlement for disputes. It may also cost you more to arbitrate or litigate with the franchisor in Illinois than in your home state.
2. **Spousal Liability.** At the Franchisor's request, your spouse must sign a document making your spouse liable for all financial obligations under the Franchise Agreement, even if your spouse has no ownership interest in the franchise. This Guarantee will place both your and your spouse's marital and personal assets (perhaps including your house) at risk if your franchise fails.
3. **Short Operating History.** The franchisor is at an early stage of development and has a limited operating history. This franchise is likely to be a riskier investment than a franchise in a system with a longer operating history.
4. **Supplier Control.** You must purchase all or nearly all of the inventory or supplies that are necessary to operate your business from the franchisor, its affiliates, or suppliers that the franchisor designates, at prices the franchisor or they set. These prices may be higher than prices you could obtain elsewhere for the same or similar goods. This may reduce the anticipated profit of your franchised business.
5. **Financial Condition.** The franchisor's condition, as reflected in its financial statements (see Item 21), calls into question the franchisor's financial ability to provide services and support to you.

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

**THE FOLLOWING APPLY TO TRANSACTIONS GOVERNED BY
THE MICHIGAN FRANCHISE INVESTMENT LAW ONLY**

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

- (a) A prohibition on the right of a franchisee to join an association of franchisees.
- (b) A requirement that a franchisee assent to a release, assignment, novation, waiver, or estoppel which deprives a franchisee of rights and protections provided in the Michigan Franchise Investment Act. This shall not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims.
- (c) A provision that permits a franchisor to terminate a franchise prior to the expiration of its term except for good cause. Good cause shall include the failure of the franchisee to comply with any lawful provision of the franchise agreement and to cure such failure after being given written notice thereof and a reasonable opportunity which in no event need be more than 30 days, to cure such failure.
- (d) A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration of the franchisee's inventory, supplies, equipment, fixtures, and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures, and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applies only if: (i) the term of the franchise is less than 5 years and (ii) the franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising, or other commercial symbol in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least 6 months advance notice of franchisor's intent not to renew the franchise.
- (e) A provision that permits the franchisor to refuse to renew a franchise on terms generally available to other franchisees of the same class or type under similar circumstances. This section does not require a renewal provision.
- (f) A provision requiring that arbitration or litigation be conducted outside this state. This shall not preclude the franchisee from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.
- (g) A provision which permits a franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause. This subdivision does not prevent a franchisor from exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to:
 - (i) The failure of the proposed transferee to meet the franchisor's then current reasonable qualifications or standards.

(ii) The fact that the proposed transferee is a competitor of the franchisor or subfranchisor.

(iii) The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.

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

- (h) A provision that requires the franchisee to resell to the franchisor items that are not uniquely identified with the franchisor. This subdivision does not prohibit a provision that grants to a franchisor a right of first refusal to purchase the assets of a franchise on the same terms and conditions as a bona fide third party willing and able to purchase those assets, nor does this subdivision prohibit a provision that grants the franchisor the right to acquire the assets of a franchise for the market or appraised value of such assets if the franchisee has breached the lawful provisions of the franchise agreement or area development agreement and has failed to cure the breach in the manner provided in subdivision (c).
- (i) A provision which permits the franchisor to directly or indirectly convey, assign, or otherwise transfer its obligations to fulfill contractual obligations to the franchisee unless provision has been made for providing the required contractual services.

If the franchisor's most recent financial statements are unaudited and show a net worth of less than \$100,000, the franchisor shall, at the request of a franchisee, arrange for the escrow of initial investment and other funds paid by the franchisee until the obligations to provide real estate, improvements, equipment, inventory, training, or other items included in the franchise offering are fulfilled. At the option of the franchisor, a surety bond may be provided in place of escrow.

THE FACT THAT THERE IS A NOTICE OF THIS OFFERING ON FILE WITH THE ATTORNEY GENERAL DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION, OR ENDORSEMENT BY THE ATTORNEY GENERAL.

Any questions regarding this notice should be directed to:

Michigan Attorney General's Office
Consumer Protection Division
Attention: Franchise Section
G. Mennen Williams Building, 1st Floor
525 West Ottawa Street
Lansing, Michigan 48933
Telephone Number: 517-373-7117

Note: Despite subparagraph (f) above, we intend, and we and you agree to fully enforce the arbitration provisions of the franchise agreement and the area development agreement. We believe that paragraph (f) is unconstitutional and cannot preclude us from enforcing these arbitration provisions. You acknowledge that we will seek to enforce this section as written.

THE MICHIGAN NOTICE APPLIES ONLY TO FRANCHISEES WHO ARE RESIDENTS OF MICHIGAN OR LOCATE THEIR FRANCHISES IN MICHIGAN.

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Item 1.

THE FRANCHISOR AND ANY PARENTS, PREDECESSORS AND AFFILIATES

The franchisor is Protein Bar and Kitchen Franchising, LLC. It will be referred to in this disclosure document (this “Disclosure Document”) as “Franchisor,” “Company,” or “we.” References to “you” mean the person or entity to whom we grant a franchise.

The Franchisor

We are a limited liability company formed in Delaware on January 24, 2023. Our principal business address is 231 South LaSalle Street, Suite 2100, Chicago, Illinois 60604. Our telephone number is (312) 300-2560. Our agents for service of process are disclosed in Exhibit A. We conduct business under our corporate name and under the trade name “Protein Bar & Kitchen.” We have never owned or operated any Protein Bar & Kitchen Businesses (defined below) and have not offered franchises in any other lines of business. We began offering franchises for Protein Bar & Kitchen Businesses as of May 15, 2023, the date this Disclosure Document was originally issued, and our sole business is to sell franchises for Protein Bar & Kitchen Businesses and provide certain services to our franchisees.

Our Parents, Predecessors and Affiliates

Our direct parent is Protein Bar, Inc. (“PBI”). PBI’s parent is CGP PB Holdings, LLC (“CGP PB”). PBI shares our principal business address and CGP PB’s principal business address is 599 West Putnam Avenue, Greenwich, Connecticut 06830.

Our affiliate, PB Restaurants, LLC (“PB Restaurants”), shares our principal business address and owns the Marks (defined below) and other intellectual property used in the operation of Protein Bar & Kitchen Businesses. PB Restaurants has granted us a license to use and sublicense the use of those items to our franchisees. PB Restaurants has never offered franchises in any line of business or owned or operated a Protein Bar & Kitchen Business (as defined below), but it may do so in the future.

We have no predecessors or other affiliates that are required to be disclosed in this Item 1.

The Franchise

The franchise is the right to develop, own and operate a Protein Bar & Kitchen Business that is identified currently by the federally registered trademark *Protein Bar & Kitchen*[®] (together, with such other trademarks and commercial symbols we periodically designate, the “Marks”) and that offers its customers healthy food choices consisting primarily of high-protein salads, wraps, and acai bowls, customizable for all diets, and protein-packed shakes and smoothies (each a “Protein Bar & Kitchen Business”). In this Disclosure Document, we call the Protein Bar & Kitchen Business that you will operate “your Business” and the right and license to own and operate it the “Franchise.”

Protein Bar & Kitchen Businesses offer a menu of healthy foods and beverages based on proprietary recipes and ingredients (the “Menu Items”), which are prepared according to our specified recipes and procedures and use high quality ingredients. Protein Bar & Kitchen Businesses are developed and operated using certain specified business formats, methods, procedures, designs, layouts, standards, menus, and other specifications, each of which we may replace, further develop, or

otherwise modify or discontinue from time to time (collectively, the “System”). As described in this Disclosure Document, Protein Bar & Kitchen Businesses generally include dine-in, takeout, delivery, and catering lines of service, with order methods that include counter, drive-through, mobile, and online platforms.

The Protein Bar & Kitchen Business that you agree to develop, own and operate will be subject to a written franchise agreement between us and you (a “Franchise Agreement”), the current form of which is attached as Exhibit B to this Disclosure Document. If you are not a natural person, your owners must guarantee and personally assume, jointly with you, your obligations under the Franchise Agreement and any other agreements you sign with us as described in this Disclosure Document.

If you agree to acquire more than one Franchise, you will sign a Multi-Unit Development Agreement in the form attached as Exhibit C to this Disclosure Document (a “Development Agreement”) under which you will agree to purchase Franchises to develop and open an agreed upon number of Protein Bar & Kitchen Businesses at locations within a defined geographic area (the “Development Area”) according to an agreed upon schedule (the “Development Schedule”), each of which will be described in the Development Agreement when you and we sign it. Each Protein Bar & Kitchen Business will be subject to an individual Franchise Agreement. You will sign the first Franchise Agreement when you sign the Development Agreement. Then, as we approve your proposed additional locations, you will sign our then-current form of Franchise Agreement, the form of which may be materially different than the form of Franchise Agreement attached as Exhibit B to this Disclosure Document, including with respect to fees owed.

Market Competition

Protein Bar & Kitchen Businesses operate year-round and utilize a fast-casual service format to serve the general public.

The restaurant industry is well-developed and highly competitive in matters concerning price, service, location, selection, food quality, promotional activities, and guest service. It is often affected by changes in consumer tastes, economic conditions, population, and traffic patterns. You must anticipate competing for locations and customers with other restaurants and food retailers offering a wide range of comparably priced food and beverage items and a wide variety of service formats, including national or regional franchise systems and other chains and independently owned local restaurants located in close proximity to your Business. Our most direct competition currently comes from three types of limited-service restaurants and food service businesses, which include both chain and independent operations: (i) businesses whose offerings and branding are specifically focused around a perception of healthy food and beverages, (ii) businesses focused on providing quick and convenient meals, and (iii) businesses who specifically market and sell made-to-order beverages, such as smoothies, juice blends, protein shakes and related beverages.

Industry-Specific Laws and Regulations

In addition to laws that affect businesses generally, Protein Bar & Kitchen Businesses are subject to federal and state laws specifically applicable to restaurants and other food retailers including environmental laws regarding recycling and the use of containers and other materials potentially harmful to the environment; standards regarding sanitation and the storage, handling, cooking and preparation of food; food and/or nutrition labeling and advertising laws that require restaurants to make

certain public disclosures including calorie content disclosures; and laws that mandate certain minimum wage and hour standards applicable specifically to restaurant and food service businesses.

You are responsible for investigating and complying with all laws in which your Business is operated and should consider their effect and cost of compliance. We urge you to discuss these laws with your legal and financial advisors.

Item 2.
BUSINESS EXPERIENCE

Jeff Drake: President and Chief Executive Officer

Mr. Drake has been our Chief Executive Officer since our inception in January 2023. He has also served as Chief Executive Officer of PBI since January 2017. Mr. Drake is based in Chicago, Illinois.

Jared Cohen: Chief Operating Officer

Mr. Cohen has been our Chief Operating Officer since our inception in January 2023. He has also served as Chief Operating Officer of our PBI since June 2017. Mr. Cohen is based in Chicago, Illinois.

James McFeeters: Vice President of Franchising & Development

Mr. McFeeters has been our Vice President of Franchising & Development since September 2023. He served as the Vice President of Development for Toppers Pizza in Whitewater, Wisconsin from September 2022 to August 2023; the Vice President of Development for Woworks in St. Petersburg, Florida from May 2022 to September 2022; and the Senior Director of Franchise Development for Focus Brands in Atlanta, Georgia from April 2017 to May 2022. Mr. McFeeters is based in Chicago, Illinois.

Item 3.
LITIGATION

No litigation is required to be disclosed in this Item.

Item 4.
BANKRUPTCY

No bankruptcy proceedings are required to be disclosed in this Item.

Item 5.
INITIAL FEES

Initial Franchise Fee

When you sign the Franchise Agreement, you will pay us, in a lump sum, an initial franchise fee (“Initial Franchise Fee”) of \$40,000. The Initial Franchise Fee is not refundable and is uniformly imposed.

Site Review and Approval Fee

If, after we approve your proposed location, you elect to instead search for and pursue other potential sites, we may require that you pay us a non-refundable site review and approval fee of \$2,000 for each such additional proposed site.

Technology Fee

As described in this Disclosure Document, you are required to pay us a monthly non-refundable Technology Fee (defined in Item 11). You must pay your first Technology Fee (currently \$900 per month) prior to the opening of your Business such that all required software or technology may be installed on your Computer System (defined below) and functioning prior to the opening of your Business.

Development Fee

If we elect to sign a Development Agreement with you, when you sign the Development Agreement, you will pay us, in a lump sum, an initial development fee (the “Development Fee”) equal to \$20,000 for each Franchise, less the 1st one, you agree to acquire as specified in the Development Schedule. The minimum number of Franchises you must commit to acquiring under a Development Agreement is 2, and the typical Development Agreement would require the development of between 2 and 5 Protein Bar & Kitchen Businesses (the specific number of which would be agreed upon by us and you and specified in the Development Schedule), requiring payment of a Development Fee ranging from \$20,000 to \$80,000. We credit the Development Fee, in \$20,000 increments, toward payment of the Initial Franchise Fee that is due as the 2nd and each subsequent Franchise Agreement is signed until the aggregate amount of these credits equals the Development Fee. Under a typical Development Agreement, you would be required to open all required Protein Bar & Kitchen Businesses within one to five years after signing the Development Agreement, depending on the number of Franchises you agree to acquire. The Development Fee is uniformly imposed and not refundable.

Item 6. **OTHER FEES**

Name of Fee ¹	Amount	Due Date	Remarks
Royalty	6% of Gross Sales ²	Weekly on the day we specify (currently Wednesday)	If you temporarily close your Business without our consent, your Royalty will be \$1,000 for each whole or partial day your Business is closed.
Non-Compliance Fee ³	1% of Gross Sales	Weekly with your Royalty	Your Royalty rate will increase to 7% of Gross Sales if we determine that you are not in compliance with your obligations under the Franchise Agreement, until we determine that you have cured all deficiencies and are compliant with all terms of the Agreement.

Name of Fee ¹	Amount	Due Date	Remarks
Brand Fund Contribution	Currently, 2% of Gross Sales	Weekly with your Royalty	We may change the amount you must contribute to the brand development fund we have established to promote Protein Bar & Kitchen Businesses and brand generally (the “Brand Fund”), but we cannot require that your required Brand Fund contribution, the Local Advertising Requirement, and the required contribution to a Local Advertising Cooperative, collectively, exceed 5% of the Gross Sales of your Business (the “Marketing Expenditure Cap”).
Local Advertising Requirement	Currently, 1% of Gross Sales	Monthly with your first Royalty payment each month	You are required to spend this amount to promote your Business, but we reserve the right to have you instead pay this amount to us or our designee, in which case, we will spend it on your behalf to promote your Business. We may change the amount of this requirement subject to the Marketing Expenditure Cap.
Local Advertising Cooperative	As determined by each Local Advertising Cooperative (currently estimated to be no more than 1% of Gross Sales)	As determined by Co-Op, but estimated to be monthly	Depending on the make-up of the Local Advertising Cooperative, we may have or control the majority of the votes. Your required contributions will be part of and subject to the Marketing Expenditure Cap.
Technology Fee	Currently \$900 per month (subject to change based on technology provided)	Monthly with your first Royalty payment each month	For certain technology-related activities we or our affiliates conduct or services we or our affiliates provide, and fees related to licensing of certain technology that you use in your Business.
Reimbursement of Vendor Payments	Currently \$25 per month (subject to change based on vendor agreements)	Monthly, as invoiced	We may arrange with designated vendors to collect or have our affiliates collect fees and expenses associated with products and services they provide to you and, in turn, pay the vendor on your behalf for such products or services. We currently impose this requirement only with respect to in-store music services.
Additional Training and Opening Assistance	Our then-current per diem fee (currently \$1,000 per day) plus reimbursement of our expenses	As incurred	Payable if we provide training or on-site opening assistance that we are not required to provide, either at your request or at our initiative, including training for additional or replacement required trainees.

Name of Fee ¹	Amount	Due Date	Remarks
Successor Franchise Fee	50% of our then-current Initial Franchise Fee	On execution of successor Franchise Agreement	Payable only if you acquire a successor Franchise when the term of the Franchise Agreement expires.
Transfer Fee	<u>Franchise Agreement:</u> 50% of our then-current Initial Franchise Fee <u>Development Agreement:</u> Greater of (i) \$10,000, or (ii) 5% of the purchase price, plus \$2,500 for costs and expenses	Before transfer is completed	Subject to our prior approval of your proposed transfer.
Relocation of your Business	Currently \$2,000 per request	Upon submission of your request for relocation	You may request our approval to relocate your Business only if characteristics of the Premises have changed or you believe the Premises is no longer suitable for your Business. This fee is subject to change. See Item 12.
Insurance	Currently 10% of the premiums paid, plus reimbursement of the premiums	As incurred	Payable if, after you open your Business, you fail to maintain the required insurance coverage for your Business, and we exercise or right to purchase it for you.
Insufficient Funds Fee	\$100 per occurrence	As incurred	Payable if your checks are returned to us due to insufficient funds or if there are insufficient funds in the business account you designate to cover our withdrawals.
Interest on Late Payments	The lesser of 2% per month or the highest rate allowed under applicable law	As incurred	Payable on all overdue amounts, accruing from the date due until paid.
Tax Reimbursement	Actual costs, plus an administrative fee not to exceed 10% of taxes paid by us	As incurred	You must reimburse us for any taxes that we are required to pay to any state taxing authority on account of the operation of your Business or payments that you make to us (other than our own income taxes).
Management of your Business	10% of Gross Sales plus reimbursement of our costs and expenses	As incurred	Payable if we exercise our rights under the Franchise Agreement to manage your Business on your behalf.

Name of Fee ¹	Amount	Due Date	Remarks
Indemnification	Varies based on amounts awarded and our actual costs	As incurred	You must reimburse us if we are held responsible for claims directly or indirectly arising out of the development or operation of your Business or your breach of the Franchise Agreement.
Costs of Curing Post-Term Deficiencies	Actual costs	As incurred	Payable if you do not comply with your post-term obligations to de-identify your Business and Premises, and we do so on your behalf.
Inspection and Testing for Alternative Vendors, Products or Equipment	Will vary under circumstances (currently estimated to be no more than \$2,000 per request)	As incurred	Payable if, at your request, we agree to consider approving a Vendor that is not then currently approved, including the cost of testing the Vendor's products and inspecting its facilities. See Item 8.
Lost Revenue Damages ⁵	Will vary under circumstances	Within 15 days of expiration or termination	Payable if we terminate the Franchise Agreement because of your breach or you terminate the Franchise Agreement without cause. Lost Revenue Damages equal to the net present value of the Royalties that would have become due had the Agreement not been terminated, from the date of termination to the earlier of: (a) 60 months following the date of termination, or (b) the originally scheduled expiration of the term of the agreement (the "Measurement Period").
Customer Complaint Management	Will vary under circumstances	As incurred	Due if we must pay to resolve customer complaint(s) involving your Business.
Audit Expense	Actual costs	Within 10 days of receiving the examination report	You must pay all costs related to any audit of your books and records if such audit is conducted because you failed to timely furnish required reports, or if the audit reveals that you have understated or underpaid the amounts owed to us or our affiliates by more than 2%.
Costs and Attorney's Fees	Actual costs	As incurred	You must pay our costs and attorney's fees if we are successful in bringing an action against you arising out of, or related to, the Franchise Agreement, including any action commenced to collect amounts owed to us.

Explanatory Notes:

1. Except as described in this Item 6, all fees are imposed and collected by and payable to us or our affiliates. These fees are not refundable and are uniformly imposed. Fees must be paid in the manner we prescribe from time to time. Currently, you must authorize us to debit your designated bank

account for all such amounts (the “EFT Authorization”) and sign and deliver to us any documents we and your bank require for such EFT Authorization. Your EFT Authorization must remain in full force and effect throughout the Term and for 30 days following its expiration or termination.

2. “Gross Sales” means the regular advertised price of all goods and services sold at, from, or in connection with the operation of your Business (whether or not in compliance with the Agreement), regardless of if or the manner in which the price was paid by the purchaser of such products or services, but excluding (1) sales, use, or service taxes collected from customers and paid to the appropriate taxing authority, and (2) the amount of any documented refunds and credits your Business in good faith gives to customers and your employees. Revenue from the purchase or redemption of gift certificates, gift cards or similar programs is calculated as part of Gross Sales in accordance with our then-current guidelines for such programs. Gross Sales also include all insurance proceeds you receive to replace revenue that you lose from the interruption of your Business due to a casualty or other event covered by business interruption or similar insurance coverage.

If you fail to timely report Gross Sales, we may debit your account for 110% of the average of the last three Royalty and Brand Fund contributions that we debited. If the amounts that we debit from your account under this paragraph are less than the amounts you actually owe us (once we have determined the true and correct Gross Sales), we will debit your account for the balance on the day we specify. If such amounts are greater than what you actually owe, we will credit the excess against the amounts we otherwise would debit from your account during the following week.

3. Non-Compliance Fee. The Royalty rate we charge assumes that you will comply with your obligations under all agreements between us and you regarding your Business. Payment of the non-compliance charge is intended to compensate us for certain revenue we may have lost and expenses or losses we incur as a result of your non-compliance. It is not a penalty, an expression of the total amount of such damages, or a cure of the non-compliance that triggered its payment.

4. Management of your Business. We (or a party we designate) may assume management of your Business if: (1) you abandon or fail to actively operate your Business; (2) we are entitled to terminate the Franchise Agreement; or (3) the Franchise Agreement expires or is terminated and we are deciding whether to exercise our option to purchase your Business.

5. Lost Revenue Damages. Lost Revenue Damages are to compensate us solely for lost future Royalties that would have been paid if not for the termination and are calculated as follows: (1) the number of calendar months in the Measurement Period, multiplied by (2) the Royalty fee percentage, multiplied by (3) the highest monthly Gross Sales of your Business during the 36 full calendar months immediately preceding the termination date (or, if the termination is based on your unapproved closure of your Business, the 36 full calendar months immediately preceding the closure); provided, that if as of the termination date (or, if applicable, the closure date), your Business has not been operating for at least 36 months, the highest average monthly Gross Sales of all Protein Bar & Kitchen Businesses operating during the 36 months immediately preceding the termination date.

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Item 7.
ESTIMATED INITIAL INVESTMENT
YOUR ESTIMATED INITIAL INVESTMENT

FRANCHISE AGREEMENT

Type of Expenditure¹	Amount	Method of Payment	When Due	To Whom Payment is to be Made
Initial Franchise Fee	\$40,000	Lump sum	On execution of Franchise Agreement	Us
Expenses Associated with Initial Training Program ²	\$10,000 - \$25,000	As incurred	As incurred	Unaffiliated Vendors
Real Property (Rent, Security Deposit) ³	\$25,000 - \$50,000	As arranged	As arranged	Landlord
Furniture, Fixtures and Equipment ⁴	\$75,000 - \$120,000	As arranged	As arranged	Unaffiliated approved Vendors
Leasehold Improvements ⁵	\$135,000 - \$290,000	As arranged	As arranged	Unaffiliated approved Vendors
Architectural Design	\$20,000 - \$30,000	As incurred	As invoiced	Unaffiliated approved Vendors
Professional Fees ⁶	\$1,000 - \$5,000	As arranged	As arranged	Unaffiliated Vendors
Licenses and Permits ⁷	\$2,000 - \$10,000	As arranged	As arranged	Unaffiliated Vendors
POS System and Computer System; Technology Fee ⁸	\$10,000 - \$20,000	As incurred	As incurred	Unaffiliated approved Vendors
Opening Inventory, Supplies and Smallwares ⁹	\$15,000 - \$25,000	As incurred	As incurred	Unaffiliated approved Vendors
Grand Opening Advertising ¹⁰	\$10,000 - \$15,000	As incurred	As incurred	Unaffiliated Vendors
Insurance ¹¹	\$2,000 - \$5,000	As arranged	As arranged	Unaffiliated Vendors
Signage	\$7,500 - \$20,000	As incurred	As incurred	Unaffiliated approved Vendors
Other Deposits ¹²	\$2,000 - \$5,000	As arranged	As incurred	Unaffiliated Vendors
Additional funds (3 months) ¹³	\$15,000 - \$25,000	As arranged	As incurred	Unaffiliated Vendors
TOTAL ESTIMATED INITIAL INVESTMENT:	\$369,500 – \$685,000			

Explanatory Notes:

1. All amounts payable to us or our affiliates are not refundable under any circumstances. Refundability of amounts paid to third parties will be subject to the terms of your agreement with those parties.
2. **Initial Training Program.** We conduct our Initial Training Program in Chicago, Illinois, or another designated training facility that we determine. The amounts shown assume the two (2) required trainees (including the Managing Owner and Designated Manager) attend. We do not charge a training fee for the required trainees to attend the Initial Training Program. The amounts shown reflect our estimate of the travel and related expenses (including lodging and meals) that your required trainees will incur in connection with attendance and participating in the Initial Training Program. Travel expenses for you and your employees will depend on the distance you and they must travel and your own reimbursement policies for employee travel. The estimates provided above include the compensation for your Designated Manager (approximately \$5,000 to \$10,000), but no allowance is made for draws paid to your owners during the Initial Training Program.
3. **Real Property.** We expect that your Business will be located in premises that you lease from a third-party landlord. A suitable building for your Business will range in size from approximately 1,250 to 2,500 square feet. Local market conditions, changes in the economy, and inflation will all contribute to your real property costs. The location of the parcel of real property, its relationship to and the nature of any adjoining uses, and its accessibility will affect both its size and price. Lease agreements vary, but usually require the lessee to pay for maintenance, insurance, taxes and any other charges or expenses for the land and building and the operation of your Business. This range includes an estimate of the security deposit and rent payable (\$5,000 to \$10,000 per month) to the landlord during the pre-opening period and for three months after your Business commences operations. In our experience with operating Protein Bar & Kitchen Businesses, we have been able to negotiate allowances from landlords, on a case-by-case basis, to assist with initial improvements to the premises, though such allowances are not reflected in the above estimate.
4. **Furniture, Fixtures and Equipment.** We specify the kitchen equipment that you must install in your Business, as well as movable furniture and fixtures that will be required for your Business, such as seating, tables, chairs, stools, banquettes, booths, and upholstery. The provided estimates assume you purchase the specified equipment. You may be able to reduce costs by financing, leasing, or buying used equipment which matches specifications.
5. **Leasehold Improvements.** You will need to adapt your Premises (defined in Item 8) to our prototype designs and plans for the building in which you will locate your Business, in accordance with state and local building codes. Construction costs vary depending upon numerous factors, including the size and configuration of the premises and the cost of materials and labor for construction. The costs shown do not include the cost of purchasing the Premises. The cost of leasehold improvements depends on the condition and size of the site, the local cost of contract work, and the location of the Protein Bar & Kitchen Business. The provided estimates assume the landlord delivers the Premises to you with basic finishings and connections to adequate electrical, gas, water and sewer service. In certain markets, especially major metropolitan markets, costs could be substantially higher due to prevailing market rates for labor (and use of union labor) and materials. These estimates may also vary substantially based upon your ability to negotiate with your landlord. The high estimated figures include building or remodeling walls, ceilings, floors, and countertops, and other construction including electrical, plumbing, HVAC, and carpentry work. Depending on the Lease terms, your

landlord might cover some of these costs. In our experience, the landlord may waive rent payment(s) for an initial period. This assumption is not included in the estimate. To avoid excessive construction costs, we require that you pick contractors carefully by obtaining several competitive bids beforehand. These estimates do not include extensive exterior renovations since they are not typically necessary.

6. Professional Fees. You may incur other types of professional fees including fees for legal and accounting services. You may require an accountant and an attorney to provide services to help you form a new business entity to own your Business and review contracts and other documents, including this Disclosure Document.

7. Licenses and Permits. This is an estimate of the cost of building permits which you must obtain before you begin construction work, as well as other licenses needed to open and operate your Business, such as licensing for food handling and/or restaurant management. The permitting process and attendant licensing and permitting costs vary substantially by local jurisdiction.

8. POS System and Computer System; Technology Fee. Before you open your Business, you must obtain and install our designated point-of-sale system (“POS System”) and Computer System (see Item 11). You will also be responsible for a monthly Technology Fee. You will have sole and complete responsibility for the manner in which your POS System and Computer System interface at our specified levels of connection speed with our and any third party’s computer system, and you are responsible for any and all consequences if your POS System and Computer System are not properly operated, maintained, and upgraded.

9. Opening Inventory, Supplies and Smallwares. This estimate includes equipment, Menu Item ingredients, disposable supplies, uniforms, and other operating supplies including knives, kitchen utensils, blenders, kitchen equipment, spoons, ladles, stainless steel pans, and an opening quantity of cleaning supplies, plastic ware, serving containers, napkins, branded cups, and take-away boxes and containers (collectively, the “Opening Inventory, Supplies and Smallwares”). Expenses to replenish the Opening Inventory, Supplies and Smallwares during the remainder of the initial period are accounted for in Additional Funds.

10. Grand Opening Advertising. The amount you will be required to spend on your grand opening advertising program will depend on various factors, but we will not require you to spend more than \$15,000. The amount you spend on grand opening advertising will not count towards your other required marketing expenditures or the Marketing Expenditure Cap.

11. Insurance. You must, at your expense, comply with the requirements regarding insurance coverage that we describe in our Operations Manual from time to time. If you fail or refuse to procure and maintain the required insurance, we may (but need not) obtain such insurance on your behalf, in which event you must cooperate with us and reimburse us for all premiums, costs and expenses we incur in obtaining and maintaining the insurance, plus a reasonable fee for our time incurred in obtaining such insurance. No insurance coverage that you or any other party maintains will be deemed a substitute for your indemnification obligations to us or affiliates. This estimate is based on our current requirements. We make no representation that the coverage will be sufficient for your Business or your purposes. Your Lease agreement may require higher insurance limits than those required by us. You may also have to prepay a portion of the first year’s premiums for insurance. See Item 8.

12. Other Deposits. This figure estimates what may be due to third parties prior to your Protein Bar & Kitchen Business opening for operation, such as utility deposits and deposits for leasing required equipment. Your actual payments may vary depending on your agreements with third parties.

13. Additional Funds – Initial 3-Month Period. Our estimates of the amounts needed to cover your expenses for the initial phase of your Business (3 months from the date your Business opens) include: replenishing your inventory, initial advertising and promotional expenditures, payroll for managers and other employees, uniforms, utilities, and other variable costs. These amounts do not include any estimates for debt service on loans that you obtain to finance your Business or the costs of purchasing real estate, and the estimates do not include any salary for your owners during the initial phases of operations.

The figures in this Item 7 reflect our estimates of your initial opening investment and are based on PB Restaurant’s experience in developing Protein Bar & Kitchen Businesses. Neither we nor our affiliates offer financing directly or indirectly for any part of the initial investment. The availability and terms of financing depend on the availability of financing generally, your creditworthiness and collateral, and lending policies of financial institutions. You should not plan to draw income from operations during the initial period. We encourage you to review these numbers with your professional advisors.

YOUR ESTIMATED INITIAL INVESTMENT

MULTI-UNIT DEVELOPMENT AGREEMENT

Type of Expenditure ¹	Amount	Method of Payment	When Due	To Whom Payment is to be Made
Initial Franchise Fee for 1 st Franchise Agreement ²	\$40,000	Lump Sum	On Execution of 1 st Franchise Agreement (concurrently with execution of Development Agreement)	Us
Development Fee ³	\$20,000 to \$80,000	Lump Sum	On Execution of Development Agreement	Us
TOTAL ESTIMATED INITIAL INVESTMENT:	\$60,000 to \$120,000			

Explanatory Notes:

1. All amounts are payable to us or our affiliates and are not refundable under any circumstances.
2. When you sign the Development Agreement, you will also sign the Franchise Agreement for the 1st Franchise you are obligated to purchase. The Initial Franchise Fee will be due and payable under the Franchise Agreement, but it will be payable concurrently with the execution of the Development Agreement. For that reason, we have included that amount as an amount needed to commence activities under the Development Agreement. Note that, by virtue of signing the 1st Franchise Agreement, you will be obligated to develop the Protein Bar & Kitchen Business referenced in that Franchise Agreement. Review the chart applicable to the Franchise Agreement in this Item 7 for the estimated initial investment needed to commence activities under the Franchise Agreement.

3. The actual amount of the Development Fee will depend on the number of Franchises you agree to acquire under the Development Schedule. The Development Fee is equal to \$20,000 for each Franchise (after the 1st one) you agree to acquire. For example, if you agree to acquire Franchises to open 2 Protein Bar & Kitchen Businesses (the minimum commitment under a Development Agreement), the Development Fee would be \$20,000; and if you agree to open 5 Protein Bar & Kitchen Businesses, the Development Fee would be \$80,000. We apply the Development Fee, in \$20,000 increments, toward the Initial Franchise Fee due under each Franchise Agreement (after the 1st one) signed in accordance with the Development Agreement.

Other than the Development Fee, we do not expect that a multi-unit developer will have any other type of incremental expense during the initial phase that is specific to exercising development rights. Developers will incur expenses in fulfilling their development commitment including expenses for site selection, Lease review, and construction and development of the Franchise. However, we account for these expenses in the table for the Estimated Initial Investment under the Franchise Agreement.

Item 8. **RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES**

Standards and Specifications

You are required to offer and sell all products and services that we specify from time to time and to offer and sell only those products and services that we approve from time to time. We have, and may further develop, standards and specifications for all aspects of the development and operation of a typical Protein Bar & Kitchen Business (the “System Standards”). We will provide you our then-current prototypical plans showing the standard layout and placement specifications for all required equipment, the Computer System (defined below), furniture, fixtures, and signs (all of the foregoing being referred to, collectively, as the “Operating Assets”), as well as for the manner in which the Protein Bar & Kitchen Business is operated, the terms and conditions under which gift and loyalty programs are offered, and all Menu Items that are offered and sold by and through them Protein Bar & Kitchen Businesses. We have the right to develop, issue specifications for, and approve all items used in the development and operation of Protein Bar & Kitchen Businesses, as well as the manufacturers, suppliers, and distributors (collectively, “Vendors”) of items used and Menu Items sold by those businesses. Our standards and specifications may impose minimum requirements including, for example, as to quality, cost, delivery, performance, design and appearance, delivery capabilities, minimum inventory requirements, terms, and conditions under which they are sold to you, and financing terms. We may change, delete, or modify any of our standards and specifications, and those changes might require that you make additional expenditures. You are required to purchase only the items that we approve or that meet our standards and specifications and, as described below, to purchase those items only from Vendors that we approve or otherwise allow.

We are not required to divulge our standards and specifications for Menu Items to you or any Vendor, but we may, primarily through the Operations Manual, make standards and specifications for certain items available to you, and we may communicate standards and specifications to our approved Vendors for the items they sell from time to time. If we determine that divulging standards and specifications will jeopardize the confidentiality of any Confidential Information (as defined in Item 13) or our intellectual property rights, we may elect to approve products or services that we determine

meet our standards and specifications without communicating those standards and specifications to you or Vendors.

Development of Your Business

You are responsible, at your expense, for developing and operating your Business. We will give you mandatory and suggested specifications and layouts for a Protein Bar & Kitchen Business to operate, including requirements for dimensions, design, image, menu signage, interior layout, decor, Operating Assets, and color scheme. These plans might not reflect the requirements of any federal, state, or local law, code, or regulation, including those arising under the Americans with Disabilities Act or similar rules governing public accommodations for persons with disabilities, and we will not assist with meeting the requirements for any of these codes. You must prepare a site survey and all required construction plans and specifications for the Premises and make sure that they comply with all applicable laws (including laws regarding accessibility) and similar rules, ordinances, building codes, permit requirements, and lease requirements and restrictions. We must review and approve all final construction plans and specifications before you begin constructing your Business and all revised or “as built” plans and specifications during construction. Our review is only to ensure your compliance with our design requirements. We may inspect your Business during its development.

Business Premises and Lease

Your Business must be developed, owned, and operated, throughout the term of the Franchise Agreement, at a site that we approve (the “Premises”). We have the right to approve the Premises’ Lease or sublease and to require that it include certain provisions, including our right to the Premises if the Franchise Agreement is terminated or not renewed or if you lose possession because of your default under the Lease.

Designated and Approved Vendors

As discussed above, we may require you to purchase or lease brands, types, or models of products, services, supplies, Operating Assets, or other items only from Vendors we designate or approve, and we may mandate a limited number or a single source for some or all of those items. We and our affiliates are not currently Vendors but we reserve the right to designate ourselves and our affiliates as a Vendor or the sole Vendor for some or all of the Operating Assets and other items used in the development and operation of Protein Bar & Kitchen Businesses. We restrict your sources of approved products in order to protect our trade secrets, assure quality, assure a reliable supply of products that meet our standards, achieve better terms of purchase and delivery service, control usage of the Marks by third parties, and monitor the manufacture, packaging, processing, and sale of these items. Your purchase of approved or mandated items may require that you enter into contracts with Vendors of those items, and we may mandate the terms and conditions of those contracts. We may concentrate purchases with one or more Vendors to obtain lower prices and/or the best advertising support and/or services for any group of Protein Bar & Kitchen Businesses franchised or operated by us or our affiliates. No such arrangements currently exist.

We may modify the list of approved products, Operating Assets, and Vendors at any time, in which case we will allow you a reasonable amount of time to exhaust current inventories and begin purchasing new approved products or Operating Assets from an approved or designated Vendor. If we expand the list of approved products, we may designate ourselves or our Affiliates as the exclusive or

recommended Vendor, or we may identify third-party Vendors that will pay us revenue or other compensation or consideration on account of their transactions with our franchisees.

The Operations Manual includes a separate section with specifications for ingredients, beverages, and recipes that we may modify at any time. There is no contractual limitation to the number of modifications we may make to the Operations Manual, approved products, Operating Assets, and Vendor specifications, and there is no limit on your obligation to comply with such modifications.

We and our affiliates do not currently derive revenue or other material consideration from selling products and services to our franchisees, and we and our affiliates do not currently receive rebates or other material consideration from approved Vendors based on sales of products and services they make to our franchisees, though we may participate in any of these arrangements in the future. None of our officers currently owns an interest in any Vendor of products or services to our franchisees. We had no franchisees during our 2022 fiscal year, which ended December 31, 2022, so we and our affiliates did not derive revenue from the sale of products or services to franchisees or collect any rebates or other consideration from Vendors based on sales they made our franchisees during our prior fiscal year.

We estimate that 80% to 90% of your initial investment and 80% to 90% of your ongoing expenditures will require you to purchase products and services that will be restricted by us in some manner.

Alternative Vendors

We will provide you with a list of approved Vendors, the content of which may change from time to time as we add to, change, or remove our approval of Vendors. If you would like us to consider approving a Vendor or product that is not then approved, you must submit your request in writing before purchasing any items or services from that Vendor. We will make all determinations about whether to approve an alternative Vendor or product based on our then-current criteria, which may change periodically, and we will use reasonable efforts to notify you of our decision within 30 days after we receive your written request and supporting documentation. If you do not receive our written approval within that time, the request will be deemed to have been denied. If we approve your request, we may later revoke such approval if we determine it is in the interests of the Protein Bar & Kitchen® brand to do so. We are not obligated to issue to you our criteria for approving alternative Vendors. We may also refuse to consider and/or approve any proposed alternative Vendor or product for any reason whatsoever. We may charge you a fee if you ask us to evaluate any proposed alternative Vendor or product in the amount of costs we incur in inspecting and testing such products (currently estimated to not exceed \$2,000 per request, plus reimbursement of our costs and expenses). We may, with or without cause, revoke our approval of any Vendor or product at any time. Vendor or product approval might be temporary until we evaluate the Vendor or product in more detail.

Our approval of a product or Vendor may be conditioned on requirements relating to product quality, prices, consistency, reliability, financial capability, labor relations, customer relations, frequency of delivery, concentration of purchases, standards of service (including prompt attention to complaints) or other criteria.

Purchasing Programs, Material Benefits, and Ownership of Vendors

We may establish purchasing cooperatives and programs with certain Vendors with respect to Operating Assets and other items used in the development and operation of Protein Bar & Kitchen Businesses. As of the issuance date of this Disclosure Document, there are no purchasing or distribution cooperatives for Protein Bar & Kitchen Businesses. We do not provide material benefits to franchisees for purchasing particular products or services or using designated or approved Vendors.

Insurance

You must, at your expense, comply with the requirements regarding insurance coverage that we describe in our Operations Manual from time to time. If you fail or refuse to procure and maintain the required insurance, we may (but need not) obtain such insurance on your behalf, in which event you must cooperate with us and reimburse us for all premiums, costs and expenses we incur in obtaining and maintaining the insurance, plus a reasonable fee for our time incurred and resources used to obtain such insurance for you (currently equal to 10% of the insurance premiums paid by us). Your obligation to satisfy our minimum insurance requirements is not diminished or limited in any way by any insurance we or our affiliates carry, and no insurance coverage that you or any other party maintains will be deemed a substitute for your indemnification obligations under the Franchise Agreement or Development Agreement.

Our insurance requirements represent only the minimum coverage that we deem acceptable to protect our interests and are not representations or warranties of any kind that such coverage is sufficient to comply with applicable law or protect your interests or those of your Business. It is your sole responsibility to make that determination and to acquire any additional coverages you believe are necessary to protect those interests, based on your own independent investigation. We are not responsible if you sustain losses that exceed your insurance coverage under any circumstances.

Currently, we require that you purchase at least the following types and amounts of coverage (subject to change as described in our Operations Manual):

- General Liability: \$1,000,000 per person per occurrence,
\$2,000,000 aggregate
- “All Risk” Property Damage Replacement Costs
- Automobile / Personal Injury: \$1,000,000
- Workers’ Compensation: \$1,000,000
- Cyber: \$25,000

Online Ordering, Catering, Loyalty and Delivery Programs

We require you to participate in any online ordering, off-premises catering and/or delivery programs we develop applicable to your Business, including mobile application programs. You must also participate in our system-wide electronic loyalty program and any gift card programs that we may enter into on behalf of the system. We explain the loyalty program rules in the Operations Manual. You may not issue any type of gift or loyalty card that is redeemable at your Business only. We may, at our discretion, enter into partnership agreements with third-party marketplaces, in which you may be required to participate pending availability in your Business’ service area.

In-Store Music

We require you to subscribe to a third-party music platform for the purpose of offering in-store music that meets our brand standards. You will enter into a subscription contract with the third-party provider, which will supply you with our approved in-store music programming. Any alternatives or substitutions to the approved selections must be approved in writing. If you do not receive written approval within 10 days after we receive the materials, they are deemed to be disapproved. We reserve the right to require the payment of the music platform to be paid to us in the future.

Advertising Materials

Before you use them, you must send us for review and approval samples of all advertising, promotional, and marketing materials that we have not prepared or previously approved. If you do not receive written approval within 10 days after we receive the materials, they are deemed to be disapproved. You may not use any advertising, promotional, or marketing materials that we have not approved or have disapproved.

Development Agreement

The Development Agreement does not require you to buy or lease from us (or our affiliates), our designees, or approved Vendors, or according to our specifications, any goods, services, supplies, fixtures, equipment, inventory, computer hardware and software, or comparable items related to establishing or operating your Business under the Development Agreement. However, you must give us information and materials we request concerning each Premises that you propose for your Business(es) so that we can assess each site and grant our approval, as warranted.

Item 9. **FRANCHISEE'S OBLIGATIONS**

This table lists your principal obligations under the Franchise Agreement and other agreements. It will help you find more detailed information about your obligations in these agreements and in other items of this Disclosure Document.

Obligation	Section in Franchise Agreement	Section in Development Agreement	Disclosure Document Item
(a) Site selection and acquisition/lease	Sections 2.A, 2.B, 3.A and 3.B, Lease Addendum	Section 2.D	Item 11
(b) Pre-opening purchases/leases	Sections 3.B, 3.C, and Section 9, Lease Addendum	Not Applicable	Items 7, 8 and 11
(c) Site development and other pre-opening requirements	Sections 3.A, 3.C, 5.A and 10.A	Section 2	Items 7, 8, and 11
(d) Initial and ongoing training	Sections 5.A, 5.B, and 5.C	Not Applicable	Items 6, 7, and 11

Obligation	Section in Franchise Agreement	Section in Development Agreement	Disclosure Document Item
(e) Opening	Section 3.B	Section 2	Item 11
(f) Fees	Section 4, Data Sheet	Section 3, Data Sheet	Items 5, 6, and 7
(g) Compliance with standards and policies / Operations Manual	Sections 4.D, and 9.J	Section 2.D	Items 8 and 11
(h) Trademarks and proprietary information	Section 6	Section 7	Items 13 and 14
(i) Restrictions on products/services offered	Sections 9.C, 9.E, and 9.J	Not Applicable	Items 8, 11, 12 and 16
(j) Warranty and customer service requirements	Section 9.F	Not Applicable	Item 11
(k) Territorial development and sales quotas	Not Applicable	Sections 2.C and 2.D, Data Sheet	Item 12
(l) On-going product/service purchases	Sections 9.C and 9.E	Not Applicable	Items 6 and 8
(m) Maintenance, appearance, and remodeling requirements	Sections 9.A and 9.J	Not Applicable	Items 6, 8, 11 and 17
(n) Insurance	Section 9.G	Not Applicable	Items 7 and 8
(o) Advertising	Section 10	Not Applicable	Items 6, 7, 8 and 11
(p) Indemnification	Section 17.C	Section 8.B	Item 6
(q) Owner's participation/management/staffing	Sections 1.B, 1.C, and 9.D	Section 1.B	Items 11 and 15
(r) Records and reports	Section 11	Section 4	Item 6
(s) Inspections and audits	Section 12	Not Applicable	Items 6 and 11
(t) Transfer	Section 13	Section 5	Item 17
(u) Renewal	Section 14	Not Applicable	Item 17
(v) Post-termination obligations	Section 16	Section 7	Item 17
(w) Non-competition covenants	Sections 8 and 16.D	Not Applicable	Item 17
(x) Dispute resolution	Section 18	Section 9	Item 17

Item 10.
FINANCING

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

Item 11.
FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEM AND TRAINING

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

Our Pre-Opening Obligations – Franchise Agreement.

Before you open your Business, we will:

1. assist you in the various stages of development of your Business, including site selection, selection, supervision of construction, and general oversight of the construction process (Franchise Agreement – Section 3.A);
2. review and either approve or disapprove your proposed Premises and Lease for your Business (Franchise Agreement – Sections 3.A and 3.B);
3. loan to you our prototypical plans showing the standard layout and placement specifications for Operating Assets; review and, in our reasonable judgment, approve the steps you have taken to construct and prepare your Business for opening in accordance our standards and specifications; and provide you confirmation, in writing, that, in our reasonable judgment, your Business meets our standards and specifications and is ready for opening (Franchise Agreement – Section 9.A);
4. provide certain assistance in connection with your purchase of necessary equipment, signs, fixtures, opening inventory, supplies, and other Operating Assets. Currently, we neither provide these items directly nor do we deliver or install them, but we do provide you with (a) the names of approved or designated Vendors for those items for which we have approved or designated Vendors (some of whom might be us our affiliates), and (b) written specifications of certain other items that, from time to time, we allow you to purchase from Vendors of your choice (Franchise Agreement – Sections 3.B and 9);
5. provide the Initial Training Program (as defined below) to you (or your Managing Owner), and at least one (1) other individual with manager-level experience, prior to the opening of your Business (Franchise Agreement – Section 5.A); and
6. provide access to our Operations Manual (defined in Item 11) (Franchise Agreement – Section 5.D).

Our Pre-Opening Obligations – Multi-Unit Development Agreement

After you sign a Development Agreement, but before you open your first Business, we or our affiliates will provide you the following assistance:

1. review and evaluate against our then-current criteria, sites you propose for the development of Protein Bar & Kitchen Businesses (Development Agreement, Section 2.D); and
2. issue you a Franchise Agreement once we determine that you and your proposed site meet our requirements to acquire a Franchise (Development Agreement, Section 2.E).

Site Selection and Possession

You are entirely responsible, at your expense, for doing everything necessary to develop and open your Business, including, subject to our prior written acceptance, locating, selecting, and securing possession of the Premises from which your Business will operate. You have 60 days after you sign the Franchise Agreement to locate and obtain our approval of the Premises for your Business. You must provide any information we request to aid in our evaluation of your proposed Premises. We reserve the right to define a territory around your proposed Premises within which you will have certain exclusive rights (as described in Item 12), at the time the Premises are identified and approved by us in accordance with this Section (the “Protected Territory”). We may evaluate each proposed site based on any criteria we believe are relevant, including factors such as demographics, proposed rental rates, neighborhood and nearby business counts and characteristics, nearby residential populations, traffic counts, accessibility, parking, visibility, signage, and competition. If you disagree with our definition of the Protected Territory, you may elect to locate and submit an alternative location to us for approval pursuant to this Section. We are not under any obligation to notify you of our approval or rejection of your proposed site within a certain time period, but we will typically give you our answer within 30 days following our receipt of all information we request. If you fail to obtain our approval of any proposed site for your Business, and as a result you do not open your Business within 12 months of the Effective Date of the Franchise Agreement, we may terminate the Franchise Agreement. Our approval of your proposed site is entirely for our own purposes and, by approving your site, we are not representing or guaranteeing that it will perform as you or we expect it to do. We are not responsible if the site we recommend or approve fails to meet your expectations. We do not typically own any premises which are then leased to franchisees.

If, after we approve your Premises, you elect to instead search for and pursue other potential sites, we may require that you pay us a site review and approval fee of \$2,000 for each such additional proposed site.

You must secure possession of the Premises within 60 days following our approval, by signing a lease, sublease or other agreement that allows you to develop and operate your Business at the Premises for the entire term of the Franchise Agreement (the “Lease”). You may not, however, sign the Lease until you have received our written approval of its terms. As a condition to our acceptance of the Lease, we may require the Lease to include certain provisions that we periodically require to protect and maintain the Protein Bar & Kitchen® brand and System and to protect our interests in the Premises and the continuity of the brand at the Premises. The current form of our standard Lease Addendum containing those provisions is attached as Exhibit I to this Disclosure Document. If we accept the Lease, we do so for our own purposes, and we make no representation or warranty as to the

quality or suitability of the Lease or its terms. You should obtain the advice of your own professional advisors before signing it.

Opening Requirements

Franchise Agreement

You must, by the earlier of (a) 120 days after you sign the Lease, or (b) 12 months after the Effective Date of the Franchise Agreement, to do all things necessary to complete the development of your Business and prepare it for opening in accordance with the Franchise Agreement and applicable laws, including adapting your Business to our prototypical plans; acquiring and installing the Operating Assets; constructing your Business to our approval and in accordance with the approved detailed construction plans and specifications for your Business; using approved Vendors; retaining and paying all architects and contractors; securing all required operating permits, licenses, and insurance; and retaining and training all employees.

You will not be allowed to begin operating your Business until we have confirmed, in writing, that you have satisfied all conditions required under the Franchise Agreement to our satisfaction. Subject to your compliance with applicable laws, you are required to begin operating your Business not later than five days following our written confirmation of those items. We may terminate the Franchise Agreement and retain your Initial Franchise Fee payment if you fail to open your Business for full use by customers within such timeframes. The typical length of time between signing a Franchise Agreement and opening a Protein Bar & Kitchen Business is between 6 and 12 months. Factors that affect this time include obtaining a satisfactory site, financing arrangements, lease negotiations, local ordinances, delivery and installation of equipment, and renovation of the premises.

Development Agreement

Under the Development Agreement, despite any assistance we may provide, you are entirely responsible for locating and presenting to us proposed sites for Protein Bar & Kitchen Businesses in the Development Area as necessary to comply with the Development Schedule. You must give us all information and materials we request to assess each proposed site, as well as your or your proposed affiliate's financial and operational ability to develop and operate a Protein Bar & Kitchen Business at the proposed site. We have the absolute right to reject any site or any affiliate (a) that does not meet our criteria, or (b) if you or your affiliates are not then in compliance with any existing Franchise Agreements or are not then operating your or their Protein Bar & Kitchen Businesses in compliance with the System Standards. We will use our reasonable efforts to review and evaluate your proposed sites within 30 days after we receive all requested information and materials. If we accept a proposed site, you or your approved affiliate must sign a separate Franchise Agreement for the Premises within 15 days after we provide you with an execution copy of the Franchise Agreement, or we may withdraw our approval and acceptance of the Premises. To maintain your rights under the Development Agreement, you must open the Protein Bar & Kitchen Businesses pursuant to separate Franchise Agreements as necessary to satisfy the Development Schedule.

Assistance During the Operation of Your Business – Franchise Agreement

During the operation of your Business, we or our designees will:

1. allow you to use our Confidential Information, including our Operations Manual in connection with the operation of your Business (Franchise Agreement – Sections 5.D and 7);
2. allow you to use our Marks in connection with the operation of your Business (Franchise Agreement – Section 6);
3. provide you additional or refresher training, if we determine that additional training is necessary (Franchise Agreement – Section 5.C);
4. periodically advise you regarding the operation of your Business based upon reports you submit or inspections we make (Franchise Agreement – Sections 9, 11 and 12);
5. provide you with a list of authorized Vendors for the ingredients, supplies, signs, furniture, fixtures, equipment, and services (Franchise Agreement, Section 9.E);
6. provide you our System Standards and other suggested standards, specifications, and procedures for Protein Bar & Kitchen Businesses (Franchise Agreement, Section 9.J); and
7. review and approve or disapprove advertising and marketing materials and programs that you propose to use (Franchise Agreement – Section 10).

While we are not obligated to do so, we may, subject to applicable law, determine prices that you and other Protein Bar & Kitchen Businesses may charge for or advertise Menu Items (Franchise Agreement, Section 9.H).

Assistance During Activities Under the Development Agreement

During your operations under the Development Agreement, we or our designees will:

1. provide you with our site selection criteria for a Protein Bar & Kitchen Business, and review locations you propose for your Protein Bar & Kitchen Businesses (Development Agreement – Section 2.D); and
2. subject to your compliance with the Development Agreement, allow you to purchase Franchises to operate Protein Bar & Kitchen Businesses at Premises we approve in your Development Area in accordance with the Development Agreement (Development Agreement – Section 2.E).

Operations Manual

During the term of your Franchise Agreement, we will provide you with electronic access to our manual for the operation of Protein Bar & Kitchen Businesses (the “Operations Manual”). We will determine the content of the Operations Manual, the frequency in which it may be updated, and the

manner and format in which it is delivered or made available to you. The Operations Manual may contain both mandatory specifications, standards, operating procedures, and System Standards, and you must comply with those standards and requirements. The Operations Manual may also contain other specifications, standards, and policies that we may periodically suggest, and information on your other obligations under the Franchise Agreement. Adoption of those items in the operation of your Business will be at your discretion. We may periodically modify the Operations Manual, including in the form of memoranda and newsletters, to reflect changes in System Standards.

The current table of contents of the Operations Manual is attached to this Disclosure Document as Exhibit D. There are currently 326 pages in our Operations Manual.

Advertising and Promotion

Grand Opening Advertising Expenses

You must, at your expense and on the dates we designate before and after your Business opens, conduct a grand opening advertising program for your Business that complies with the requirements set forth in the Operations Manual. The amount you will be required to spend on your grand opening advertising program will depend on various factors such as existing awareness of the *Protein Bar & Kitchen*[®] brand in the area in which your Business operates, the density of the market in which your Business is located, and your ability to obtain publicity surrounding the opening of your Business, but we will not, in any event, require you to spend more than \$10,000. The amount you spend on grand opening advertising will not count towards your other required marketing expenditures or the Marketing Expenditure Cap.

Brand Fund

We have established a Brand Fund to be used to promote awareness of the *Protein Bar & Kitchen*[®] brand and Protein Bar & Kitchen Businesses generally. Your contribution will be in amounts we periodically specify and will be payable in the same manner as the Royalty. Currently, the required Brand Fund contribution is two percent (2%) of your Business' Gross Sales. We anticipate that all franchisees will contribute to the Brand Fund at the same rate; however, we may on notice to our franchisees, change the amount they must contribute to the Brand Fund subject to the Marketing Expenditure Cap.

We or our affiliates or other designees will direct all programs that the Brand Fund funds or finances, with sole control over the creative concepts, materials, and endorsements used and their geographic, market, and media placement and allocation. The Brand Fund may pay for preparing and producing materials and electronic or digital media in any form or format that we periodically designate, including but not limited to: administrating online advertising strategies, including maintaining a System Website or mobile applications; administering regional and multi-regional marketing and advertising programs; implementing a loyalty program; and supporting public relations, market research, product development, and other advertising, promotion, and marketing activities. The Brand Fund may sell you copies at its cost of certain materials at the Brand Fund's cost of producing them, plus any related shipping, handling, and storage charges.

We are not required to segregate Brand Fund contributions from our other funds, but we will account for the Brand Fund separately from our other funds and not use the Brand Fund for any of our general operating expenses. However, we may use the Brand Fund to reimburse us or our affiliates or

designees for the reasonable salaries and benefits of personnel who manage and administer the Brand Fund, the Brand Fund's other administrative costs, travel expenses of personnel while they are on Brand Fund business, meeting costs, overhead relating to the Brand Fund, and other expenses that we incur in activities reasonably related to administering or directing the Brand Fund and its programs. While references to the availability of franchises may appear in marketing materials, the Brand Fund will not be used primarily to sell franchises.

The Brand Fund will not be our asset. We will hold all Brand Fund contributions for the benefit of its contributors. The Brand Fund may, in our discretion, spend in any fiscal year more or less than the total Brand Fund contributions made in that year, borrow from us or others (paying reasonable interest) to cover deficits, or invest any surplus for future use. We may use all interest earned on the Brand Fund contributions to pay costs before using the Brand Fund's other assets. We will prepare an annual, unaudited statement of Brand Fund collections and expenses and, once prepared, give you the statement for the most recently completed fiscal year upon your written request. We may have the Brand Fund audited annually, at the Brand Fund's expense, by an independent certified public accountant. We may incorporate the Brand Fund or operate it through a separate entity whenever we deem appropriate and, if we do, that successor entity will have all rights and duties reserved by us.

We need not ensure that Brand Fund expenditures in or affecting any geographic area are proportionate or equivalent to Brand Fund contributions by Protein Bar & Kitchen Businesses operating in that geographic area or that any Protein Bar & Kitchen Business, including your Business, benefits from Brand Fund activities either directly or in proportion to its Brand Fund contributions. We have the right, but no obligation, to use collection agents and institute legal proceedings to collect Brand Fund contributions at the Brand Fund's expense. We also may forgive, waive, settle, and compromise all claims by or against the Brand Fund. Except as expressly provided in the Franchise Agreement, we assume no direct or indirect liability or obligation to you for collecting amounts due to, maintaining, directing, or administering the Brand Fund.

We may, at any time, defer or reduce your contributions to the Brand Fund, and upon 30 days' prior notice to you, suspend Brand Fund operations for one or more periods of any length and/or terminate (and if terminated, reinstate) the Brand Fund. If we terminate the Brand Fund, we will, at our option, either spend all unspent monies at our discretion until such amounts are exhausted, or distribute the funds in the Brand Fund to the contributing Protein Bar & Kitchen Business owners in a manner we deem fair and equitable.

Our company- or affiliate-owned Protein Bar & Kitchen Businesses may, but are not required to, contribute to the Brand Fund on the same terms as our franchisees or otherwise.

We were formed in the current fiscal year, so we did not collect or spend Brand Fund contributions during the prior fiscal year. We have no advertising councils, though we reserve the right to form them in the future.

Local Advertising

In addition to your grand opening advertising and your contributions to the Brand Fund, and beginning after you complete your grand opening advertising, you must spend, monthly, 1% of the prior month's Gross Sales of your Business to locally advertise and promote your Business (the "Local Advertising Requirement"). However, subject to the Marketing Expenditure Cap, we have the right, at any time and on notice to you, to change the amount of your Local Advertising Requirement. You

must list and advertise your Business with the online directories we periodically prescribe and establish any other Online Presence (defined below) we require or authorize, each in accordance with our System Standards. If other Protein Bar & Kitchen Businesses are located within the directory's distribution area, we may require you to participate in a collective advertisement with them and to pay your share of that collective advertisement. Within 30 days after the end of each calendar quarter, you will send us, on our request and in the manner that we prescribe, an accounting of your advertising expenditures during the preceding calendar quarter.

All materials you use to promote your Business must be materials that we have provided or made available to you or that we otherwise approve, in writing, prior to your use. All such materials that you create must be completely clear, factual, ethical, and not misleading and must conform to our marketing and advertising policies that we periodically prescribe. You must submit to us, for our approval, samples of marketing materials you intend to use at least 10 days prior to your proposed use. If you do not receive our written approval of the materials within 10 days of your submission, they are deemed to be disapproved. We may, in our discretion, withdraw our approval if a regulatory or other issue arises that, in our opinion, makes such withdrawal in our or the System's best interests.

We reserve the right, at any time, to issue you notice that the amounts required to be spent by you on local advertising shall, instead, be paid to us or our designee. If we exercise this option, we will then spend such amounts on your behalf, in accordance with local marketing guidelines and programs that we periodically develop, to advertise and promote your specific Business. We may instead contribute any such amounts to the Brand Fund or to a Local Advertising Cooperative (as defined below), in our discretion. We may also elect, on one or more occasions and without prejudice to our rights to issue further notices, to temporarily or permanently cease conducting such marketing activities on your behalf and, instead, to require you to conduct such marketing activities yourself.

Except for administering the Brand Fund and performing your local advertising if we collect the amounts that you are required to spend on local advertising, we have no obligation to conduct any marketing for Protein Bar & Kitchen Businesses or spend any amount on advertising in the territory where your Protein Bar & Kitchen Business will be located; however, if we choose to do so, we may use any form of media with local, regional, or national coverage and we may prepare the advertising materials in-house or outsource such advertising responsibilities to third-party advertising agencies.

Local Advertising Cooperatives

When there are multiple Protein Bar & Kitchen Businesses operating in the same geographical area (as we define), we may establish or direct the establishment of a local advertising cooperative ("Local Advertising Cooperative") and require all franchisees in such geographic area to participate in the Local Advertising Cooperative. The purpose of each Local Advertising Cooperative will be to administer coordinated advertising programs and develop advertising, marketing, and promotional materials for the area that the Local Advertising Cooperative covers. The Local Advertising Cooperative will be organized and governed in a form and manner that we determine, pursuant to written agreements (the then-current versions of which will be made available to you before you join the Local Advertising Cooperative), and we and our designee will administer each Local Advertising Cooperative. We may change, dissolve, and merge Local Advertising Cooperatives. If we establish a Local Advertising Cooperative for the area in which your Protein Bar & Kitchen Business will be located then, you must sign any documents we require to become a member of a Local Advertising Cooperative and, subject to the Marketing Expenditure Cap, to contribute to and participate in the designated Local Advertising Cooperative. Subject to the Marketing Expenditure Cap, each Local

Advertising Cooperative may determine the rate at which its franchisees will contribute to such Local Advertising Cooperative; however, we anticipate that all franchisees that participate in any given Local Advertising Cooperative will contribute to it at the same rate.

Protein Bar & Kitchen Businesses that we or our affiliates own may, but will not be required to, contribute to any Local Advertising Cooperatives, and if we or our affiliates choose to do so, then we and they may not contribute at the same rate as the participating franchisees.

Online Presences, Contact Information, and Listings

We may establish, develop, and update any website, domain name, email address, social media account, username, other online presence, or presence on any electronic medium of any kind (each an “Online Presence”), to advertise, market, and promote Protein Bar & Kitchen Businesses, the Menu Items that they offer and sell, or the Protein Bar & Kitchen Business franchise opportunity. We may establish, develop and update Online Presences to advertise, market, and promote Protein Bar & Kitchen Businesses, the products and services that they offer and sell, or the Protein Bar & Kitchen Business franchise opportunity (each a “System Website”). We may, but are not obligated to, provide you with a webpage or other Online Presence that references your Business on any System Website, upon which, you must: (i) provide us the information and materials we request to develop, update, and modify the information about your Business; (ii) notify us whenever any information about your Business is not accurate; and (iii) pay our then-current Technology Fee for the Online Presences that are dedicated to your Business. You acknowledge that we have final approval rights over all information on any System Website.

If you default under the Franchise Agreement, we may, in addition to our other remedies, temporarily remove references to your Business from any System Website until you fully cure the default, and our doing so will not be considered a termination of this Agreement. All advertising, marketing, and promotional materials that you develop for your Business must contain notices of the System Website’s domain name in the manner we designate.

You may not, without our prior written consent, develop, maintain or authorize any Online Presence that mentions your Business, links to any System Website, or displays any of the Marks. You may not, directly or indirectly through any Online Presence, promote, advertise or sell any products or services without our prior written approval. If we approve the use of any such Online Presence in your Business’ operations, you will develop and maintain such Online Presence only in accordance with our guidelines, including our guidelines for posting any messages or commentary on other third-party websites. Unless we specify otherwise, we will own the rights to each such Online Presence. At our request, you must grant us access to each such Online Presence and take whatever action (including signing assignment or other documents) we request to evidence our ownership of such Online Presence, or to help us obtain exclusive rights in such Online Presence. If we allow you to maintain an Online Presence for your Business, you must prepare and link a privacy policy to such Online Presence. Your Online Presence’s privacy policy must comply with all applicable laws, the System Standards, and other terms and conditions that we may prescribe in writing.

Each telephone or facsimile number, directory listing, and any other type of contact information used by or that identifies or is associated with your Business (any “Contact Identifiers”) may be used solely to identify your Protein Bar & Kitchen Business in accordance with the Franchise Agreement. As between us and you, we have the sole rights to, and interest in, all Contact Identifiers and also all Online Presences. Under the Franchise Agreement, you will authorize and irrevocably

appoint us or our designee as your attorney-in-fact to direct the telephone company, postal service, registrar, Internet service provider and all listing agencies to transfer such Contact Identifiers to us.

Computer System

You must, at your expense, obtain, maintain and use in your Business the integrated computer hardware and software, including point-of-sale cash registers and computer systems, printers, EMV readers, other related computer-related accessories and software, and an integrated computer-based order-entry system that we periodically specify from time to time in the Operations Manual (the "Computer System"). You must also maintain a functioning e-mail address and all specified points of high-speed internet connection. We may modify specifications for, and components of, the Computer System, which might require you to acquire new or modified computer hardware or software and obtain service and support for the Computer System. You must at all times ensure that your Computer System, as modified, meets our System Standards and functions properly.

You may be required to license, and sign a software license agreement regarding, certain proprietary software as part of our requirements for the Computer System. Currently, Toast is our designated supplier for the POS System. Toast also processes the gift cards bought and sold via Protein Bar & Kitchen Businesses. You are required to pay us or, in some cases, our affiliates, a recurring fee for any proprietary software or technology that we or our affiliates license to you and for other maintenance, support, and technology development services that we or our affiliates provide (the "Technology Fee"). We may also require that you pay us for software and other technology that you receive through us from third-party providers. You will have sole and complete responsibility for the manner in which your Computer System interfaces at our specified levels of connection speed with our and any third party's computer system and any and all consequences if the Computer System is not properly operated, maintained, and upgraded. The then-current Technology Fee can be found in the Operations Manual and may change at any time. We estimate that the cost of the POS System, Computer System, and first three months' Technology Fee will be \$10,000 to \$20,000. This estimate does not include required maintenance and upgrades for such systems, which we estimate to be no more than \$1,000 annually. This estimate does not include any fees under support contracts that you elect, at your option, to enter into.

We will have unlimited, remote access to your Computer System and independent access to the information generated and stored therein, including customer data and credit card information. There are no contractual limitations on our and our affiliates' right to access or use this information and data. You must provide us with all passwords, access keys, and other security devices as necessary to permit our remote access. You are not required to enter any contracts for maintenance of your Computer System with us or any other third-party provider, including Toast, though such arrangements may be beneficial for integration of our required and ongoing upgrades and operational requirements.

You must incur the costs of obtaining the Computer System (or additions and modifications) and required service or support, payable to us and/or our affiliates through the Technology Fee. It is your responsibility to implement and pay for all changes, modifications, maintenance, and upgrades associated with the Computer System, and we have no obligation to reimburse you for any costs detailed in this Item 11 unless otherwise noted. We have no obligation to provide maintenance, repairs, upgrades, or updates to the Computer System. If our or our affiliates' proprietary software is developed and provided to you, the terms and conditions applicable to your use of that software may be amended from time to time. Within 60 days after you receive notice from us, you must obtain the Computer

System components that we designate and ensure that your Computer System, as modified, is functioning properly. You must also pay your first Technology Fee prior to the opening of your Business such that all required software or technology may be installed and functioning prior to opening your Business to the public. We may require that you update or upgrade any component of the Computer System, and there will be no limitations on such requests.

You need not buy or use any additional Computer System to operate under the Development Agreement.

Training

Initial Training Program

Before first opening your Business to the public, at least two Required Trainees must have completed, to our satisfaction, our initial training program (the “Initial Training Program”). The “Required Trainees” are your Managing Owner and either your Designated Manager or, if the Designated Manager and Managing Owner are the same person, one other manager-level employee of your Business. The “Designated Manager” is an individual who is fully trained, certified and approved by us, who is on-site at your Business on a day-to-day basis, and to whom you have assigned primary responsibility and authority for the day-to-day management and operation of your Business. While our approval of your current and future Designated Managers is required, you are solely responsible for hiring them and determining all of the terms and conditions of their employment.

Any Required Trainee who has not signed a Guaranty must sign our then-current form of confidentiality and non-competition agreement prior to attending the Initial Training Program.

Our training programs are provided as needed rather than on a particular schedule. Timing of completion, scheduling, location, content, length, and format of our Initial Training Program are at our discretion, and we reserve the right to require that all of your attendees attend and participate at the same time. We currently have no time period by which the Initial Training Program must be completed other than it will be successfully completed by you and your Required Trainees prior to opening your Business to the general public. We will not be responsible for any travel or living expenses, wages, or benefits owed to, or other costs of, any person attending the Initial Training Program. You are responsible for those arrangements.

For your first Protein Bar & Kitchen Business, we will not charge a fee for the Required Trainees’ participation in the Initial Training Program. After that, we may require you to conduct the Initial Training Program for your Required Trainees who have not previously completed the program, but we reserve the right to conduct it ourselves if we determine that you are unable to properly do so and, in that event, may charge you a reasonable fee for doing so (currently \$1,000 per day, plus reimbursement of our expenses). We will also charge a reasonable fee if any replacement Required Trainee or any persons other than the Required Trainees attend the Initial Training Programs that we conduct.

Currently, the Initial Training Program consists of approximately 6 weeks of on-the-job training conducted entirely at one of our Protein Bar & Kitchen Businesses in Chicago, Illinois, but as franchised Protein Bar & Kitchen Businesses open, we may use one of those locations if doing so would better facilitate and be more convenient for participation by your Required Trainees. We have the option to offer any portion of the program virtually instead of in-person. We may also send our

trainers to your Business to conduct any part of the Initial Training Program. We will determine the timing of each component of the Initial Training Program and the identity and composition of the trainer(s) conducting them, and we may vary the length and content of the program and its components based on the experience and skill level of the individuals attending. We do not conduct the Initial Training Program on a set schedule. Scheduling is based on your and our availability, training facility availability, and your projected opening date. We may also establish pre-training requirements, which the attendees will be expected to meet before attending the Initial Training Program, including study of provided materials and exams.

As of the date of this Disclosure Document, the Initial Training Program is comprised of the following:

INITIAL TRAINING PROGRAM

Subject	Hours of Classroom Training	Hours of On-the-Job Training	Location
Back-of-House Training (prep, assembly, blending, catering, and support position responsibilities; back-of-house management responsibilities)	0	90	A designated training facility in Chicago, IL
Front-of-House Training (cashier and expediter responsibilities; overall manager responsibilities)	0	30	A designated training facility in Chicago, IL
Assignment Weeks (applying opening and closing manager responsibilities while running a complete week's shifts under direct supervision of trainers)	0	120	A designated training facility in Chicago, IL
Total:	0	240	

Additional Training Program Information; Ongoing Training Requirements

Our training programs are currently led and supervised by Marie Crawford, our Senior Director of Operations, who has 20 years of industry-related expertise and has been with us and our affiliates for 8 years. Ms. Crawford is assisted by other trainers she designates from time to time, currently including Laura Camerer, Senior Manager of Culinary, who has 14 years of industry-related expertise and has been with us and our affiliates for 10 years; Carlos Rodriguez, Area Director, who has 18 years of industry-related expertise and has been with us and our affiliates for 8 years; and Maricarmen Chatham, who has 23 years of industry-related expertise and has been with us for 7 years.

You must implement a training program that we approve for employees of your Business, and you will be responsible for the proper training of your employees. You must ensure that everyone you employ successfully completes the required training programs, is properly trained in their designated roles, and is qualified to perform his or her duties at your Business in accordance with the System and System Standards.

We may require your Required Trainees and/or other employees to attend an annual franchisee conference and additional, periodic or refresher training courses at such times and locations that we designate. We reserve the right to charge you a reasonable fee for attendance at these programs and any training materials that we provide in connection with such training. We will not be responsible for any travel or living expenses, wages, or benefits owed to, or other costs of, any person attending an annual conference or participating in other training programs. You are responsible for those arrangements. You must give us reasonable assistance in training other Protein Bar & Kitchen Business franchisees, and we will reimburse you for your reasonable out-of-pocket expenses in providing such assistance at our request.

If you request, and we agree to provide, any additional or special guidance, assistance, or training, we may charge you our then applicable fee, including per diem charges and travel and living expenses. You understand that any specific ongoing training or advice we provide does not create an obligation for us to continue to provide this specific training or advice, all of which we may discontinue and modify periodically.

Item 12. **TERRITORY**

Franchise Agreement

You will not receive an exclusive territory. You may face competition from other franchisees, from Protein Bar & Kitchen Businesses that we own, or from other channels of distribution or competitive brands that we control. The Franchise is for a specific location that we approve. However, so long as you are in compliance with the terms of your Franchise Agreement, we will not authorize any other person or entity to operate a Protein Bar & Kitchen Business within the Protected Territory designated in your Franchise Agreement. If your Premises and Protected Territory have not been agreed upon and identified in your Franchise Agreement, we will define your Protected Territory when we approve your proposed Premises. If you do not accept our definition of your Protected Territory, you may submit an alternative site for our approval. We may define the boundaries of your Protected Territory, in our discretion, based upon factors including population density, character of neighborhood, traffic patterns, location, number of nearby competing businesses, and other factors. There are no minimum territory requirements regarding the size or configuration of the Protected Territory.

If we allow you to develop your Business at a Non-Traditional Location, you will not receive a Protected Territory. A “Non-Traditional Location” is a physical location that (1) is part of a larger venue or facility, (2) is not generally and easily accessible to the general public, or (3) whose operating hours are limited to those imposed by the owner or operator of the venue in which it sits (for example, military bases, shopping malls, hotels, school and college campuses, airports, train stations, travel plazas, toll roads, beaches, parks and other seasonal facilities, government buildings and establishments, prisons, hospitals, convenience stores, trucks, casinos, sports or entertainment venues or stadiums, and retail shop locations being sublet under a lease to a master concessionaire).

Your rights to the Protected Territory are dependent on your compliance with your obligations under the Franchise Agreement. You are not required to meet any other specific performance thresholds in order to maintain your rights to the Protected Territory.

The Franchise Agreement does not grant you permission to relocate your Business to different Premises. You may, however, request our approval to do so based on characteristics of the Premises that have changed or you believe are no longer suitable for your Business. Permission to do so will be in our sole discretion. We will consider your request and supporting information and use reasonable efforts to notify you of our decision within 30 days following our receipt of all relevant information. If we grant your request, you will be required to sign an amendment to your Franchise Agreement to reflect the new Premises, the timing of reopening your Business at the new Premises, and a general release of claims against us and our related parties. We may also charge you our then-current fee for our consideration of your request (currently, \$2,000 per request, but subject to change).

You are not restricted to marketing to or otherwise soliciting or servicing or accepting orders from customers within or from any particular area. However, except in connection with the approved System Website, you may not engage in any promotional or similar activities, whether directly or indirectly, through or on any Online Presence, and we may require that (1) your marketing efforts not directly target the customers of any other Protein Bar & Kitchen Businesses, and (2) that you provide catering or delivery services only within your Protected Territory or other area that we determine from time to time.

Except as described above, continuation of your Business does not depend on your achieving a certain sales volume, market penetration, or other contingency. You have no options, rights of first refusal or similar rights to acquire additional franchises.

Development Agreement:

You will not receive an exclusive territory. You may face competition from other franchisees, from Protein Bar & Kitchen Businesses that we own, from other channels of distribution or competitive brands that we control. However, so long as you are in compliance with the terms of your Development Agreement, we will not grant development rights to or authorize any other person or entity to operate a Protein Bar & Kitchen Business within our Development Area during the term of the Development Agreement. The Development Agreement will expire on the later of (1) the opening of the last Protein Bar & Kitchen Business required to be open under the Development Schedule, or (2) the date by which the last such Business is required to be open in satisfaction of the Development Schedule. Expiration or termination of the Development Agreement does not impact the continued existence of any Franchise Agreements that are, as of such time, already fully executed unless, in the case of termination, the grounds for termination are also bases for termination under the Franchise Agreements.

The size and configuration of the Development Area will depend on the number of Protein Bar & Kitchen Businesses you commit to develop and may be described in terms of contiguous zip codes, street or county boundaries, or similar methods, and may be depicted on a map. Your Development Area will be described in the Development Agreement before you sign it. There are no minimum territory requirements regarding the size or configuration of the Development Area.

When you sign the Development Agreement, you will also sign the first Franchise Agreement in the form attached to this Disclosure Document as Exhibit B. As we approve your proposed additional locations pursuant to your Development Schedule, you will sign our then-current form of Franchise Agreement, the form of which may be materially different than the form of Franchise Agreement attached as Exhibit B to this Disclosure Document, including with respect to fees owed.

To maintain your rights under the Development Agreement you must have open and in operation, in accordance with the Development Schedule, the cumulative number of Protein Bar & Kitchen Businesses stated on the Development Schedule. Failure to do so will be grounds for either a loss of territorial exclusivity or a termination of the Development Agreement.

The term of the Development Agreement is not subject renewal or extension, and the Development Area may not be altered unless we and you mutually agree to do so. Your development and other rights under the Development Area will not be affected by the sales volume of any Protein Bar & Kitchen Business that your or your affiliates open under a Franchise Agreement signed pursuant to the Development Agreement. You are not granted any other option, right of first refusal or similar right to acquire additional development rights in your Development Area under the Development Agreement, except as described above.

Reservations of Rights

We reserve for ourselves and our affiliates all rights that are not expressly granted to you in the Franchise Agreement or Development Agreement and the right to do all things that we do not expressly agree in those agreements not to do, in each case, without compensation to you, without regard to proximity to your Business or Development Area, and on such terms and conditions as we deem appropriate. For example, we and our affiliates, ourselves or through authorized third parties, may (and you are not permitted to) do the following:



- (1) own and operate, and license others to own and operate Protein Bar & Kitchen Businesses in Non-Traditional Locations anywhere in the world, including within your Protected Territory and Development Area, as applicable;
- (2) own and operate, and license others to own and operate, Protein Bar & Kitchen Businesses using the System and the Marks on such terms and conditions we deem appropriate outside of your Protected Territory or Development Area, as applicable;
- (3) while we and our affiliates do not currently do so, and have no current plans to do so, we and our affiliates may develop or become associated with other businesses, including other healthy food concepts and systems that offer the same or similar products, and/or award franchises under such other concepts, provided that, if located in your Protected Territory or Development Area, as applicable, such businesses are not identified by the *Protein Bar & Kitchen* trademark (although they may, in our discretion, use and incorporate certain other elements of System and System Standards);
- (4) acquire or be acquired by, merge or affiliate with, or engage in any transaction with other businesses (whether or not competitive) located anywhere and (i) convert the other businesses to the *Protein Bar & Kitchen* brand, (ii) allow the other businesses to operate as part of or to use the elements of the System, and/or (iii) permit the other businesses to continue to operate under another name;
- (5) solicit customers, advertise, and authorize others to advertise, and promote sales of Protein Bar & Kitchen Businesses anywhere, including within the Protected Territory and Development Area, and fill customer orders; and

(6) market and sell, and grant to others the right to market and sell, through alternative channels of distribution (for example, through catalog sales, telemarketing, direct marketing, e-commerce, and product lines in other businesses), any product or service identified by the Marks or any other trademarks, whether or not authorized for sale at Protein Bar & Kitchen Businesses and whether similar to or different than products or services authorized for sale at Protein Bar & Kitchen Businesses.

Item 13.
TRADEMARKS

The Marks are owned by PB Restaurants with whom we have entered into an Intellectual Property License Agreement (the “License Agreement”), dated April 10, 2023. The License Agreement grants us a license to use and sublicense the use of the Marks and other intellectual property in connection with the System. The License Agreement is perpetual and irrevocable unless we fail to cure a material breach within 30 days, cease to conduct our operations in the ordinary course, become insolvent, or experience an insolvency-related event such as liquidation, appointment of a receiver, or bankruptcy. Neither our agreement with PB Restaurants nor any other agreement significantly limits our right to use or license the use of the Marks or any other intellectual property, in any manner material to the franchise described in this Disclosure Document.

PB Restaurants currently holds registrations for the following Marks on the Principal Register of the United States Patent and Trademark Office (the “USPTO”):

Mark	Registration Number	Registration Date
PROTEIN BAR & KITCHEN	5,539,098	August 14, 2018
PROTEIN BAR	4,683,515	February 10, 2015
PROTEIN BAR	3,723,633	December 8, 2009
	6,096,833	July 7, 2020
Logo (Protein Bar) 	5,788,815	June 25, 2019

PB Restaurants has made all required renewal and affidavit filings (if any are due) for these registrations.

You must follow our rules when you use the Marks, including giving proper notices of trademark and service mark registration and obtaining fictitious or assumed name registrations required by law. You must use the Marks to identify your Business and to identify yourself as the independent owner of your Business in the manner we require. You have no right to sublicense or assign your right to use the Marks. You may not use any Mark (a) as part of any business entity name; (b) with any modifying words, terms, designs, or symbols (other than logos we have licensed to you); (c) in selling

any unauthorized services or products; (d) as part of Online Presence, except as set forth in the Operations Manual or otherwise in writing from time to time; (e) in connection with any advertisement to sell or otherwise dispose of your Business or any Operating Assets; or (f) in any other manner that we have not expressly authorized in writing. Except with regard to the System Website or with our prior written consent, you may not use the Marks as part of any domain name, homepage, electronic address, or otherwise in connection with a website, and then only under the terms we specify.

There is presently no effective determination of the USPTO, the Trademark Trial and Appeal Board, the trademark administrator of any state or any court, or any pending infringement, opposition or cancellation proceeding or any pending material litigation involving our principal Marks. Except as described above, we know of no superior prior rights or infringing uses that could materially affect your use of the Marks.

You must notify us immediately of any apparent infringement of or challenge to your use of any Mark, or of any person's claim of any rights to or in any Mark (each an "Infringement Matter"), and not to communicate with any person other than us or our affiliates, our attorneys, and your attorneys, regarding any such Infringement Matter. We and our affiliates may take the action we or they deem appropriate (including no action) and control exclusively any litigation, administrative actions, or other legal proceedings arising from any Infringement Matter, and you must sign any documents and take any other reasonable action that we believe to be necessary or advisable to protect and maintain our and our affiliates' interests in any such proceeding or otherwise to protect and maintain our and their interests in the Marks. We will reimburse you for your reasonable costs of taking any action that we or our affiliates ask you to take in this regard. We also agree to reimburse you for all damages and expenses that you incur in any trademark infringement proceeding disputing your authorized use of any Mark under the Agreement if you have timely notified us of, and comply with our directions in responding to, the proceeding.

If it becomes advisable, in our opinion, to modify or discontinue using any Mark used by your Business or to use in your Business one or more additional or substitute trademarks or service marks, you will comply with our directions within a reasonable time after receiving notice. We will determine, in each instance, what time for compliance is reasonable, the length of which may vary based on the reason for the modification or discontinuance and the breadth and cost of making the change (for example, a shorter time may be required where the change is based on an actual or perceived threat of infringement versus where we are electing to make a change purely for marketing and branding purposes). We need not reimburse you for your expenses of complying with our directions in that regard or for any loss of revenue due to any modified or discontinued Mark. We may exercise these rights at any time and for any reason, and you waive any claims, demands or damages arising therefrom.

Item 14.

PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

We do not own any patents, pending patent applications, or registered copyrights that are material to the franchise. However, we and our affiliates claim copyrights in the Operations Manual (which contains our trade secrets), handbooks, the System Website, advertising and marketing materials, all or part of the Marks, and other portions of the System and other similar materials used in operating Protein Bar & Kitchen Businesses. We have not registered these copyrights with the United

States Registrar of Copyrights but need not do so at this time to protect them. You may use these items only as we specify while operating your Business (and must stop using them if we so direct you).

There currently are no effective adverse determinations of the United States Copyright Office (Library of Congress) or any court regarding the copyrighted materials. No agreement limits our right to use or allow others to use the Confidential Information (defined below) or copyrighted materials. We know of no infringing uses of our copyrights which could materially affect your using the copyrighted materials in any state. We need not protect or defend our copyrights, although we intend to do so if we determine that it is in the System's best interests. We may control any action involving the copyrights, even if you voluntarily bring the matter to our attention. We need not participate in your defense nor indemnify you for damages or expenses in a proceeding involving a copyright.

We and our affiliates possess (and may continue to develop and acquire) certain information we treat as confidential, some of which may constitute trade secrets under applicable law (the "Confidential Information"), relating to the System, whether or not marked confidential, including: (a) the Operations Manual and its contents; (b) growth and development plans, strategies, and forecasts related to the System; (c) site selection criteria; (d) training and operations materials; (e) the System Standards and other methods, formats, specifications, standards, systems, procedures, techniques, market research, customer data, knowledge, and experience used in developing, promoting and operating Protein Bar & Kitchen Businesses and the products they offer and sell; (f) knowledge of specifications for, and vendors of, Operating Assets and other products and supplies; (g) any software or other technology which is proprietary to us, our affiliates, or the System, including, without limitation, digital passwords and identifications and any source code of, and data, reports, and other materials generated by, the software or other technology; and (h) knowledge of the operating results and financial performance of Protein Bar & Kitchen Businesses (including your Business).

You must promptly disclose to us all ideas, concepts, methods, techniques, and products conceived or developed by you and/or any of your affiliates, owners, agents, representatives, contractors or employees during the Term relating to the development or operation of your Business or other Protein Bar & Kitchen Businesses ("Innovations"), whether or not protectable intellectual property and whether created by or for you or your owners or employees. All Innovations are our sole and exclusive property and works made-for-hire for us and shall constitute our Confidential Information. To the extent any Innovation does not qualify as a work made-for-hire for us, by this Section you assign ownership of that Innovation, and all related rights to that Innovation, to us and will sign (and to cause your owners, employees, and contractors to sign) whatever assignment or other documents we request to evidence our ownership or to help us obtain intellectual property rights in the Innovation. We and our affiliates have no obligation to make any payments to you or any other person with respect to any Innovations. You may not use any Innovation in operating your Business or otherwise without our prior written approval.

The restrictions on your disclosure and use of the Confidential Information will not apply to the: (a) disclosure of information, processes, or techniques which are generally known and used in the Protein Bar & Kitchen Business or food service industry (as long as the availability is not because of a disclosure by you), provided that you have first given us written notice of your intended disclosure; (b) disclosure of the Confidential Information in judicial or administrative proceedings when and only to the extent you are legally compelled to disclose it, provided that you have first given us the opportunity to obtain an appropriate protective order or other assurance satisfactory to us that the information required to be disclosed will be treated confidentially; and (c) disclosure of your Business'

operating results and financial performance to your existing and prospective lenders, and, provided they are bound by confidentiality obligations, to potential investors in you or purchasers of your Business.

You may not use our Confidential Information in an unauthorized manner. You must adopt and implement procedures to prevent unauthorized use or disclosure of Confidential Information, including restricting its disclosure to personnel of your Business and certain other people and using non-disclosure and non-competition agreements with those having access to Confidential Information in a form determined by us. We may regulate the form of agreement that you use, and we will be a third-party beneficiary of that agreement with independent enforcement rights.

All Confidential Information is owned by us or our affiliates and you will use the Confidential Information only for the development, promotion, and operation of your Business. You will not use or sell Confidential Information to any third parties, and you will comply with all applicable laws governing the use and protection of Confidential Information.

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

If you are an entity, you must identify one of your owners who is a natural person with at least a 10% ownership interest in you, to at all times act as your “Managing Owner”. You must also employ a Designated Manager of your Business, who may, but need not, be your Managing Owner or one of your other owners. You (or your Managing Owner) are solely responsible for the management, direction, and control of your Business(s), subject to the terms and conditions of the Franchise Agreement and/or Development Agreement. Your Designated Manager must supervise the management and day-to-day operations of your Business on a full-time basis and continuously exert best efforts to promote and enhance your Business and the goodwill associated with the Marks. At least one such trained Designated Manager must remain on-site at all times during the Franchise’s operating hours.

We have the right to approve your Designated Manager before he or she begins to provide services at your Business. Your Designated Manager must satisfy our educational and business experience criteria for Designated Managers of Protein Bar & Kitchen Businesses, as set forth in the Operations Manual or otherwise, and satisfactorily complete our Initial Training Program and any other training programs we may periodically require. We may also require that your Designated Manager receive the ServSafe® certification or other professional certification(s) prior to the opening of your Business. You are required to secure written confidentiality commitments, on forms we approve, from your Designated Manager and, subject to applicable law, we may require that your Designated Manager be bound to a noncompetition agreement with you.

If we determine that your Business is not in compliance with the Franchise Agreement, we may, but need not, assume management of your Business (or appoint a third party to assume its management) if: (1) you abandon or fail to actively operate your Business; (2) we are entitled to terminate the Franchise Agreement; (3) the Franchise Agreement expires or is terminated and we are deciding whether to exercise our option to purchase your Business. You will be required to cooperate with us until such time as all compliance measures are fully implemented, should we elect to assume management of your Business. All funds from the operation of your Business while it is under our (or the third party’s) management will be kept in a separate account by us, and all expenses will be charged

to this account. We may charge you (in addition to the Royalty, Brand Fund Contribution, and other amounts due to us or our affiliates) our then-current management services fee (currently 10% of Gross Sales), plus our (or the third party's) direct out-of-pocket costs and expenses, if we (or a third party) assume management of your Business. We may adjust the amount of this management services fee periodically by an amount that is commensurate with inflation. We (or a third party) will have a duty to utilize only reasonable efforts and will not be liable to you or your owners for any debts, losses, or obligations your Business incurs, or to any of your creditors for any products, other assets, or services your Business purchases, while we (or a third party we appoint) manage it.

If you are not a natural person, your direct and indirect owners with at least a 10% ownership interest in you (each a "Principal Owner") must personally guarantee your obligations under the Franchise Agreement and Development Agreement and will be bound personally by every contractual provision, whether containing monetary or non-monetary obligations, including the covenant not to compete. Our current form of Guaranty and Assumption of Obligations is attached as an exhibit to the current forms of Franchise Agreement and Development Agreement attached to this Disclosure Document as Exhibit B and Exhibit C, respectively. The non-owner spouse of each Principal Owner will be required to sign the guaranty merely to acknowledge the Principal Owner's execution of the guaranty and the impact it may have on marital assets.

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

You must use the Premises solely for the operation of your Business in accordance with the Franchise Agreement. You must offer and sell all Menu Items that we periodically specify for Protein Bar & Kitchen Businesses, and you may not offer or sell any products or services that we have not approved or that we have specifically not approved. This includes Menu Items developed by us leveraging proprietary recipes, ingredients, and preparation methods. Any deviation from the Menu Items must be approved in writing by us. We may regulate product pricing to the degree the law allows, including restriction on the use of coupons/discounts and participation in company discount programs.

You must offer and sell approved Menu Items only at the Premises and in the manner we have authorized. Our System Standards may regulate required and/or authorized Menu Items and approved products and services, unauthorized and prohibited food products, beverages, and services, purchase, storage, preparation, handling, and packaging procedures and techniques for Menu Items and approved products and services, and other products and supplies so that your Business operates at full capacity. There are no limits on our right to periodically change required and/or authorized Menu Items and approved products and services. You must promptly implement these changes and must discontinue selling any products or services that we at any time decide to disapprove in writing. You may conduct business only with customers at your Business or in connection with off-site catering and delivery services as we direct from time to time. We do not otherwise impose any restrictions regarding the customers with whom you may conduct business.

You may recommend substitutes or adjustments to the established Menu Items, but any deviation (in whole or in part) must be tested and approved in writing by us. You must provide dedicated catering and delivery services within specifications provided by us. If you do not believe that catering and/or delivery services are viable in your Business' Protected Territory, you must receive written approval from us to exempt you from the obligations to provide catering and/or delivery services.

As part of our innovation efforts, we may conduct market tests and research on new Menu Items and other products, and you must participate in those tests and research as our request. This includes preparing a reasonable quantity of test items/ingredients, engaging in test marketing as directed, and providing timely reports and reasonable information to evaluate efficacy. We will maintain unlimited rights to change types of approved Menu Items and products as necessary to evolve the brand and Menu Items and best meet customer demand. Our System Standards may regulate participation in and requirements for customer loyalty programs and similar programs for Protein Bar & Kitchen Businesses under terms and conditions we periodically specify. You must participate in the manner we specify in any group loyalty or other programs that we periodically establish.

Item 17.

RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

This table lists certain important provisions of the Franchise Agreement and related agreements. You should read these provisions in the agreements attached to this Disclosure Document.

PROVISION	SECTION IN AGREEMENT	SUMMARY
a. Length of the franchise term	Franchise Agreement: Section 2.A	10 years from the Effective Date of your Franchise Agreement.
	Development Agreement: Section 2.A	The term of the Development Agreement depends on your development obligations
b. Renewal or extension of the term	Franchise Agreement: Section 14	If you are in full compliance with the Franchise Agreement, you may extend the term for two (2) successive terms of five (5) years (or, if shorter, until the expiration or termination of your right to possess the Premises).
	Development Agreement: N/A	Not applicable.
c. Requirements for franchisee to renew or extend	Franchise Agreement: Section 14	You must give at least 90 days' but not more than 12 months' notice; be in full compliance with the Franchise Agreement and System Standards; not be in breach of any agreement with us or our affiliates; satisfy all monetary obligations owed to us or our affiliates; have the right to remain in possession of the Franchise premises; pay our then-current renewal fee; remodel, update, or redesign your Business according to our then-current System Standards (regardless of cost); execute a then-current Franchise Agreement and general release (unless prohibited by law); and comply with current qualifications and training requirements. The then-current Franchise Agreement may contain terms and conditions materially different from those in your previous Franchise Agreement, such as different fee requirements. We must be offering franchises within the state of the Franchise when you give your renewal notice.

PROVISION	SECTION IN AGREEMENT	SUMMARY
	Development Agreement: N/A	Not applicable.
d. Termination by franchisee	Franchise Agreement: Section 15.A	If you and your owners are fully complying with the Franchise Agreement and we materially fail to comply with the Franchise Agreement and do not correct the failure within 30 days after you deliver written notice of the material failure to us, or if we cannot correct the failure within 30 days and we fail to give you within 30 days after your notice reasonable evidence of our effort to correct the failure within a reasonable time, you may terminate the Franchise Agreement effective an additional 30 days after you deliver to us written notice of termination.
	Development Agreement: Section 6.A	If you and your owners are fully complying with the Development Agreement and we materially fail to comply with the Development Agreement and do not correct the failure within 30 days after you deliver written notice of the material failure to us, or if we cannot correct the failure within 30 days and we fail to give you within 30 days after your notice reasonable evidence of our effort to correct the failure within a reasonable time, you may terminate the Development Agreement effective an additional 30 days delivery to us of written notice of termination.
e. Termination by franchisor without cause	Franchise Agreement: N/A	We may not terminate the Franchise Agreement without cause.
	Development Agreement: N/A	We may not terminate the Development Agreement without cause.
f. Termination by franchisor with cause	Franchise Agreement: Section 15.B	We may terminate only if you or your owners commit one of several violations. Under cross-default provisions, we may also terminate the Franchise Agreement if you or your approved affiliate fails to comply with any provision of any other agreements with us or our affiliates (including a Development Agreement) and does not cure such failure within the applicable cure period.
	Development Agreement: Section 6.B	We may terminate your development rights only if you or your owners commit one of several violations. Under cross-default provision, we can also terminate the Development Agreement if you or your approved affiliate fails to comply with any provision of any other agreements with us or our affiliates (including a Franchise Agreement) and does not cure such failure within the applicable cure period.
g. "Cause" defined – curable defaults	Franchise Agreement: Section 15.B	We will have cause to terminate your Franchise Agreement for the following defaults if we give you notice and the following opportunity to cure the default: (i) 21 days to cure the Required Trainees' inability to complete the Initial Training Program; (ii)

PROVISION	SECTION IN AGREEMENT	SUMMARY
		72 hours to cure any violation of law, ordinance, rule or regulation of a governmental agency in connection with the operation of your Business; (iii) 10 days to cure failure to maintain required insurance; (iv) five (5) days to cure monetary defaults to us, our affiliates, or any third-party; (v) 15 days to cure failed quality assurance audit; and (vi) 30 days for failure to comply with any provision of the Franchise Agreement that is not specifically called out in section (h), below. Subject to state law.
	Development Agreement: Section 6.B	We will have cause to terminate your Development Agreement if we give you notice and an opportunity to cure the default. You will have 30 days to cure any default of the Development Agreement that is not specifically listed in (h), below. Subject to state law.
h. "Cause" defined – non-curable defaults	Franchise Agreement: Section 15.B	Non-curable defaults under the Franchise Agreement include material misrepresentations or omissions in acquiring the Franchise or otherwise; failure to sign a Lease for an acceptable site for the Premises or open the Franchise within the specified time periods; unauthorized closure, failure to operate the Franchise for more than three (3) consecutive calendar days, or other abandonment; you (or your owner's) conviction of a felony; dishonest or unethical conduct; engaging in conduct which adversely affects the reputation of Protein Bar & Kitchen Businesses, the System, or the Marks; unauthorized Transfer; loss of the right to occupy the Premises; unauthorized use or disclosure of the Operations Manual or other Confidential Information; failure to pay taxes; understating Gross Sales three (3) times or more during the Term; repeated defaults (even if cured); assignment for the benefit of creditors, appointment of a trustee or receiver, or other insolvency events; failure to comply with anti-terrorism laws; health and safety risks; and failure to timely cure any default(s) under the Franchise Agreement, Development Agreement, or any other agreements with us or our affiliates. Subject to state law.
	Development Agreement: Section 6.B	Non-curable defaults under the Development Agreement include material misrepresentations or omissions; failure to comply with the Development Schedule or development obligations; unapproved transfers; repeated defaults (even if cured); insolvency by reason of inability to pay obligations or an assignment for the benefit of creditors, filing a petition of bankruptcy, or seeking a reorganization liquidation, dissolution, or composition or other settlement with creditors under any law that is not dismissed within 30 days of filing; failure to comply with anti-terrorism laws; conviction of a felony or any criminal

PROVISION	SECTION IN AGREEMENT	SUMMARY
		act that is likely to adversely affect the goodwill of the Protein Bar & Kitchen Businesses or the System; engaging in conduct which adversely affects the reputation of Protein Bar & Kitchen Businesses, the System, or the Marks; and failure to comply with other agreements with us or our affiliates and do not correct such failure within the applicable cure period, if any. Subject to state law.
i. Franchisee’s obligations on termination/non-renewal	Franchise Agreement: Section 16	Upon termination or non-renewal of your Franchise Agreement, you must: (i) pay outstanding amounts; (ii) close your Business for business; (iii) cease using Marks; (iv) cease to identify yourself or your Business as a franchised location; (v) return to us or destroy (as we require) all items, forms, and materials containing any Mark or otherwise identifying or relating to the Franchise as a Protein Bar & Kitchen Business; (vi) remove all signage, unless we are buying your Business; (vii) cease using Contact Identifiers and Online Presences; (viii) comply with de-identification and all other System Standards; (ix) cease using the Confidential Information; and (x) comply with non-competition and non-solicitation provisions. You must also sell us your Business if we exercise our purchase option. You must provide us with evidence of your compliance with these obligations within 30 days of the termination of the Franchise Agreement. You must also pay Lost Revenue Damages if we terminate the Franchise Agreement because of your breach, or if you terminate without cause.
	Development Agreement: Section 7	Under the Development Agreement, you must: (i) cease to directly or indirectly exercise or attempt to exercise any of the rights granted to you under the agreement; (ii) immediately return any Confidential Information provided or loaned to you by us; (iii) comply with all obligations that either expressly survive or by their nature are intended to survive the expiration or termination of the agreement; and (iv) refrain from interfering or attempting to interfere with our or our affiliates’ relationships with any vendors, franchisees or consultants or engage in any other activity which might injure the goodwill of the Marks or the System.
j. Assignment of contract by franchisor	Franchise Agreement: Section 13.A	No restriction on our right to assign. We may assign without your prior approval.
	Development Agreement: Section 5.A	No restriction on our right to assign. We may assign without your prior approval.
k. “Transfer” by franchisee -definition	Franchise Agreement: Section 13.B	The sale, assignment, transfer, conveyance, give-away, pledge, mortgage, or other disposition of or encumbrance any direct or indirect interest in the Franchise Agreement (including, without

PROVISION	SECTION IN AGREEMENT	SUMMARY
		limitation, any or all of your rights or obligations under it), your Business or its assets (other than in the ordinary course of business), your right to possession of the Premises, or any direct or indirect ownership interest in you (regardless of its size), without our prior written approval. Any Transfer without our prior written approval is a material breach of the Agreement and has no effect.
	Development Agreement: Section 5.B	The sale, assignment, transfer, conveyance, give-away, pledge, mortgage, or other disposition of or encumbrance any direct or indirect interest separate from the Franchise Agreement, your Business or its assets (other than in the ordinary course of business), your right to possession of the Premises, or any direct or indirect ownership interest in you (regardless of its size), without our prior written approval. Any Transfer without our prior written approval is a material breach of the Agreement and has no effect.
l. Franchisor's approval of transfer by franchisee	Franchise Agreement: Sections 13.B and 13.C	Franchise Agreement, direct or indirect ownership of you, and assets of your Business may not be assigned or encumbered without our prior written consent.
	Development Agreement: Sections 5.B and 5.C	Development Rights may not be assigned or encumbered without our prior written consent.
m. Conditions for franchisor approval of transfer	Franchise Agreement: Section 13.C	You (and your owners, if applicable) must: provide all information and documents we request regarding, and requested our consent for, the Transfer and the proposed transferee and its owners or affiliates; provide us executed versions of any relevant documents to affect the Transfer, and all other information we request about the proposed Transfer; ensure such Transfer meets all of our requirements; sign a general release, in a form satisfactory to us, and a non-competition covenant; be in full compliance with our System Standards and Franchise Agreement, with no periods of default for 60 days before the transfer request and during the period between the Transfer request and the Transfer's proposed effective date; provide notices or approvals relating to the proposed Transfer (including any landlord notices or consents) to us; pay (or cause to be paid to us) a Transfer fee in the amount of 50% of our then-current standard initial franchise fee; and provide evidence we reasonably request to show that appropriate measures have been taken to affect the Transfer as it relates to the Franchise's operations, including by transferring all necessary and appropriate business licenses, insurance policies, leases, and material agreements, or obtaining new business licenses, insurance policies and material agreements.

PROVISION	SECTION IN AGREEMENT	SUMMARY
		<p>Transferee (and transferee’s owners, if applicable) must: provide all information and documents we request regarding, and requested our consent for, the Transfer and the proposed transferee and its owners or affiliates; remodel and/or refurbish the Protein Bar & Kitchen Business in accordance with our then-current System Standards; sign our then-current form of franchise agreement and related documents for the balance of the Term; and ensure all persons required to complete training under the transferee’s franchise agreement satisfactorily complete our training program, and pay all costs and expenses we incur to provide the training program to such persons.</p>
	<p>Development Agreement: Section 5.C</p>	<p>You (and your owners and guarantors, if applicable) must: be in full compliance with our System Standards and Development Agreement (and/or Guaranty), with no periods of default for 60 days before the transfer request and during the period between the Transfer request and the Transfer’s proposed effective date; provide all information and documents we request regarding the Transfer and the proposed transferee and its owners or affiliates; provide us with executed versions of any relevant documents to effect the Transfer, and all other information we request about the proposed Transfer; sign a general release, in a form satisfactory to us, and a non-competition agreement; pay all amounts owed to us, our affiliates, and third-party vendors; submit all required reports and statements under the Development Agreement; and pay (or cause to be paid to us) a Transfer Fee.</p> <p>Transferee (and transferee’s owners, if applicable) must: provide all information and documents we request regarding the Transfer and the proposed transferee and its owners or affiliates; and sign our then-current form of multi-unit development agreement and related documents.</p>
<p>n. Franchisor’s right of first refusal to acquire franchisee’s Franchised Business</p>	<p>Franchise Agreement: Section 13.G</p>	<p>If you receive or make an offer to sell or transfer an interest, direct or indirect, in the Franchise Agreement, your Business, or an ownership interest in you, we have a right of first refusal to purchase such interest offered for the price and on the terms and conditions contained in the offer with certain provisions; if this right is not exercised within 30 days of our receipt of notice of such intention to sell or transfer, then you may sell or transfer in accordance with items (k) through (m) of this Table. If you do not complete the sale to the proposed buyer within 60 days after either we notify you that we do not intend to exercise our right of first refusal or the time our exercise expires, or if there</p>

PROVISION	SECTION IN AGREEMENT	SUMMARY
		is a material change in the terms of the sale (which you must tell us promptly), we or our designee will have an additional right of first refusal during the 30-day period following either the expiration of the 60-day period or our receipt of notice of the material change(s) in the sale’s terms, either on the terms originally offered or the modified terms, at our or our designee’s option.
	Development Agreement: Section 5.F	If you receive or make an offer to sell or transfer an interest, direct or indirect, in the Development Agreement, your Development Rights, or an ownership interest in you, we have a right of first refusal to purchase such interest offered for the price and on the terms and conditions contained in the offer with certain provisions; if this right is not exercised within 30 days of our receipt of notice of such intention to sell or transfer, then you may sell or transfer in accordance with items (k) through (m) of this Table. If you do not complete the sale to the proposed buyer within 60 days after either we notify you that we do not intend to exercise our right of first refusal or the time our exercise expires, or if there is a material change in the terms of the sale (which you must tell us promptly), we or our designee will have an additional right of first refusal during the 30-day period following either the expiration of the 60-day period or our receipt of notice of the material change(s) in the sale’s terms, either on the terms originally offered or the modified terms, at our or our designee’s option.
o. Franchisor’s option to purchase franchisee’s business	Franchise Agreement: Section 16.B	Upon the expiration of the Franchise Agreement and any successor franchise granted to you, or the termination of the Franchise Agreement by you without cause or by us (each a “Termination Event”), We may purchase the assets of your Business for the net realizable value of the tangible assets in accordance with the liquidation basis of accounting (not the value of your Business as a going concern) (“Liquidation Value”), and assume the lease for your Business upon the expiration of the Franchise Agreement and any successor franchise granted to you, or the termination of the Franchise Agreement as a result of a Termination Event. In the case of a Termination Event, we have 30 days from the Termination Event to provide you with written notice of our election to purchase your Business.
	Development Agreement: N/A	Not applicable.
p. Death or disability	Franchise Agreement: Section 13.D	If you are a natural person or your Managing Owner, in either case, dies or becomes disabled, then, upon such death or disability, the executor, administrator or other personal

PROVISION	SECTION IN AGREEMENT	SUMMARY
		<p>representative of such person must promptly notify us in writing and must transfer your or their interests in this Agreement and in your Business to a third party approved by us, within a reasonable period of time, not to exceed nine (9) months following the date of death or disability. Such transfers, including by will or by inheritance, will be subject to the same terms and conditions as <i>inter vivos</i> Transfers and will be subject to our right of first refusal and provisions (k) through (o) of this Item 17. If your Business is not then managed by a trained Designated Manager, the executor, administer or other personal representative must, within a reasonable period of time, not to exceed 15 days from the date of death or disability, appoint a qualified manager to operate your Business. If it has not already done so, the Designated Manager will be required to complete our Initial Training Program at your expense.</p> <p>The term “disability” means a mental or physical disability, impairment, or condition that is reasonably expected to prevent or actually does prevent such person from performing the obligations set forth under the Franchise Agreement.</p>
	Development Agreement: N/A	Not applicable.
q. Non-competition covenants during the term of the franchise	Franchise Agreement: Section 8	<p>You, your owners, or any of your or their immediate family members, must not (i) have any direct or indirect interest as an owner (whether of record, beneficially, or otherwise) in a Competitive Business (defined below), wherever located or operating (except that equity ownership of less than five percent (5%) of a Competitive Business whose stock or other forms of ownership interest are publicly traded on a recognized United States stock exchange will not be deemed to violate this subparagraph); (ii) perform services for or provide benefits to, in any capacity, a Competitive Business, wherever located or operating; (iii) divert or attempt to divert any actual or potential business or customer of your Business to a Competitive Business; (iv) interfere or attempt to interfere with our or our affiliates’ relationships with any Vendors, franchisees, or consultants; or (v) directly or indirectly, appropriate, use or duplicate the System or System Standards, or any portion thereof, for use in any other business or endeavor.</p> <p>A “Competitive Business,” means a business (other than an authorized Protein Bar & Kitchen Business): (i) that offers products and services that are the same as or substantially similar to those offered at Protein Bar & Kitchen Businesses;</p>

PROVISION	SECTION IN AGREEMENT	SUMMARY
		(ii) whose core offerings include healthy foods and beverages such as bowls, salads, wraps, acai bowls, and protein shakes; (iii) whose offerings, concept, business model or method of operation is substantially similar to that of a Protein Bar & Kitchen Business or any other healthy food business we or our affiliates operate or for which we or our affiliates grant franchises or licenses; or (iv) that grants franchises or licenses for the operation of any of the foregoing or provides services to the franchisor or licensor of any of the foregoing. You may not interfere with Vendor/consultant relationships, interfere with Protein Bar & Kitchen Business employees at the Director level or above, or engage in activities that would harm our Marks or System.
	Development Agreement: N/A	Not Applicable.
r. Non-competition covenants after the franchise is terminated or expires	Franchise Agreement: Section 16.A	For two (2) years beginning on the effective date of termination or expiration, you, your owners, or any of your or their immediate family members, will not have any direct or indirect interest as an owner (whether of record, beneficially, or otherwise), investor, partner, director, officer, employee, consultant, lessor, representative, or agent in any Competitive Business located or operating (i) at the Premises, (ii) within a 10-mile radius of the Premises; or (iii) within a 10-mile radius of any other Protein Bar & Kitchen Business in operation or under construction on the effective date of the termination or expiration of the Franchise Agreement. You may not interfere with Vendor/consultant relationships nor engage in activities that would harm our Marks or Franchise System.
	Development Agreement: N/A	Not Applicable.
s. Modification of the agreement	Franchise Agreement: Section 19.B	Subject to our right to modify the Operations Manual and System Standards, no modification except by a written agreement signed by our and your duly authorized officers.
	Development Agreement: Section 10.A	Subject to our right to modify the System Standards, no modification except by a written agreement signed by our and your duly authorized officers.
t. Integration/merger clause	Franchise Agreement: Section 19.G	Only the written terms of the Franchise Agreement and other related written agreements are binding (subject to state law). Any representation or promises outside of the Disclosure Document and Franchise Agreement may not be enforceable. However, nothing in the Franchise Agreement is intended to disclaim the representations we made in the Disclosure Document that we furnished to you.

PROVISION	SECTION IN AGREEMENT	SUMMARY
	Development Agreement: Section 10.F	Only the written terms of the Development Agreement and other related written agreements are binding (subject to state law). Any representation or promises outside of the Disclosure Document and Development Agreement may not be enforceable. However, nothing in the Development Agreement is intended to disclaim the representations we made in the Disclosure Document that we furnished to you.
u. Dispute resolution by arbitration or mediation	Franchise Agreement: Section 18.A	We and you must arbitrate all disputes at a location in or within 50 miles of our or our successor's or assign's current principal place of business (currently, Chicago, Illinois) (subject to state law).
	Development Agreement: Section 9.A	We and you must arbitrate all disputes at a location in or within 50 miles of our or our successor's or assign's current principal place of business (currently, Chicago, Illinois) (subject to state law).
v. Choice of forum	Franchise Agreement: Section 18.B	Subject to applicable state law and our arbitration requirement, litigation must take place in the court nearest to our current corporate headquarters (currently Chicago, Illinois).
	Development Agreement: Section 9.C	Subject to applicable state law and our arbitration requirement, litigation must take place in the court nearest to our current corporate headquarters (currently Chicago, Illinois).
w. Choice of law	Franchise Agreement: Section 18.A	Subject to applicable state law, the Agreement, the Franchise, and all claims arising from the relationship between us and you will be governed by the laws of the State of Illinois, without regard to its conflict of laws rules, except that (1) any state law regulating the offer or sale of franchises or governing the relationship of a franchisor and its franchisee will not apply unless its jurisdictional requirements are met independently, and (2) the enforceability of those provisions of the Agreement which relate to restrictions on you and your owners' competitive activities will be governed by the laws of the state in which your Business is located.
	Development Agreement: Section 9.B	Subject to applicable state law, the Agreement, the Franchise, and all claims arising from the relationship between us and you will be governed by the laws of the State of Illinois, without regard to its conflict of laws rules, except that (1) any state law regulating the offer or sale of franchises or governing the relationship of a franchisor and its franchisee will not apply unless its jurisdictional requirements are met independently, and (2) the enforceability of those provisions of the Agreement which relate to restrictions on you and your owners' competitive activities will be governed by the laws of the state in which your Development Area is located.

Applicable state law might require additional disclosures related to the information contained in this Item 17. These additional disclosures, if any, appear in Exhibit E.

Item 18.
PUBLIC FIGURES

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

Item 19.
FINANCIAL PERFORMANCE REPRESENTATIONS

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

Certain Definitions:

“Average” means the sum of the data points in the data set divided by the number of data points in the data set.

“COGS” means the amount, expressed as a percentage of Gross Sales, spent to purchase and have delivered to the Protein Bar & Kitchen Business: (1) the products, inventory and ingredients necessary to prepare the food and beverage items offered for sale; and (2) the paper products and inventory used in delivering food and beverage products to the customers of the Protein Bar & Kitchen Location, including napkins, paper bags, cups and straws, liners, food containers, and plastic utensils.

“Gross Sales” means the regular advertised price of all goods and services sold at, from, or in connection with the operation of your Business (whether or not in compliance with the Agreement), regardless of if or the manner in which the price was paid by the purchaser of such products or services, but excluding (1) sales, use, or service taxes collected from customers and paid to the appropriate taxing authority; and (2) the amount of any documented refunds and credits your Business in good faith gives to customers and your employees. Revenue from the purchase or redemption of gift certificates, gift cards or similar programs is calculated as part of Gross Sales in accordance with our then-current guidelines for such programs. Gross Sales also include all insurance proceeds you receive to replace revenue that you lose from the interruption of your Business due to a casualty or other event covered by business interruption or similar insurance coverage. This is the same definition that appears in the Franchise Agreement, upon which you will calculate royalties and other fees you will owe us under the Franchise Agreement.

“Median” means the middle data point in the data set except that, if there is an even number of data points in the data set, the median is the average of the two middle data points in the data set.

“Labor Costs” means the amount, expressed as a percentage of Gross Sales, spent on unit-level wages (salaried & hourly), bonuses, payroll taxes, payroll fees, benefits (insurance, 401k, vacation, etc.), and other employee-related labor expenses. This does not include owner-operator salary.

“Range” means the distance between the lowest and highest numbers in the data set.

The Data Set:

The franchises we intend to sell under this Disclosure Document are for Protein Bar & Kitchen Businesses to be developed and operated in traditional retail locations that have a mix of office and residential customers with standard week-day operating hours of 7 a.m. to 7 p.m. to serve customers in all three day-parts—breakfast, lunch and dinner—and weekend hours of 9 a.m. to 5 p.m. (“Traditional Locations”). As of the end of our most recently completed fiscal year (December 31, 2022), there were 12 Protein Bar & Kitchen Businesses open and operating, all of which are located in and around Chicago, Illinois and its surrounding communities (the “Data Set”). Since we have no franchised locations as of the date of this Disclosure Document, each Protein Bar & Kitchen Location in the Data Set is owned and operated by our affiliate. Of those 12 Protein Bar & Kitchen Businesses that comprise the Data Set, 4 are located in Non-Traditional Locations, each of which has unique characteristics, has limited operating hours, and is not easily visible to or accessible by the general public; 5 are located in central business districts (“CBD Locations”) where customers are primarily lunch-time office workers and tourists; and 3 are located in Traditional Locations. Since office workers make up the majority of customers of CBD Locations, those locations also have limited operating hours that reflect that demographic.

Subset #1 (Entire Data Set Minus Non-Traditional Locations):

Each Non-Traditional Location has certain unique characteristics that drive the operation and performance of that particular location, and those unique characteristics make Non-Traditional Locations materially different not only from Traditional Locations but also from each other. For that reason, and because our focus is on granting franchises for Traditional Locations, we have excluded the 4 Non-Traditional Locations from the Data Set. The chart below reflects the historical performance of the 8 remainder Protein Bar & Kitchen Businesses in the Data Set (5 CBD Locations and 3 Traditional Locations) for our 2022 Fiscal Year ending on December 31, 2022:

	Gross Sales	COGS	Labor
Average	\$800,008	33.3%	34.0%
Number/Percentage of Protein Bar & Kitchen Businesses that met or exceeded the average	4 / 50%	5 / 62.5%*	4 / 50%*
Median	\$715,096	32.3%	34.8%
Range	\$425,757 to \$1,627,959	30.5% to 40.1%	24.9% to 41.5%

*since these are cost items, “meeting or exceeding the average” means that the costs exceeded the average.

Subset #2 (Traditional Locations Only):

Because of our focus on selling franchises for Traditional Locations, and the dissimilarities between their operations and those of Non-Traditional Locations and CBD Locations, the chart below reflects the historical performance for only the 3 Traditional Locations in the Data Set for our 2022 Fiscal Year ending on December 31, 2022.

	Gross Sales	COGS	Labor
Average	\$1,195,372	30.7%	27.0%
Number/Percentage of Protein Bar & Kitchen Businesses that met or exceeded the average	1 / 33%	2 / 67%*	2 / 67%*
Median	\$1,084,039	30.6%	25.7%
Range	\$874,119 to \$1,627,959	30.5% to 30.9%	24.9% to 30.4%

*since these are cost items, “meeting or exceeding the average” means that the costs exceeded the average.

There are no material differences between the Protein Bar & Kitchen Businesses that our affiliates operate (and that make up the businesses included in the charts above) and that you would operate as our franchisee, including with respect to fees you would pay to us or our affiliates, that would materially impact the results shown for Gross Sales, COGS or Labor.

Some Protein Bar & Kitchen Businesses have earned this amount. Your individual results may differ. There is no assurance that you will earn as much.

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

Other than the preceding financial performance representation, we do not make any financial performance representations. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor’s management by contacting our Chief Executive Officer, Jeff Drake, at 231 S. LaSalle Street, Suite 2100, Chicago, Illinois 60604 (phone: (312) 300-2561), the Federal Trade Commission, and the appropriate state regulatory agencies.

Item 20.
BUSINESSES AND FRANCHISEE INFORMATION

TABLE NO. 1
SYSTEMWIDE PROTEIN BAR & KITCHEN BUSINESS SUMMARY
FOR YEARS 2020 TO 2022¹

Business Type	Year	Businesses at the Start of the Year	Businesses at the End of the Year	Net Change
Franchised	2020	0	0	0
	2021	0	0	0
	2022	0	0	0

Business Type	Year	Businesses at the Start of the Year	Businesses at the End of the Year	Net Change
Company-Owned ²	2020	19	13	-6
	2021	13	13	0
	2022	13	13	0
Total	2020	19	13	-6
	2021	13	13	0
	2022	13	13	0

1. The numbers in this table and in Tables 2 through 4 are as of December 31 of each year.
2. The company-owned Protein Bar & Kitchen Businesses are owned by our affiliate, PB Restaurants.

TABLE NO. 2
TRANSFERS FROM FRANCHISEES TO NEW OWNERS
(OTHER THAN FRANCHISOR OR AN AFFILIATE)
FOR YEARS 2020 TO 2022

State	Year	Number of Transfers
All States	2020	0
	2021	0
	2022	0
Totals	2020	0
	2021	0
	2022	0

TABLE NO. 3
STATUS OF FRANCHISED BUSINESSES
FOR YEARS 2020 TO 2022

State	Year	Businesses at Start of Year	Businesses Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations-Other Reasons
All States	2020	0	0	0	0	0	0
	2021	0	0	0	0	0	0
	2022	0	0	0	0	0	0
Totals	2020	0	0	0	0	0	0
	2021	0	0	0	0	0	0
	2022	0	0	0	0	0	0

TABLE NO. 4
STATUS OF COMPANY-OWNED BUSINESSES
FOR YEARS 2020 TO 2022

State	Year	Businesses at Start of Year	Businesses Opened	Businesses Reacquired from Franchisee	Businesses Closed	Businesses Sold to Franchisee	Businesses at End of Year
Illinois	2020	13	1	0	1	0	13
	2021	13	0	0	0	0	13
	2022	13	1	0	1	0	13
Colorado	2020	4	0	0	4	0	0
	2021	0	0	0	0	0	0
	2022	0	0	0	0	0	0
Washington D.C.	2020	2	0	0	2	0	0
	2021	0	0	0	0	0	0
	2022	0	0	0	0	0	0
Totals	2020	19	1	0	7	0	13
	2021	13	0	0	0	0	13
	2022	13	1	0	1	0	13

TABLE NO. 5
PROJECTED OPENINGS AS OF DECEMBER 31, 2022
FOR THE 2023 FISCAL YEAR

State	Franchise Agreements Signed But Not Opened	Projected New Franchised in the Next Fiscal Year	Projected New Company-Owned Businesses in the Next Fiscal Year
Illinois	0	0	5
Totals	0	0	5

Exhibit G-1 contains a list of the names, addresses and telephone numbers of our current franchisees as of December 31, 2022; and Exhibit G-2 contains a list of the names and last known address and telephone number of each franchisee who had a Franchise Agreement terminated, cancelled, not renewed or who otherwise voluntarily or involuntarily ceased to do business under the Franchise Agreement during the most recently completed fiscal year, or who had not communicated with us within 10 weeks of the issuance date of this Disclosure Document. If you buy this franchise, your contact information may be disclosed to buyers when you leave the franchise system.

We have not sold any franchises as of the date of this Disclosure Document. 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 a franchisee in our franchise System.

As of the date this Disclosure Document was issued, there were no trademark-specific franchisee organizations that were created, sponsored, or endorsed by us and there were no trademark-specific franchisee organizations that requested to be included in this Disclosure Document.

Item 21.
FINANCIAL STATEMENTS

We were organized in January 2023. Accordingly, we have not been in business for three years or more and cannot include all the financial statements required by the FTC Franchise Rule for the prior three fiscal years. Attached to this Disclosure Document as Exhibit F is our audited opening balance sheet as of April 19, 2023, and unaudited balance sheet and the related income statement as of August 31, 2023. Our fiscal year end is the Sunday closest to December 31 each year.

Item 22.
CONTRACTS

The following contracts are attached as exhibits to this Disclosure Document:

<u>Exhibit B</u>	Franchise Agreement
<u>Exhibit C</u>	Multi-Unit Development Agreement
<u>Exhibit E</u>	State Addenda and Agreement Riders
<u>Exhibit H</u>	Sample General Release
<u>Exhibit I</u>	Form of Lease Addendum

Item 23.
RECEIPTS

Exhibit J contains detachable documents acknowledging your receipt of this Disclosure Document. Please sign and date each receipt and return one copy to us. Keep the other copy along with this Disclosure Document.

EXHIBIT A

STATE AGENCIES/AGENTS FOR SERVICE OF PROCESS

STATE AGENCIES/AGENTS FOR SERVICE OF PROCESS

Listed here are the names, addresses and telephone numbers of the state agencies having responsibility for the franchising disclosure/registration laws. We may not yet be registered to sell franchises in any or all of these states. There may be states in addition to those listed below in which we have appointed an agent for service of process. There may also be additional agents appointed in some of the states listed.

ILLINOIS

Franchise Bureau
Office of the Attorney General
500 South Second Street
Springfield, Illinois 62701
(217) 782-4465

INDIANA

(state administrator)

Indiana Secretary of State
302 West Washington Street
Securities Division, E-111
Indianapolis, Indiana 46204
(317) 232-6681

(agent for service of process)

Indiana Secretary of State
200 West Washington Street, Room 201
Indianapolis, Indiana 46204
(317) 232-6531

MARYLAND

(state administrator)

Office of the Attorney General
Securities Division
200 St. Paul Place
Baltimore, Maryland 21202-2021
(410) 576-6300

(agent for service of process)

Maryland Securities Commissioner
at the Office of the Attorney General
Securities Division
200 St. Paul Place
Baltimore, Maryland 21202-2021
(410) 576-6360

MICHIGAN

(state administrator)

Michigan Attorney General's Office
Consumer Protection Division
Attn: Franchise Section
G. Mennen Williams Building
525 West Ottawa Street
Lansing, Michigan 48909
(517) 373-7622

(agent for service of process)

Michigan Department of Commerce,
Corporations, Securities & Commercial Licensing
Bureau
P.O. Box 30018
Lansing, Michigan 48909

MINNESOTA

(state administrator)

Minnesota Department of Commerce
85 7th Place East, Suite 280
St. Paul, Minnesota 55101
(651) 539-1600

(agent for service of process)

Commissioner of Commerce
Minnesota Department of Commerce
85 7th Place East, Suite 280
St. Paul, Minnesota 55101
(651) 539-1600

NEW YORK

(state administrator)

Office of the New York State Attorney General
Investor Protection Bureau
Franchise Section
28 Liberty Street, 21st Floor
New York, NY 10005
(212) 416-8236 Phone
(212) 416-6042 Fax

(agent for service of process)

Attention: New York Secretary of State
New York Department of State
One Commerce Plaza,
99 Washington Avenue, 6th Floor
Albany, NY 12231-0001
(518) 473-2492

OREGON

Department of Business Services Division of
Financial Regulation
350 Winter Street, NE, Room 410
Salem, Oregon 97310-3881
(503) 378-4387

RHODE ISLAND

Department of Business Regulation
Division of Securities
John O. Pastore Complex Building 69-2
1511 Pontiac Avenue
Cranston, Rhode Island 02920
(401) 462-9645

VIRGINIA

(state administrator)

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

(agent for service of process)

Clerk, State Corporation Commission
1300 East Main Street, First Floor
Richmond, Virginia 23219
(804) 371-9733

PROTEIN BAR AND KITCHEN FRANCHISING, LLC
FRANCHISE AGREEMENT

Franchisee: _____

Developer (if applicable): _____

Protein Bar & Kitchen Business Address: _____



PROTEIN BAR AND KITCHEN FRANCHISING, LLC
FRANCHISE AGREEMENT

DATA SHEET

1. Effective Date of Agreement: _____

2. Franchisee:

Table with 2 columns and 9 rows: Name, Address, Attention, Email Address, Phone, Type of Entity, Date of Formation, State of Formation, Managing Owner.

3. Franchisee Owners.

Table with 4 columns: Name, Address, Type of Interest, Percentage Held.

4. Initial Designated Manager [Section 1.C]: _____

5. Territory [Section 2.B]: (check one):

[] the area within a circle having the main entrance to the Protein Bar & Kitchen Business as its center and a radius of _____ miles; or

[] the area described as follows: _____; or

[] the area shown on the following map:

[insert map]

6. Protein Bar & Kitchen Business Premises [Section 3.A]: _____

7. **Search Area** [Section 3.A] (check one):

(a) N/A

(b) Development Area identified in the Multi-Unit Development Agreement dated _____, between us and _____.

(c) The area shown on the following map:

(d)

[insert map]

8. **Certain Other Fees** [Section 4]:

(a) **Initial Franchise Fee** (check one): \$40,000 Other \$ _____

(b) **Royalty** (check one): 6% of Gross Sales Other _____

9. **Additional Terms or Modifications to the Agreement.** The following terms, if any, supplement or amend the provisions of the Franchise Agreement Terms and Conditions attached hereto and will control in the event of any conflicts:

[insert as applicable]

10. **Acknowledgement and Acceptance of Agreement.** By signing below, you represent and warrant to us that the information contained in this Data Sheet accurately is true and correct and accurately reflects your understanding of the information contained in it. The parties, intending to be legally bound, accept and agree that this Data Sheet and the accompanying Franchise Agreement Terms and Conditions (together, this “**Agreement**”) describe their respective rights and obligations, and each agrees to be bound thereto and to perform as set forth therein.

**PROTEIN BAR AND KITCHEN
FRANCHISING, LLC**, a Delaware limited liability company

FRANCHISE OWNER:

[Name]

By: _____
Name: _____
Title: _____
Date: _____

By: _____
Name: _____
Title: _____
Date: _____

PROTEIN BAR & KITCHEN®

FRANCHISE AGREEMENT TERMS AND CONDITIONS

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ATTACHMENT A Guaranty and Assumption of Obligations
ATTACHMENT B Representations and Acknowledgement Statement



FRANCHISE AGREEMENT TERMS AND CONDITIONS

The following Franchise Agreement Terms and Conditions (these “**Terms**”) form an integral part of the Agreement (as defined on the attached Data Sheet) between **Protein Bar and Kitchen Franchising, LLC**, a Delaware limited liability company having its address at 231 S. LaSalle Street, Suite 2100, Chicago, Illinois 60611 (“**us**”), and the party signing the attached Data Sheet as the “Franchisee” (“**you**”).

1. **PREAMBLES.**

A. **BACKGROUND.**

Our affiliates currently operate, and we grant franchises for the right to own and operate, Protein Bar & Kitchen Businesses that are currently identified by the federally registered trademark *Protein Bar & Kitchen*[®] (together, with such other trademarks and commercial symbols we periodically designate, the “**Marks**”) and that offer their customers healthy food choices consisting primarily of high-protein salads, wraps, and bowls, customizable for all diets, and protein-packed shakes and smoothies (each a “**Protein Bar & Kitchen Business**”). Protein Bar & Kitchen Businesses are developed and operated using certain specified business formats, methods, procedures, designs, layouts, standards, menus, and other specifications, each of which we may replace, further develop, or otherwise modify or discontinue from time to time (collectively, the “**System**”).

Based on your own investigation and diligence, you have requested that we grant you the right to develop, own and operate a Protein Bar & Kitchen Business, using the Marks and System (the “**Franchise**”) and, to support your request, you and, as applicable, your owners have provided us with certain information about your and their background, experience, skills, financial condition, and resources (collectively, the “**Application Materials**”). In reliance on, among other things, the Application Materials, we are willing to grant you the Franchise as reflected on the Data Sheet and in these Terms.

B. **BUSINESS ENTITY.**

If you are not a natural person, you agree, represent and warrant to us that: (1) you were validly formed and are and will maintain, throughout the Term (defined below), your existence and good standing under the laws of the state of your formation and remain qualified to do business in the state in which you operate your Business; (2) the information on the attached Data Sheet is complete and accurate as of the Effective Date; (3) the only business that you will own or operate during the Term will be your Business and, if applicable, other Protein Bar & Kitchen Businesses that you operate pursuant to other franchise agreements with us; (4) at our request, you will furnish us with copies of all documents regarding your formation, existence, standing, and governance; and (5) each of your owners that has direct or indirect ownership of at least 10% of the ownership interests in you (each a “**Principal Owner**”) and, if the Agreement is signed pursuant to a Multi-Unit Development Agreement, the developer under that agreement, will sign and deliver to us our then-standard form of Guaranty and Assumption of Obligations (the “**Guaranty**”). Our current form of Guaranty appears as Attachment A to these Terms. The non-owner spouse of each Principal Owner will be required to sign the guaranty merely to acknowledge the Principal Owner’s execution of the guaranty and the impact it may have on marital assets.

C. **MANAGING OWNER; DESIGNATED MANAGER.**

One of your owners that we approve must, at all times, act as your “**Managing Owner.**” Your initial Managing Owner is designated on the attached Data Sheet. You agree that your Managing Owner

will be authorized, on your behalf, to deal with us in all matters that arise in respect of the Agreement. We will be entitled to rely on the decisions of your Managing Owner without being obligated to seek approvals or input from your other owners. You must also designate one of your employees (who may also be your Managing Owner) to serve as the “**Designated Manager**” of your Business in accordance with Section 9.D below. If the Managing Owner or Designated Manager has not signed a Guaranty, he or she must sign our then-current form of confidentiality and non-competition agreement. Your Designated Manager must supervise the management and day-to-day operations of your Business on a full-time basis and continuously exert best efforts to promote and enhance your Business and the goodwill associated with the Marks. At least one (1) such trained manager must remain on-site at all times during the Franchise’s operating hours.

You may not change the Managing Owner or Designated Manager without our prior written consent. You must promptly notify us in writing if your Managing Owner or Designated Manager cannot continue or no longer qualifies to serve as such. You must, subject to our approval, (1) immediately provide for interim management of your Business in accordance with these Terms and (2) replace the Managing Owner or Designated Manager within 30 days thereafter.

2. **THE FRANCHISE.**

A. **GRANT.**

We hereby grant you the Franchise to develop, own and operate a Protein Bar & Kitchen Business solely at the “**Premises**” identified on the attached Data Sheet or that we subsequently approve as described in Section 3.A below, for a term beginning on the Effective Date and, unless sooner terminated as provided herein, expiring at the close of regular business on the day preceding the 10th anniversary of that date (the “**Term**”). You agree to faithfully, honestly, and diligently perform your obligations under these Terms and use your best efforts to promote your Business and the Protein Bar & Kitchen® brand. You agree not to conduct the business of your Business at any location other than the Premises and to use the Premises only for your Business. Once your Business opens for business, you agree to continuously operate it in accordance with these Terms for the duration of the Term.

B. **AGREEMENT REGARDING ACTIVITIES IN YOUR TERRITORY.**

You agree that, however determined and designated on the attached Data Sheet, any Non-Traditional Locations that become available during the Term and are located within the Territory are deemed to be excluded from the Territory unless we indicate otherwise on the Data Sheet or when we determine the Territory pursuant to Section 3.A below. As used herein, a “**Non-Traditional Location**” is a physical location that (1) is part of a larger venue or facility, (2) is not generally and easily accessible to the general public, or (3) whose operating hours are limited to those imposed by the owner or operator of the venue in which it sits (for example, military bases, shopping malls, hotels, school and college campuses, airports, train stations, travel plazas, toll roads, beaches, parks and other seasonal facilities, government buildings and establishments, prisons, hospitals, convenience stores, trucks, casinos, sports or entertainment venues or stadiums, and retail shop locations being sublet under a lease to a master concessionaire).

We agree that, subject to your compliance with these Terms and except for Non-Traditional Locations, we will not, during the Term, operate or authorize anyone else to operate a Protein Bar & Kitchen Business physically located in the Territory.

You acknowledge that our agreement regarding your Territory applies only to the operation of a Protein Bar & Kitchen Business as defined in this Agreement. We reserve for ourselves and our affiliates all rights that are not expressly granted to you in this Agreement and the right to do all things that we do not expressly agree in those agreements not to do, in each case, without compensation to you, without

regard to proximity to your Business, and on such terms and conditions as we deem appropriate. For example, and without limitation, we and our affiliates may, ourselves or through authorized third parties:

(1) own and operate, own and operate, and license others to own and operate, Protein Bar & Kitchen Businesses in Non-Traditional Locations anywhere in the world, including within your Protected Territory and Development Area, as applicable;

(2) own and operate, and license others to own and operate, Protein Bar & Kitchen Businesses using the System and the Marks on such terms and conditions we deem appropriate outside of your Protected Territory or Development Area, as applicable;

(3) develop or become associated with other businesses, including other healthy food concepts and systems, and/or award franchises under such other concepts, provided that, as applicable, such businesses are not identified by the *Protein Bar & Kitchen* trademark (although they may, in our discretion, use and incorporate certain other elements of System and System Standards);

(4) acquire, be acquired by, merge or affiliate with, or engage in any transaction with other businesses (whether or not competitive) located anywhere and (i) convert the other businesses to the Protein Bar & Kitchen® brand, (ii) allow the other businesses to operate as part of or to use the elements of the System, and/or (iii) permit the other businesses to continue to operate under another name;

(5) solicit customers, advertise, and authorize others to advertise, and promote sales of Protein Bar & Kitchen Businesses anywhere, including within the Protected Territory and Development Area, and fill customer orders; and

(6) market and sell, and grant to others the right to market and sell, through alternative channels of distribution (for example, through e-commerce and product lines in other businesses), any product or service identified by the Marks or any other trademarks, whether or not authorized for sale at Protein Bar & Kitchen Businesses and whether similar to or different than products or services authorized for sale at Protein Bar & Kitchen Businesses.

3. **DEVELOPMENT AND OPENING OF YOUR BUSINESS.**

A. **LOCATING AND SECURING POSSESSION OF THE PREMISES.**

You are entirely responsible, at your expense, for doing everything necessary to develop and open your Business in accordance with these Terms, including, subject to our prior written acceptance, locating, selecting, and securing possession of the Premises from which the Protein Bar & Kitchen Business will operate. If we have approved your proposed Premises when this Agreement is signed, the Premises are identified on the attached Data Sheet. Otherwise, you must, within 60 days after the Effective Date, locate and obtain our approval of the Premises that must be located within the non-exclusive Search Area identified on the attached Data Sheet, within which you will have certain exclusive rights. You must provide any information we request to aid in our evaluation of your proposed Premises. We reserve the right to define your Territory at the time the Premises are identified and approved by us in accordance with this Section. If you disagree with our definition of the Territory, you may elect to locate and submit an alternative location to us for approval pursuant to this Section. Our approval of your proposed site is entirely for our own purposes and, by approving your site, we are not representing or guaranteeing that it will perform as you or we expect it to do. We are not responsible if the site we recommend or approve fails to meet your expectations.

If, after we approve your Premises, you elect to instead search for and pursue other potential sites, we may require that you pay us a site review and approval fee of \$2,000 for each such additional proposed site.

You must secure possession of the Premises within 60 days following our approval, by signing a lease, sublease or other agreement that allows you to develop and operate the Protein Bar & Kitchen Business at the Premises for the entire Term (the “**Lease**”). You may not, however, sign the Lease until you have received our written approval of its terms. As a condition to our acceptance of the Lease, we may require the Lease to include certain provisions that we periodically require to protect and maintain the Protein Bar & Kitchen® brand and System and to protect our interests in the Premises and the continuity of the brand at the Premises. If we accept the Lease, we do so for our own purposes, and we make no representation or warranty as to the quality or suitability of the Lease or its terms. You should obtain the advice of your own professional advisors before signing it.

B. DEVELOPMENT AND OPENING OF YOUR BUSINESS.

We will provide you our then-current prototypical plans showing the standard layout and placement specifications for all required equipment, the Computer System (defined below), furniture, fixtures and signs (all of the foregoing being referred to, collectively, as the “**Operating Assets**”). You must, by the earlier of (i) 120 days after you sign the Lease, or (ii) 12 months after the Effective Date, do all things necessary to complete the development of the Protein Bar & Kitchen Business and prepare it for opening in accordance with these Terms, the System, and applicable laws, including adapting our prototypical plans; acquiring and installing the Operating Assets; constructing the Protein Bar & Kitchen Business to our approval, using vendors we approve as described below, in accordance with the approved detailed construction plans and specifications and space plans for your Business; using approved vendors; retaining and paying all architects and contractors; securing all required operating permits, licenses, and insurance; and retaining and training all employees.

You may not open the Protein Bar & Kitchen Business for business until we have confirmed, in writing, that you have satisfied all conditions required under these Terms to our satisfaction. Subject to your compliance with applicable laws, you must open the Protein Bar & Kitchen Business for regular business not later than five (5) days following our written confirmation of those items.

C. LIQUIDITY AND FINANCING.

We have granted the Franchise to you based, in part, on your representations to us regarding, and our assessment of, your liquidity as of the Effective Date. You will ensure that, throughout the Term, you will maintain, to our reasonable satisfaction, sufficient liquidity to meet your obligations under these Terms.

You acknowledge and agree that, if at any time you or your Affiliates propose to obtain any financing with respect to the Premises, the development or operation of your Business, or any Operating Assets in which any of such items are pledged as collateral to secure your performance in connection with such financing (each a “**Financing**”), the Financing is a Transfer subject to our approval and all other conditions set forth in Sections 13.B and 13.C of these Terms. Our consent to any Financing may be conditioned upon the inclusion in the loan and security agreements of various terms and conditions that are acceptable to us.

Subject to this Section 3.C, and unless we approve otherwise, in writing, you must apply for and diligently pursue any government-issued, government-sponsored, or governmental-guaranteed non-recourse grants, loans, and/or bailouts for which you qualify and that are made available to small businesses for economic stimulus.

4. **CERTAIN FEES.**

A. **INITIAL FRANCHISE FEE.**

You agree to pay us, on your execution of this Agreement, a nonrecurring and nonrefundable initial franchise fee in the amount of \$40,000.

B. **ROYALTY FEE.**

Throughout the Term, you agree to pay us a royalty fee (the “**Royalty**”) calculated at six percent (6%) of the Gross Sales (as defined below) of your Business. Royalty will be payable weekly, on or before the day of the week we specify from time to time, based on the Gross Sales generated during the preceding week. If your Business does not generate Gross Sales because you have temporarily closed your Business without our consent, your Royalty will be \$1,000 for each whole or partial day your Business is closed (“**Temporary Royalty**”). Temporary Royalty will be due and payable as, when and in the same manner as the Royalty. Payment of a Temporary Royalty will not act as a cure of the default caused by the unauthorized closure and will not alter or impair any other rights we have under the Agreement or any other agreements between us and you or your Affiliates, all of which are reserved. If we do not exercise our right to terminate based on your unauthorized closure, you may only re-open the Protein Bar & Kitchen Business with our prior written consent, and your Royalty will resume as described above in this Section 4.B upon reopening.

C. **DEFINITION OF “GROSS SALES”.**

As used in the Agreement, “**Gross Sales**” means the regular advertised price of all goods and services sold at, from, or in connection with the operation of your Business (whether or not in compliance with the Agreement), regardless of if or the manner in which the price was paid by the purchaser of such products or services, but excluding (1) sales, use, or service taxes collected from customers and paid to the appropriate taxing authority, and (2) the amount of any documented refunds and credits your Business in good faith gives to customers and your employees. Revenue from the purchase or redemption of gift certificates, gift cards or similar programs is calculated as part of Gross Sales in accordance with our then-current guidelines for such programs. Gross Sales also include all insurance proceeds you receive to replace revenue that you lose from the interruption of your Business due to a casualty or other event covered by business interruption or similar insurance coverage.

D. **NON-COMPLIANCE FEE.**

The Royalty rate we charge under the Agreement was determined based on the assumption that you will comply with your obligations hereunder. If you do not comply with your obligations, we will incur additional costs and expenses and, depending on the nature of the noncompliance, may lose the revenue stream we bargained for in entering into this Agreement. Therefore, if we determine that you are not in compliance with your obligations under these Terms, your Royalty rate will be increased to seven percent (7%) until we determine that you have cured all deficiencies and are compliant with all terms of the Agreement, at which time it will revert to the rate referenced in Section 4.B above. Payment of the non-compliance charge is intended to compensate us for certain revenue we may have lost and expenses or losses we incur as a result of the non-compliance. It is not a penalty or an expression of the total amount of such damages nor is it a cure of the non-compliance that triggered its payment. Nothing in this Section limits any of our other rights and remedies available under the terms of these Terms.

E. **LATE PAYMENTS AND REPORTING.**

All amounts you owe us for any reason will bear interest after their due date at two percent (2%) per month or the highest commercial contract interest rate the law allows, whichever is less. We will charge

a service fee of One Hundred Dollars (\$100) per occurrence for checks returned to us due to insufficient funds or in the event there are insufficient funds in the business account you designate to cover our withdrawals. This Section 4.E is not our agreement to accept any payments after their due date or our commitment to extend credit to, or otherwise finance the operation of, your Business.

If you fail to timely report Gross Sales, we may debit your account for 110% of the average of the last three (3) Royalty and Brand Fund (as defined in Section 10.B) contributions that we debited. If the amounts that we debit from your account under this paragraph are less than the amounts you actually owe us (once we have determined the true and correct Gross Sales), we will debit your account for the balance on the day we specify. If such amounts are greater than what you actually owe, we will credit the excess against the amounts we otherwise would debit from your account during the following week.

F. APPLICATION OF PAYMENTS; SET-OFFS.

Despite any designation you make, we may apply any of your payments to any amounts you owe us or our Affiliates. We may reduce any amounts we or our Affiliates owe you by any amounts you owe us or our Affiliates. You may not withhold payment of any amounts owed to us on the grounds of our alleged nonperformance of any of our obligations under the Agreement or for any other reason, and you specifically waive any right you may have at law or in equity to offset any funds you may owe us or to fail or refuse to perform any of your obligations under the Agreement.

G. METHOD OF PAYMENT.

You agree to pay any amounts you owe us or our Affiliates by any means we periodically specify whenever we deem appropriate. Currently, you must authorize us to debit your designated bank account for all such amounts (the “**EFT Authorization**”) and agree to sign and deliver to us any documents we and your bank require for such EFT Authorization. Your EFT Authorization shall remain in full force and effect throughout the Term and for 30 days following its expiration or termination.

5. TRAINING AND ASSISTANCE.

A. INITIAL TRAINING.

Before opening your first Protein Bar & Kitchen Business to the public, at least two (2) Required Trainees must have completed, to our satisfaction, our initial training program (the “**Initial Training Program**”). The “**Required Trainees**” are your Managing Owner and either your Designated Manager or, if the Designated Manager and Managing Owner are the same person, one other manager-level employee of your Business. Timing of completion, scheduling, location, content, length and format of our Initial Training Program are at our discretion, and we reserve the right to require that all of your attendees attend and participate at the same time. We will not be responsible for any travel or living expenses, wages, or benefits owed to, or other costs of, any person attending the Initial Training Program or any other training program on your behalf or at your request.

For your first Business, we will not charge a fee for the Required Trainees’ participation in the Initial Training Program. After that, we may require you to conduct the Initial Training Program for your Required Trainees who have not previously completed the program, but we reserve the right to conduct it ourselves if we determine that you are unable to properly do so and, in that event, may charge you a reasonable fee for doing so. We may also charge a reasonable fee if any replacement Required Trainee or any persons other than the Required Trainees attend the Initial Training Programs that we conduct. Notwithstanding the foregoing, we reserve the right to conduct the Initial Training Program ourselves for your or your Affiliates’ second or subsequent Protein Bar & Kitchen Businesses if we determine that you

are unable to properly conduct the required training and, in that event, may charge you a reasonable fee for doing so.

B. TRAINING OF EMPLOYEES.

You must implement a training program that we approve for employees of your Business, and you will be responsible for the proper training of your employees. You must ensure that everyone you employ successfully completes the training program, is properly trained, and is qualified to perform his or her duties at the Protein Bar & Kitchen Business in accordance with the System and System Standards.

C. ADDITIONAL TRAINING AND GUIDANCE.

If you request, and we agree to provide, additional or special guidance, assistance, or training, we may charge you our then applicable fee, including per diem charges and travel and living expenses. You understand that any specific ongoing training or advice we provide does not create an obligation for us to continue to provide this specific training or advice, all of which we may discontinue and modify periodically.

If this is your or your Affiliates' first Protein Bar & Kitchen Business, we will send a training team to your Business to assist with the grand opening (the identity, composition, and length of stay of which will be in our discretion), at no additional cost to you. If this is your or your Affiliates' second or subsequent Protein Bar & Kitchen Business, and we determine that it is in your and the *Protein Bar & Kitchen* brand's interests to send a training and opening team to assist with the opening of your Business, you will be required to reimburse us the costs and expenses incurred by the training and opening team we send to provide that support, including the costs of travel, lodging, meals and a per diem to cover the teams' salary. We may also send a training team for your or your Affiliates' second or subsequent location if we feel that you are unable or unwilling to provide the required training to your employees for any reason. Our trainer(s) will determine the amount of time and the kind of support they provide under this paragraph.

We may require your Required Trainees and/or other employees to attend an annual franchisee conference and additional, periodic or refresher training courses at such times and locations that we designate. We reserve the right to charge you a reasonable fee for attendance at these programs and any training materials that we provide in connection with such training. We will not be responsible for any travel or living expenses, wages, or benefits owed to, or other costs of, any person attending an annual conference or participating in other training programs. You are responsible for those arrangements. You agree to give us reasonable assistance in training other Protein Bar & Kitchen Business franchisees, and we will reimburse you for your reasonable out-of-pocket expenses in providing such assistance at our request.

We may periodically advise and guide you regarding various aspects of the operation of your Business and System Standards (defined below). We will determine the location, frequency, content, and method of delivering all such advice and guidance. If you request, and we agree to provide, additional or special guidance, assistance, or training, we may charge you our then applicable fee, including per diem charges and travel and living expenses.

D. OPERATIONS MANUAL.

During the Term, we will provide you with electronic access to our manual for the operation of Protein Bar & Kitchen Businesses (the "**Operations Manual**"). We will determine the content of the Operations Manual, the frequency in which it may be updated, and the manner and format in which it is delivered or made available to you. The Operations Manual may contain both mandatory specifications, standards, operating procedures and rules that we periodically prescribe for operating Protein Bar & Kitchen

Businesses (“**System Standards**”), and you agree to comply with those standards and requirements. The Operations Manual may also contain other specifications, standards and policies that we may periodically suggest, and information on your other obligations under the Agreement. Adoption of those items in the operation of your Business will be at your discretion. We may periodically modify the Operations Manual, including in the form of memoranda and newsletters, to reflect changes in System Standards.

Our master copy of the Operations Manual is the controlling copy. The Operations Manual and any passwords and access credentials are part of our Confidential Information (as defined below) and must be protected against improper use and disclosure. As such, you may use it only in the operation of your Business in accordance with these Terms and protect it from improper use and disclosure as described in Section 7 below. You are responsible for any loss, destruction, damage, or unauthorized access or use of your copy of the Operations Manual.

6. **INTELLECTUAL PROPERTY.**

A. **OWNERSHIP AND GOODWILL.**

We have the right to grant you the license to use the Marks and the System. Your right to use the Marks and the System is derived solely from this Agreement and limited to your operating your Business at the Premises according to these Terms and all System Standards. Your unauthorized use of the Marks or the System is a breach of the Agreement and infringes our and our Affiliates’ rights in the Marks and the System. Your use of the Marks and the System and any goodwill created by that use are exclusively for our and our Affiliates’ benefit, and this Agreement does not confer any goodwill or other interests in the Marks or the System upon you (other than the right to use them strictly as described in these Terms). You agree not to, at any time during or after the Term, contest or assist any other person in contesting the validity of our and our Affiliates’ rights to the Marks or the System.

B. **LIMITATIONS ON YOUR USE OF INTELLECTUAL PROPERTY.**

You agree to use the Marks and the System we periodically designate as the sole identification of your Business and to identify yourself as the licensee of the Marks and the independent owner of the Protein Bar & Kitchen Business in the manner we prescribe. You may not use any Mark (1) as part of any business entity name, (2) with any modifying words, terms, designs, or symbols (other than logos we have licensed to you), (3) in selling any unauthorized services or products, (4) as part of any website, domain name, email address, social media account, user name, other online presence or presence on any electronic medium of any kind (“**Online Presence**”), except as set forth in the Operations Manual or otherwise in writing from time to time, (5) in connection with any advertisement of any prospective transfer that would require our approval under Section 13, or (6) in any other manner that we have not expressly authorized in writing. You agree to give the notices of trademark and service mark ownership and registrations that we specify and to maintain, solely during the Term, any fictitious or assumed name registrations required under applicable law.

C. **NOTIFICATION OF INFRINGEMENTS AND CLAIMS.**

You must notify us immediately of any apparent infringement of or challenge to your use of any Mark or the System, or of any person’s claim of any rights to or in any Mark or the System (each an “**Infringement Matter**”), and not to communicate with any person other than us or our Affiliates, our attorneys, and your attorneys, regarding any such Infringement Matter. We and our Affiliates may take the action we or they deem appropriate (including no action) and control exclusively any litigation, administrative actions, or other legal proceedings arising from any Infringement Matter, and you agree to sign any documents and take any other reasonable action that we believe to be necessary or advisable to protect and maintain our and our Affiliates’ interests in any such proceeding or otherwise to protect and

maintain our and their interests in the Marks and the System. We will reimburse you for your reasonable costs of taking any action that we or our Affiliates ask you to take in this regard. We also agree to reimburse you for all damages and expenses that you incur in any trademark infringement proceeding disputing your authorized use of any Mark under the Agreement if you have timely notified us of, and comply with our directions in responding to, the proceeding.

D. DISCONTINUANCE OF USE OF MARKS.

If it becomes advisable, in our opinion, to modify or discontinue using any Mark used by Protein Bar & Kitchen Businesses or to use one or more additional or substitute trademarks or service marks, you agree to comply with our directions within a reasonable time after receiving notice. We need not reimburse you for your expenses of complying with our directions in that regard or for any loss of revenue due to any modified or discontinued Mark. We may exercise these rights at any time and for any reason, and you waive any claims, demands or damages arising therefrom.

E. NON-DISPARAGEMENT.

You agree not to (and to use your best efforts to cause your current and former owners, officers, directors, agents, employees, representatives, attorneys, spouses, Affiliates, successors and assigns not to) disparage or otherwise speak or write negatively, directly or indirectly, of us, our Affiliates, any of our or our Affiliates' directors, officers, employees, representatives, current and former franchisees or developers, the *Protein Bar & Kitchen* brand, the System, any Protein Bar & Kitchen Business (including your Business), any business using the Marks, any other brand or concept of us or our Affiliates, or which would subject the *Protein Bar & Kitchen* brand or such other brands to ridicule, scandal, reproach, scorn, or indignity, or which would negatively impact the goodwill of the Marks or the System.

7. CONFIDENTIAL INFORMATION.

A. TYPES OF CONFIDENTIAL INFORMATION.

In connection with this Agreement, you and your owners and personnel may from time to time be provided and/or have access to non-public information about the System and the operation of Protein Bar & Kitchen Businesses (including your Business) (some of which constitutes trade secrets under applicable law), regardless of whether it is marked confidential (the “**Confidential Information**”), including:

- (1) the Operations Manual and its contents;
- (2) growth and development plans, strategies, and forecasts related to the System;
- (3) site selection criteria;
- (4) training and operations materials;
- (5) the System Standards and other methods, formats, specifications, standards, systems, procedures, techniques, market research, customer data, knowledge, and experience used in developing, promoting and operating Protein Bar & Kitchen Businesses and the products they offer and sell;
- (6) knowledge of specifications for, and vendors of, Operating Assets and other products and supplies;

(7) any software or other technology which is proprietary to us, our Affiliates, or the System, including, without limitation, digital passwords and identifications and any source code of, and data, reports, and other materials generated by, the software or other technology; and

(8) knowledge of the operating results and financial performance of Protein Bar & Kitchen Businesses (including your Business).

B. DISCLOSURE AND LIMITATIONS OF USE.

You agree that your relationship with us does not vest in you any interest in the Confidential Information other than the right to use it in the development and operation of your Business in accordance with these Terms, and that the use, duplication or improper distribution or publication of the Confidential Information in any case would constitute an unfair method of competition. You acknowledge and agree that the Confidential Information is proprietary, includes trade secrets belonging to us and is disclosed to you or authorized for your use solely on the condition that you agree, and you therefore do agree, that you will: (1) not use the Confidential Information in any other capacity; (2) maintain the absolute confidentiality of the Confidential Information during and after the Term; (3) not make unauthorized copies of, or improperly disclose or publish any portion of, the Confidential Information however and in whatever form or format disclosed to you; and (4) adopt and implement all reasonable procedures we periodically prescribe to prevent unauthorized use or disclosure of the Confidential Information, including, by establishing reasonable security and access measures, imposing restrictions on disclosure to your key employees, and requiring the execution of nondisclosure and noncompetition agreements we may prescribe for employees or others who have access to the Confidential Information.

C. EXCEPTIONS TO LIMITATIONS.

The restrictions on your disclosure and use of the Confidential Information will not apply to the: (i) disclosure or use of information, processes, or techniques which are lawfully known and used in the Protein Bar & Kitchen Business or food service industry or by the public (as long as the availability is not because of a violation of applicable law or an obligation to us or our affiliates by you), provided that you have first given us written notice of your intended disclosure and/or use; (ii) disclosure of the Confidential Information in judicial or administrative proceedings when and only to the extent you are legally compelled to disclose it, provided that you have first given us the opportunity to obtain an appropriate protective order or other assurance satisfactory to us that the information required to be disclosed will be treated confidentially; and (iii) disclosure of your Business' operating results and financial performance to your existing and prospective lenders, and, provided they are bound by confidentiality obligations, to potential investors in you or purchasers of your Business.

D. INNOVATIONS.

You must promptly disclose to us all ideas, concepts, methods, techniques, and products conceived or developed by you and/or any of your Affiliates, owners, agents, representatives, contractors, or employees during the Term relating to the development or operation of your Business or other Protein Bar & Kitchen Businesses ("**Innovations**"), whether or not protectable intellectual property and whether created by or for you or your owners or employees. All Innovations are our sole and exclusive property and works made-for-hire for us and shall constitute our Confidential Information. To the extent any Innovation does not qualify as a work made-for-hire for us, by this Section you assign ownership of that Innovation, and all related rights to that Innovation, to us and agree to sign (and to cause your owners, employees, and contractors to sign) whatever assignment or other documents we request to evidence our ownership or to help us obtain intellectual property rights in the Innovation. We and our Affiliates have no

obligation to make any payments to you or any other person with respect to any Innovations. You may not use any Innovation in operating your Business or otherwise without our prior written approval.

8. **COMPETITION AND INTERFERENCE DURING TERM.**

A. **COVENANTS.**

We have granted you the Franchise in consideration of and reliance upon your agreement that you, your owners, and your and your owners' immediate family members (each a "**Restricted Person**") will not engage in activities that are competitive with us and any Protein Bar & Kitchen Businesses. You therefore agree that, during the Term, neither you nor any other Restricted Person will:

(1) have any direct or indirect interest as an owner (whether of record, beneficially, or otherwise) in a Competitive Business (defined below), wherever located or operating (except that equity ownership of less than five percent (5%) of a Competitive Business whose stock or other forms of ownership interest are publicly traded on a recognized United States stock exchange will not be deemed to violate this subparagraph);

(2) perform services for or provide benefits to, in any capacity, a Competitive Business, wherever located or operating;

(3) divert or attempt to divert any actual or potential business or customer of your Business to a Competitive Business;

(4) interfere or attempt to interfere with our or our Affiliates' relationships with any vendors, franchisees, or consultants; or

(5) directly or indirectly, appropriate, use or duplicate the System or System Standards, or any portion thereof, for use in any other business or endeavor.

You agree to obtain similar covenants directly from other Restricted Persons and your Designated Managers. We have the right to regulate the form of agreement that you use and to be a third-party beneficiary of that agreement with independent enforcement rights. Nothing contained herein shall be deemed a waiver of our right to terminate pursuant to Section 15.B of these Terms.

B. **COMPETITIVE BUSINESS DEFINED.**

The term "**Competitive Business**" means any business (other than an authorized Protein Bar & Kitchen Business): (i) that offers products and services that are the same as or substantially similar to those offered at Protein Bar & Kitchen Businesses; (ii) whose core offerings include healthy foods and beverages such as bowls, salads, wraps, acai bowls, and protein shakes; (iii) whose offerings, concept, business model or method of operation is substantially similar to that of a Protein Bar & Kitchen Business or any other healthy food business we or our affiliates operate or for which we or our affiliates grant franchises or licenses; or (iv) that grants franchises or licenses for the operation of any of the foregoing or provides services to the franchisor or licensor of any of the foregoing.

9. **BUSINESS OPERATIONS AND SYSTEM STANDARDS.**

A. **CONDITION AND APPEARANCE OF YOUR BUSINESS.**

You agree to place or display at the Premises (interior and exterior) only those signs, emblems, designs, artwork, lettering, logos and display and advertising materials that we periodically approve. You further agree to maintain the condition and appearance of your Business, its Operating Assets and the

Premises in accordance with the System Standards and, consistent with the image of Protein Bar & Kitchen Businesses, as an efficiently operated business offering high quality products and services and observing the highest cleanliness and efficient, courteous service. Toward that end, you agree, without limitation and at your expense, to: (a) clean, repaint, redecorate, repair, and maintain the interior and exterior of the Premises at intervals that we prescribe; (b) maintain, repair or, at our discretion, replace damaged, worn-out or obsolete Operating Assets at intervals that we may prescribe (or, if we do not prescribe an interval for replacing any Operating Asset, as that Operating Asset needs to be repaired or replaced); and (c) renovate, refurbish, remodel, or replace the real and personal property and equipment used in operating the Protein Bar & Kitchen Business when reasonably required to comply with our System Standards. If we change our System Standards, we will give you a reasonable period of time within which to comply with such changes.

B. USE OF DESIGNATED COMPUTER SYSTEM.

You must, at your expense, obtain, maintain and use in your Business the integrated computer hardware and software, including an integrated computer-based order-entry system that we periodically specify from time to time in the Operations Manual (the “**Computer System**”). You also agree to maintain a functioning e-mail address and all specified points of high-speed internet connection. We may modify specifications for, and components of, the Computer System, which might require you to acquire new or modified computer hardware or software and obtain service and support for the Computer System. You must at all times during the Term ensure that your Computer System, as modified, meets our System Standards and functions properly.

You may be required to license, and sign a software license agreement regarding, certain proprietary software as part of our requirements for the Computer System. We and our affiliates may charge you an initial and recurring fee for any proprietary software or technology that we or our affiliates license to you and for other maintenance, support, and technology development services that we or our affiliates provide (a “**Technology Fee**”). We may also require that you pay us for software and other technology that you receive through us from third-party providers. You will have sole and complete responsibility for the manner in which your Computer System interfaces at our specified levels of connection speed with our and any third party’s computer system and any and all consequences if the Computer System is not properly operated, maintained, and upgraded. The then-current Technology Fee can be found in the Operations Manual and may change at any time.

We will have unlimited, remote access to your Computer System and independent access to the information generated and stored therein. There are no contractual limitations on our and our affiliates’ right to access or use this information and data. We may require you to provide us with all passwords, access keys, and other security devices as necessary to permit our remote access. You are not required to enter any contracts for maintenance of your Computer System with us or any other third-party provider, though such arrangements may be beneficial for integration of our required and ongoing upgrades and operational requirements.

You must incur the costs of obtaining the Computer System (or additions and modifications) and required service or support, payable to us and/or our affiliates through the Technology Fee. It is your responsibility to implement and pay for all changes, modifications, maintenance, and upgrades associated with the Computer System, and we have no obligation to reimburse you for any costs detailed in this Section 9.B unless otherwise noted. We have no obligation to provide maintenance, repairs, upgrades, or updates to system. If proprietary software is developed and provided to you, we may amend your obligations. Within sixty (60) days after you receive notice from us, you must obtain the Computer System components that we designate and ensure that your Computer System, as modified, is functioning properly. You must also pay your first Technology Fee prior to the opening of your Business such that all required software or

technology may be installed and functioning prior to your Business opening for business. We may elect to require updates or upgrades to any component of these systems, and there will be no limitations on such requests.

C. PRODUCTS AND SERVICES YOUR BUSINESS OFFERS.

You agree that you (1) will offer and sell from your Business all of the products and services, and in the manner, that we periodically specify; (2) will not offer or sell at or from your Business, the Premises or any other location any products or services we have not authorized; and (3) will discontinue selling and offering for sale any products or services that we at any time disapprove. You must immediately bring your Business into compliance with our System Standards for such products or services, including by purchasing or leasing any necessary Operating Assets, making any required changes to signage and advertising materials, and updating your Computers System to include any software, hardware or other equipment necessary to offer such products services through an online and/or automated system. If, at any time, we require or permit you to offer off-site products or services, we reserve the right to limit the geographic area in which you may offer such products or services, and we may periodically modify that geographic area, in our sole discretion.

D. MANAGEMENT OF YOUR BUSINESS.

The day-to-day operation of your Business must at all times be supervised by your Designated Manager that: (i) is designated by you to assume primary responsibility, and has authority, for the day-to-day management and operation of the Protein Bar & Kitchen Business; (ii) will devote full-time and best efforts to the supervision and management of the Protein Bar & Kitchen Business; (iii) satisfies our educational and business experience criteria for managers of Protein Bar & Kitchen Businesses, as set forth in the Operations Manual or otherwise; and (iv) has satisfactorily completed our Initial Training Program and any other training programs we may periodically require. You are solely responsible for hiring and determining the terms of employment for your Designated Manager.

You must inform us in writing of the identity of your Designated Manager and any replacements. If a Designated Manager ceases active employment at the Protein Bar & Kitchen Business or no longer satisfies the qualifications of a Designated Manager in accordance with this Section, you must promptly notify us and designate a qualified replacement within 30 days of the cessation of such former manager's employment at the Protein Bar & Kitchen Business. You are responsible for ensuring proper interim management and continued operations of the Protein Bar & Kitchen Business until the replacement Designated Manager is designated and trained as required by these Terms.

E. APPROVED VENDORS.

You agree to use the manufacturers, vendors, distributors, suppliers, and producers (collectively referred to herein as “**vendors**”) that we specify or approve for all aspects of the development and operation of your Business for which such vendors provide goods or services. We also reserve the right to develop, issue specifications for, and approve all items used in the development and operation of Protein Bar & Kitchen Businesses approve or designate the terms and distribution methods for any goods or services. We may, at our option, arrange with designated vendors to collect or have our affiliates collect fees and expenses associated with products and services they provide to you and, in turn, pay the vendor on your behalf for such products or services. If we elect to do so, you agree that we or our affiliates may auto-debit your bank account for such amounts in the same manner and using the same authorization that you grant us with respect to payment of Royalty and other fees. We and any of our affiliates may be a vendor, or otherwise party to these transactions, and may derive revenue or profit from such transactions and use such revenue or profit without restriction.

If you would like us to consider approving a vendor that is not then approved by us, you must submit a written request before purchasing any items or services from that vendor. We will make all determinations about whether to approve an alternative Vendor or product based on our then-current criteria, which may change periodically. We are not required to respond to your request, and any actions we take in response to your request will be at our sole and unfettered discretion, including the assessment of a fee to compensate us for the time and resources we spend in evaluating the proposed vendor. If we approve your request, we may later revoke it if we determine it is in the interests of the Protein Bar & Kitchen brand to do so.

F. COMPLIANCE WITH LAWS AND GOOD BUSINESS PRACTICES.

You must secure and maintain in force throughout the Term all required licenses, permits and certificates relating to the operation of your Business and operate your Business in full compliance with all applicable laws, ordinances, and regulations, including PCI compliance standards. You agree to comply and assist us in our compliance efforts, as applicable, with any and all laws, regulations, executive orders (whether at the federal, state or local level) or otherwise relating to anti-terrorist activities, including without limitation the U.S. Patriot Act, Executive Order 13224, and related U.S. Treasury or other regulations. In connection with such compliance efforts, you agree not to enter into any prohibited transactions and to properly perform any currency reporting and other activities relating to your Business as may be required by us or by law. You confirm that you are not listed in the Annex to Executive Order 13224 and agree not to hire any person so listed or have any dealing with a person so listed (the Annex is currently available at <http://www.treasury.gov>). You are solely responsible for ascertaining what actions must be taken by you to comply with all such laws, orders or regulations, and specifically acknowledge and agree that your indemnification responsibilities as provided in Section 17.C pertain to your obligations hereunder. Notwithstanding the foregoing, in the event an executive order is issued that directly affects the operation of your Business, you will not close your Business unless: (1) you obtain our prior written consent; and (2) it is specifically in response to an applicable executive order and not based on recommendations or guidelines issued by a governmental authority or agency or the Centers for Disease Control and Prevention.

You agree to comply with our website privacy policy, as it may be amended periodically, pertaining to any Online Presence or use or access to any System Website (as defined in Section 10.E below); you further agree to comply with any requests to return or delete consumer personal information, whether requested by us or directly by the consumer, as required by applicable data sharing and privacy laws.

You and your Business must in all dealings with its customers, vendors, us and the public adhere to the highest honesty, integrity, fair dealing and ethical conduct. You agree to refrain from any business or advertising practice that might injure our business, any Protein Bar & Kitchen Business, or the goodwill associated with the Marks. You must notify us in writing within three (3) business days of: (1) the commencement of any action, suit or proceeding relating to your Business; (2) the issuance of any order, writ, injunction, award or decree of any court, agency or other governmental instrumentality relating to your Business; (3) any notice of violation of any law, ordinance or regulation relating to your Business, and/or that any audit, investigation, or similar proceeding is pending or threatened against you or your Business; (4) receipt of any notice of complaint from the Better Business Bureau, any local, state or federal consumer affairs department or division, or any other government or independent third party involving a complaint from a client or potential client relating to your Business; (5) written complaints from any customer or potential customer, and (6) any and all other notices you receive claiming that you (or your Affiliates or representatives) have violated or breached any intellectual property rights, or the terms and conditions of any agreements related to the operation of your Business. You must immediately provide to us copies of any documentation you receive of any of the foregoing events and resolve the matter in a prompt and reasonable manner in accordance with good business practices.

G. INSURANCE.

You must, at your expense, comply with the requirements regarding insurance coverages that we describe in our Operations Manual from time to time. If you fail or refuse to procure and maintain the required insurance, we may (but need not) obtain such insurance on your behalf, in which event you must cooperate with us and reimburse us for all premiums, costs and expenses we incur in obtaining and maintaining the insurance, plus a reasonable fee for our time incurred in obtaining such insurance. No insurance coverage that you or any other party maintains will be deemed a substitute for your indemnification obligations to us or affiliates under Section 17.C or otherwise.

Our insurance requirements represent only the minimum coverage that we deem acceptable to protect our interests and are not representations or warranties of any kind that such coverage is sufficient to comply with applicable law or protect your interests or those of your Business. We make no representation that the coverage will be sufficient for your Business or your purposes. It is your sole responsibility to make that determination and to acquire any additional coverages you believe are necessary to protect those interests, based on your own independent investigation. We are not responsible if you sustain losses that exceed your insurance coverage under any circumstances.

H. PRICING.

Unless prohibited by applicable law, we may periodically set a maximum or minimum price that you may charge for products and services offered by your Business, including restriction on the use of coupons/discounts and participation in company discount programs. If we impose such a maximum or minimum price, you may charge any price for the product or service up to and including our designated maximum price or down to and including our designated minimum price. The designated maximum and minimum prices for the same product or service may, at our option, be the same. For any product or service for which we do not impose a maximum or minimum price, we may require you to comply with an advertising policy adopted by us which will prohibit you from advertising any price for a product or service that is different than our suggested retail price. Although you must comply with any advertising policy we adopt, you will not be prohibited from selling any product or service at a price above or below the suggested retail price unless we impose a maximum price or minimum price for such product or service.

I. CONTACT INFORMATION AND LISTINGS.

You agree that each telephone or facsimile number, directory listing, and any other type of contact information used by or that identifies or is associated with your Business (any “**Contact Identifiers**”) will be used solely to identify your Business in accordance with these Terms. You acknowledge and agree that, as between us and you, we have the sole rights to, and interest in, all Contact Identifiers and also all Online Presences. You hereby authorize us and irrevocably appoint us or our designee as your attorney-in-fact to direct the telephone company, postal service, registrar, Internet Service Provider and all listing agencies to transfer such Contact Identifiers to us.

J. COMPLIANCE WITH SYSTEM STANDARDS.

You agree at all times to operate and maintain your Business according to each and every System Standard, as we periodically modify and supplement them. Though we retain the right to establish and periodically modify System Standards, you retain the right and sole responsibility for the day-to-day management and operation of your Business and the implementation and maintenance of System Standards at your Business. System Standards may regulate any aspect of the operation and maintenance of your Business, including, but not limited to, any one or more of the following:

- (1) sales, marketing, advertising and promotional programs and materials and media used in these programs;
- (2) staffing levels for your Business and employee qualifications, training, dress and appearance (although employee selection and promotion, hours worked, rates of pay and other benefits, work assigned and working conditions are your sole responsibility);
- (3) use and display of the Marks;
- (4) days and hours of operation;
- (5) methods of payment that your Business may accept from customers;
- (6) participation in market research and product and service testing programs;
- (7) participation in gift card programs;
- (8) menus, including product offerings, appearance, and inclusion of nutrition information;
- (9) bookkeeping, accounting, data processing and record keeping systems and forms; formats, content and frequency of reports to us of sales, revenue, and financial performance and condition;
- (10) participation in quality assurance and customer satisfaction programs;
- (11) types, amounts, terms and conditions of insurance coverage required for your Business, including criteria for your insurance carriers; and
- (12) any other aspects of operating and maintaining your Business that we determine to be useful to preserve or enhance the efficient operation, image or goodwill of the Marks and Protein Bar & Kitchen Businesses.

Our modification of System Standards, which may accommodate regional or local variations, may obligate you to invest additional capital in your Business and incur higher operating costs. At our discretion, we may require you to make certain modifications to the manner of operation of your Business, including without limitation, modifying the hours of operation, changing the manner in which products or services shall be delivered to customers, limiting or changing the products or services that you shall provide to customers, and creating and displaying temporary signage, all of which may be required on a regional or local basis as necessary to address certain public health concerns. These modifications do not need to be implemented throughout the System, and in certain situations, could only affect your Business, and could include requiring temporary closure. We will determine the scope and duration of such modifications.

K. DATA PRIVACY AND INFORMATION SECURITY.

You must implement, entirely at your expense, all administrative, physical and technical safeguards necessary to protect any information that can be used to identify an individual, including names, addresses, telephone numbers, e-mail addresses, employee identification numbers, signatures, passwords, financial information, credit card information, biometric or health data, government-issued identification numbers and credit report information (“**Personal Information**”) in accordance with all applicable laws and industry best practices, including related to the collection, access use, storage, disposal and disclosure of Personal

Information. If you become aware of a suspected or actual breach of security or unauthorized access involving Personal Information, you will notify us immediately of the breach or unauthorized access and specify the extent to which Personal Information was compromised or disclosed, and your plans to correct and prevent any further breach or unauthorized access. You will allow us, in our discretion, to participate in any response or corrective action.

L. **EMPLOYEES, AGENTS AND INDEPENDENT CONTRACTORS.**

You acknowledge and agree that you are solely responsible for all decisions relating to employees, agents, and independent contractors that you hire to assist in the operation of your Business. You agree that any employee, agent or independent contractor that you hire will be your – not our - employee, agent or independent contractor. You also agree that you are exclusively responsible for the terms and conditions of employment of your employees, including recruiting, hiring, firing, training, compensation, work hours and schedules, work assignments, safety and security, discipline, and supervision. You agree to manage the employment functions of your Business in compliance with federal, state, and local employment laws.

10. **MARKETING.**

A. **GRAND OPENING ADVERTISING.**

You must, at your expense and on the dates we designate before and after your Business opens, conduct a grand opening marketing program for your Business that complies with the requirements set forth in the Operations Manual. The amount you will be required to spend on your grand opening marketing program will depend on various factors, but we will not require you to spend more than \$15,000. The amount you spend on grand opening advertising will not count towards your other required marketing expenditures under this Section 10 or the Marketing Expenditure Cap (defined below).

B. **BRAND FUND.**

We have established a marketing fund to be used to promote awareness of the *Protein Bar & Kitchen* brand and Protein Bar & Kitchen Businesses generally (the “**Brand Fund**”). On notice from us, you agree to contribute to the Brand Fund in amounts we periodically specify and payable in the same manner as the Royalty. We reserve the right, at any time and on notice to you, to change the amount you must contribute to the Brand Fund, but we cannot require that your required Brand Fund contribution, the Local Advertising Requirement pursuant to Section 10.C below, and the required contribution to a Local Advertising Cooperative exceed five percent (5%) of your Business’ Gross Sales (“**Marketing Expenditure Cap**”). Our company- or affiliate-owned Protein Bar & Kitchen Businesses may, but are not required to, contribute to the Brand Fund on the same terms as our franchisees or otherwise.

We or our Affiliates or other designees will direct all programs that the Brand Fund funds or finances, with sole control over the creative concepts, materials, and endorsements used and their geographic, market, and media placement and allocation. The Brand Fund may pay for preparing and producing materials and electronic or digital media in any form or format that we periodically designate, including but not limited to: administrating online advertising strategies, including maintaining a System Website or mobile apps; administering regional and multi-regional marketing and advertising programs; implementing a loyalty program; and supporting public relations, market research, product development, and other advertising, promotion, and marketing activities. In our discretion, we may sell you copies of certain materials at the Brand Fund’s or our direct cost of producing them, plus any related shipping, handling, and storage charges.

We are not required to segregate Brand Fund contributions from our other funds, but we will account for the Brand Fund separately from our other funds and not use the Brand Fund for any of our

general operating expenses. However, we may use the Brand Fund to reimburse us or our Affiliates or designees for the reasonable salaries and benefits of personnel who manage and administer the Brand Fund, the Brand Fund's other administrative costs, travel expenses of personnel while they are on Brand Fund business, meeting costs, overhead relating to Brand Fund business, and other expenses that we incur in activities reasonably related to administering or directing the Brand Fund and its programs.

The Brand Fund will not be our asset. We will hold all Brand Fund contributions for the benefit of the contributors and use contributions for the purposes described in this Section 10.B. We do not owe any fiduciary obligation to you for administering the Brand Fund or any other reason. The Brand Fund may, in our discretion, spend in any fiscal year more or less than the total Brand Fund contributions in that year, borrow from us or others (paying reasonable interest) to cover deficits, or invest any surplus for future use. We may use all interest earned on the Brand Fund contributions to pay costs before using the Brand Fund's other assets. We will prepare an annual, unaudited statement of Brand Fund collections and expenses and, once prepared, give you the statement for the most recently completed fiscal year upon your written request. We may have the Brand Fund audited annually, at the Brand Fund's expense, by an independent certified public accountant. We may incorporate the Brand Fund or operate it through a separate entity whenever we deem appropriate and, if we do, that entity will have all rights and duties specified in this Section 10.B.

We need not ensure that Brand Fund expenditures in or affecting any geographic area are proportionate or equivalent to Brand Fund contributions by Protein Bar & Kitchen Businesses operating in that geographic area or that any Protein Bar & Kitchen Business benefits from Brand Fund activities either directly or in proportion to its Brand Fund contributions. We have the right, but no obligation, to use collection agents and institute legal proceedings to collect Brand Fund contributions at the Brand Fund's expense. We also may forgive, waive, settle, and compromise all claims by or against the Brand Fund. Except as expressly provided in this Section 10.B, we assume no direct or indirect liability or obligation to you for collecting amounts due to, maintaining, directing, or administering the Brand Fund.

We may at any time defer or reduce your contributions to the Brand Fund, and upon 30 days' prior notice to you, suspend Brand Fund operations for one or more periods of any length and/or terminate (and if terminated, reinstate) the Brand Fund. If we terminate the Brand Fund, we will, at our option, either spend all unspent monies at our discretion, until such amounts are exhausted, or distribute the funds in the Brand Fund to the contributing Protein Bar & Kitchen Business owners in a manner we deem fair and equitable.

C. **LOCAL ADVERTISING EXPENDITURES.**

In addition to your obligations under Section 10.A and Section 10.B above, and beginning after you complete your grand opening advertising pursuant to Section 10.A, you must spend, monthly, one percent (1%) of the prior month's Gross Sales to locally advertise and promote your Business (the "**Local Advertising Requirement**"). However, subject to the Marketing Expenditure Cap, we have the right, at any time and on notice to you, to change the amount of your Local Advertising Requirement. You must list and advertise your Business with the online directories we periodically prescribe and establish any other Online Presence we require or authorize, each in accordance with our System Standards. If other Protein Bar & Kitchen Businesses are located within the directory's distribution area, we may require you to participate in a collective advertisement with them and to pay your share of that collective advertisement. Within 30 days after the end of each calendar quarter, you agree to send us, on our request and in the manner that we prescribe, an accounting of your expenditures required under this Section during the preceding calendar quarter.

All materials you use to promote your Business must be materials that we have provided or made available to you or that we otherwise approve, in writing, prior to your use. All such materials that you create must be completely clear, factual, ethical and not misleading and must conform to our marketing and advertising policies that we periodically prescribe. You must submit to us, for our approval, samples of marketing materials you intend to use at least 10 days prior to your proposed use. If you do not receive our written approval of the materials within 10 days of your submission, they are deemed to be disapproved. We may, in our discretion, withdraw our approval if a regulatory or other issue arises that, in our opinion, makes such withdrawal in our or the System's best interests.

We reserve the right, at any time, to issue you a notice that the amounts required to be spent by you under this Section 10.C shall, instead, be paid to us or our designee. If we exercise this option, we will then spend such amounts, in accordance with local marketing guidelines and programs that we periodically develop, to advertise and promote the Protein Bar & Kitchen Business on your behalf. We may instead, in our discretion, contribute any such amounts to the Brand Fund or to a Local Advertising Cooperative in accordance with and as required under Section 10.D, below. We may also elect, on one or more occasions and without prejudice to our rights to issue further notices, to temporarily or permanently cease conducting such marketing activities on your behalf and, instead, to require you to conduct such marketing activities yourself in accordance with this Section 10.C.

D. LOCAL ADVERTISING COOPERATIVE.

When there are multiple Protein Bar & Kitchen Businesses operating in the same geographical area (as we define), we may establish or direct the establishment of a local advertising cooperative ("**Local Advertising Cooperative**"), the purpose of which is, with our approval, to administer coordinated advertising programs and develop advertising, marketing and promotional materials for the area that the Local Advertising Cooperative covers. The Local Advertising Cooperative will be organized and governed in a form and manner, and begin operating on a date, that we determine. We may change, dissolve and merge Local Advertising Cooperatives. You agree to sign any documents we require to become a member of a Local Advertising Cooperative and, subject to the Marketing Expenditure Cap, to contribute to and participate in the designated Local Advertising Cooperative.

E. SYSTEM WEBSITES & ONLINE PRESENCES.

We may establish, develop and update Online Presences to advertise, market, and promote Protein Bar & Kitchen Businesses, the products and services that they offer and sell, or the Protein Bar & Kitchen Business franchise opportunity (each a "**System Website**"). We may, but are not obligated to, provide you with a webpage or other Online Presence that references your Business on any System Website, upon which, you must: (i) provide us the information and materials we request to develop, update, and modify the information about your Business; (ii) notify us whenever any information about your Business is not accurate; and (iii) pay our then current initial technology Fee for the Online Presences that are dedicated to your Business. You acknowledge that we have final approval rights over all information on any System Website.

If you default under the Agreement, we may, in addition to our other remedies, temporarily remove references to your Business from any System Website until you fully cure the default, and our doing so will not be considered a termination of this Agreement. All advertising, marketing, and promotional materials that you develop for your Business must contain notices of the System Website's domain name in the manner we designate.

You may not, without our prior written consent, develop, maintain or authorize any Online Presence that mentions your Business, links to any System Website, or displays any of the Marks. You may not,

directly or indirectly, through any Online Presence, promote, advertise or sell any products or services without our prior written approval. If we approve the use of any such Online Presence in your Business' operations, you will develop and maintain such Online Presence only in accordance with our guidelines, including our guidelines for posting any messages or commentary on other third-party websites. Unless we specify otherwise, we will own the rights to each such Online Presence. At our request, you agree to grant us access to each such Online Presence, and to take whatever action (including signing assignment or other documents) we request to evidence our ownership of such Online Presence, or to help us obtain exclusive rights in such Online Presence. If we allow you to maintain an Online Presence for your Business, you must prepare and link a privacy policy to such Online Presence. Your Online Presence's privacy policy must comply with all applicable laws, the System Standards, and other terms and conditions that we may prescribe in writing.

TO THE MAXIMUM EXTENT PERMITTED BY LAW, WE HEREBY EXPRESSLY DISCLAIM ALL WARRANTIES (WHETHER EXPRESS, IMPLIED OR STATUTORY) RELATED TO THE AVAILABILITY AND PERFORMANCE OF A SYSTEM WEBSITE AND YOUR BUSINESS' PAGE, INCLUDING ANY IMPLIED WARRANTIES OF NON-INFRINGEMENT, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. TO THE MAXIMUM EXTENT PERMITTED BY LAW, WE SHALL NOT BE LIABLE FOR ANY DIRECT OR INDIRECT DAMAGES (INCLUDING ANY CONSEQUENTIAL, PUNITIVE OR INCIDENTAL DAMAGES OR DAMAGES FOR LOST PROFITS OR LOSS OF BUSINESS) RELATED TO THE USE, OPERATION, AVAILABILITY OR FAILURE OF THE SYSTEM WEBSITE OR YOUR BUSINESS' PAGE.

11. **RECORDS, REPORTS, AND FINANCIAL STATEMENTS.**

You must establish and maintain at your own expense a bookkeeping, accounting, and record keeping system conforming to the requirements and formats we periodically prescribe. You agree to give us in the manner and format that we periodically prescribe:

(1) on or before the 5th day of each accounting period specified by us from time to time (each an "**Accounting Period**"), a report on the Gross Sales of your Business during the preceding Accounting Period;

(2) within 30 days after the end of each accounting month specified by us from time to time (each an "**Accounting Month**"), the operating statements, financial statements, statistical reports, purchase records, and other information we request regarding you and your Business covering the previous Accounting Month and the fiscal year to date;

(3) within 90 days after the end of each fiscal year, annual profit and loss and source and use of funds statements and a balance sheet for your Business as of the end of that calendar year, prepared in accordance with generally accepted accounting principles or, at our option, international accounting standards and principles;

(4) within 10 days after our request, exact copies of federal and state income tax returns, sales tax returns, and any other forms, records, books, and other information we periodically require relating to your Business and the Franchise; and

(5) by January 15, April 15, July 15, and October 15 of each calendar year, reports on the status (including the outstanding balance, then-current payment amounts, and whether such loan is in good standing) of any loans outstanding as of the previous calendar quarter for which the Protein Bar & Kitchen Business or any of the Operating Assets are used as collateral. You must

also deliver to us, within five (5) days after your receipt, copies of any default notices you receive from any of such lenders. You agree that we or our Affiliates may contact your banks, other lenders, and vendors to obtain information regarding the status of loans of the type described herein and your accounts (including payment histories and any defaults), and you hereby authorize your bank, other lenders, and vendors to provide such information to us and our Affiliates.

We may disclose data derived from these reports. Moreover, we may, as often as we deem appropriate (including on a daily basis), access the Computer System and retrieve all information relating to the operation of your Business. You agree to preserve and maintain all records in a secure location at your Business for at least three (3) years (including, but not limited to, sales checks, purchase orders, invoices, payroll records, customer lists, check stubs, sales tax records and returns, cash receipts and disbursement journals, and general ledgers).

At our request, you will provide current financial information for your owners and guarantors sufficient to demonstrate their ability to satisfy their obligations under their individual Guarantees.

12. **INSPECTIONS AND AUDITS.**

A. **OUR RIGHT TO INSPECT YOUR BUSINESS.**

We (or our designee) may at all times and without prior notice to you inspect and photograph, capture moving images, and observe your Business and its operations for consecutive or intermittent periods we deem necessary; remove samples of any products and supplies; interview your personnel and customers; inspect your Computer System and its components; and inspect and copy any books, records, and documents relating to the operation of your Business. You agree to fully cooperate with us. If we exercise any of these rights, we will not interfere unreasonably with the operation of your Business. You agree to present to your customers the evaluation forms that we may prescribe and to participate and request your customers to participate in any surveys performed by or for us.

B. **OUR RIGHT TO AUDIT.**

We and our designated agents or representatives may at any time during your business hours, and without prior notice to you, examine the bookkeeping and accounting records related to your Business, the sales and income tax records and returns, and such other records we deem necessary to determine your compliance with the Agreement. You agree to cooperate fully with us and our representatives and independent accountants in any examination, and you hereby appoint us as your attorney-in-fact to receive and inspect your confidential sales and other tax records and hereby authorize all tax authorities to provide such information to us for all tax periods during the Term. If any examination discloses an understatement of the Gross Sales, you agree to pay us, within 10 days after receiving the examination report, the Royalty and Brand Fund contributions due on the amount of the understatement, plus our service charges and interest on the understated amounts from the date originally due until the date of payment. Furthermore, if an examination is necessary due to your failure to timely furnish reports, supporting records, or other information as required, or if our examination reveals a Royalty or Brand Fund contribution understatement exceeding two percent (2%) of the amount that you actually reported to us for the period examined, you agree to reimburse us for the costs of the examination, including, without limitation, the charges of attorneys and independent accountants and the travel expenses, room and board, and compensation of our employees. You also agree to reimburse us or our affiliates if we or our designated representatives were for any reason prevented from properly inspecting any or all of your Business (including because you or your personnel refused entry to the Premises). These remedies are in addition to our other remedies and rights under the Agreement and applicable law.

13. **TRANSFER.**

A. **BY US.**

We have the right to delegate the performance of any portion or all of our rights and obligations under the Agreement to third-party designees, whether these designees are our agents or independent contractors with whom we have contracted to perform these obligations. We maintain a staff to manage and operate the System and that staff members can change as employees come and go. You represent that you have not signed the Agreement in reliance on any particular manager, owner, director, officer, or employee remaining with us in any capacity. We may change our ownership or form or assign the Agreement and any other agreement to a third party without restriction.

B. **BY YOU OR YOUR OWNERS.**

Your rights and duties under the Agreement are personal to you (or your owners if you are not a natural person), and we have granted you the Franchise in reliance upon our perceptions of your (or your owners') individual or collective character, skill, aptitude, attitude, business ability, and financial capacity. Accordingly, neither you nor any of your owners, nor any of your or their permitted successors or assigns, shall sell, assign, transfer, convey, give away, pledge, mortgage, or otherwise dispose of or encumber any direct or indirect interest in the Agreement (including, without limitation, any or all of your rights or obligations under it), your Business or its assets (other than in the ordinary course of business), your right to possession of the Premises, or any direct or indirect ownership interest in you (regardless of its size) (each, a "**Transfer**"), without our prior written approval. Any Transfer without our prior written approval is a material breach of the Agreement and has no effect.

If you intend to list your Business for sale with any broker or agent, you shall do so only after obtaining our written approval of the broker or agent and of the listing agreement and any advertising materials. You may not use any Mark in advertising the sale of your Business or of any ownership in you without our prior written consent.

C. **CONDITIONS FOR APPROVAL OF TRANSFER.**

You may not engage in a Transfer of this Agreement before your Business has opened for business. You also agree that you may not engage in a Transfer that results in the grant of a security interest in this Agreement or the Franchise. Otherwise, if you (and your owners) are in full compliance with these Terms and the proposed transferee and its owners (if the transferee is not a natural person) meet our then-current qualifications for new franchisees then, subject to the other provisions of this Section 13, we may condition our approval of a Transfer as we determine are necessary to protect the *Protein Bar & Kitchen* brand and System, which conditions may include the following:

(1) you and the proposed transferee and its owners (if the transferee is not a natural person) have provided all information and documents we request regarding, and requested our consent for, the Transfer and the proposed transferee and its owners or Affiliates;

(2) you have provided us executed versions of any relevant documents to affect the Transfer, and all other information we request about the proposed Transfer, and such Transfer meets all of our requirements. If you or your owners offer the transferee financing for any part of the purchase price, you and your owners hereby agree that all of the transferee's obligations under promissory notes, agreements, or security interests reserved in your Business are subordinate to the transferee's obligation to pay Royalty, Brand Fund contributions, and other amounts due to us, our Affiliates, and third party vendors and otherwise to comply with the Agreement (or any applicable franchise agreement replacing the Agreement);

(3) the transferee agrees to upgrade, remodel and/or refurbish your Business in accordance with our then-current System Standards;

(4) you (and your owner(s)) sign a general release, in a form satisfactory to us, of any and all claims against us and our shareholders, officers, directors, employees and agents;

(5) you (and your transferring owner(s)) (and your or their immediate family members) have signed a non-competition covenant in favor of us, commencing on the effective date of the Transfer, to comply with the post-termination obligations under the Agreement;

(6) your Business is being operated, and has been operated for the 60 days prior to the Transfer approval request, in all respects, in compliance with our System Standards, including, that all Operating Assets are in place and in good working order, all fees and other amounts owed to us, our Affiliates, and third-party vendors are paid in full, all required reports and statements have been submitted, and all operating deficiencies identified in pre-sale inspections have been corrected;

(7) all persons required to complete training under the transferee's franchise agreement satisfactorily complete our training program, and transferee has paid all costs and expenses we incur to provide the training program to such persons;

(8) all notices or approvals relating to the proposed Transfer (including any landlord notices or consents) have been given or obtained, as required, with copies provided to us;

(9) the transferee, at our request, signs our then-current form of franchise agreement and related documents for the balance of the Term, any and all of the provisions of which may differ materially from any and all of those contained in these Terms;

(10) you pay or cause to be paid to us a Transfer fee in the amount of 50% of our then-current standard initial franchise fee; and

(11) you provide us the evidence we reasonably request to show that appropriate measures have been taken to affect the Transfer as it relates to the Protein Bar & Kitchen Business' operations, including, by transferring all necessary and appropriate business licenses, insurance policies, leases, and material agreements, or obtaining new business licenses, insurance policies and material agreements.

We may review all information regarding your Business that you give the transferee, correct any information that we believe is inaccurate, and give the transferee copies of any reports that you have given us, or we have made, regarding your Business.

D. YOUR DEATH OR DISABILITY.

If you are a natural person or your Managing Owner, in either case, dies or becomes disabled, then, upon such death or disability, the executor, administrator or other personal representative of such person must promptly notify us in writing and must transfer your or their interests in this Agreement and in your Business to a third party approved by us, within a reasonable period of time, not to exceed nine (9) months following the date of death or disability. Such transfers, including by will or by inheritance, will be subject to the same terms and conditions as *inter vivos* Transfers and will be subject to our right of first refusal under Section 13.G. For purposes of these Terms, the term “**disability**” means a mental or physical disability, impairment, or condition that is reasonably expected to prevent or actually does prevent such person from performing the obligations set forth in these Terms.

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If any of the foregoing in this Section 13.D occurs, and your Business is not being managed by a sufficiently trained Designated Manager, the executor, administrator or other personal representative must, within a reasonable period of time, not to exceed 15 days from the date of death or disability, appoint a qualified manager to operate the Protein Bar & Kitchen Business. If it has not already done so, the Designated Manager will be required to complete our Initial Training Program at your expense.

Pending the appointment of a new Designated Manager as provided herein, or if, in our judgment, the Protein Bar & Kitchen Business is not being managed properly any time after your or your Managing Owner's death or disability, we have the right, but not the obligation, to appoint an interim manager for the Protein Bar & Kitchen Business. All funds from the operation of the Protein Bar & Kitchen Business during the management by our appointed manager will be kept in a separate account, and all expenses of the Protein Bar & Kitchen Business, including compensation, other costs and travel and living expenses of our manager, will be charged to this account. We also have the right to charge a reasonable management fee (in addition to amounts payable under the Agreement) during the period that our appointed manager manages the Protein Bar & Kitchen Business. Operation of the Protein Bar & Kitchen Business during any such period will be on your behalf, provided that we only have a duty to utilize our best efforts and will not be liable to you or your owners for any debts, losses, or obligations incurred by the Protein Bar & Kitchen Business or to any of your creditors for any products, materials, supplies or services the Protein Bar & Kitchen Business purchases during any period it is managed by our appointed manager.

E. EFFECT OF CONSENT TO TRANSFER.

Our consent to a Transfer is not a representation of the fairness of the terms of any contract between you and the transferee, a guarantee of your Business or transferee's prospects of success, or a waiver of any claims we have against you (or your owners) or of our right to demand full compliance by you and the transferee with the Agreement.

F. PUBLIC OR PRIVATE OFFERING.

Written information used to raise or secure funds can reflect upon us and the System. You agree to submit any written information intended to be used for that purpose to us before inclusion in any registration statement, prospectus, or similar offering memorandum. Should we object to any reference to us or our Affiliates or any of our business in the offering literature or prospectus, the literature or prospectus shall not be used until our objections are withdrawn. You may not engage in a public offering of securities without our prior written consent.

G. OUR RIGHT OF FIRST REFUSAL.

If you (or any of your owners) desire to engage in a Transfer, you (or your owners) agree to obtain from a responsible and fully disclosed buyer, and send us, a true and complete copy of a bona fide, executed written offer (which may include a letter of intent) relating exclusively to an interest in you or in the Agreement and your Business. The offer must include details of the payment terms of the proposed sale and the sources and terms of any financing for the proposed purchase price. To be a valid, bona fide offer, the proposed purchase price must be couched entirely as a dollar amount, and we may require the proposed buyer submit with its offer a reasonable earnest money deposit acceptable to us. We may require you (or your owners) to send us copies of any materials or information sent to the proposed buyer or transferee regarding the possible transaction.

Within 30 days after we receive an exact copy of the bona fide offer and all relevant information we request, we may, by written notice delivered to you or your selling owner(s), elect to purchase the interest offered for the price and on the terms and conditions contained in the offer. We may substitute any

form of payment proposed in the offer as acceptable consideration. If we exercise our right of first refusal, we will have 30 days from the date we notified you of our intended purchase to prepare for closing. You and your owners must make all customary representations and warranties given by the seller of the assets of a business or the ownership interests in a legal entity, as applicable, and you and your selling owner(s) (and your and their immediate family members) must comply with the obligations regarding Competitive Businesses, as described in Section 16.D below, as though the Agreement had expired on the date of the purchase. We have the unrestricted right to assign this right of first refusal to a third party, who then will have the rights described in this Section 13.G.

If we do not exercise our right of first refusal, you or your owners may complete the sale to the proposed buyer on the original offer's terms, but only if we otherwise approve the Transfer in accordance with, and you (and your owners) and the transferee comply with the conditions in, Sections 13.B and 13.C above. If you do not complete the sale to the proposed buyer within 60 days after either we notify you that we do not intend to exercise our right of first refusal or the time our exercise expires, or if there is a material change in the terms of the sale (which you agree to tell us promptly), we or our designee will have an additional right of first refusal during the 30-day period following either the expiration of the 60-day period or our receipt of notice of the material change(s) in the sale's terms, either on the terms originally offered or the modified terms, at our or our designee's option.

14. **EXPIRATION OF THE AGREEMENT.**

A. **YOUR RIGHT TO ACQUIRE A SUCCESSOR FRANCHISE.**

Subject to this Section 14, you may acquire up to two (2) successor Franchises of five (5) years each (or, if shorter, until the expiration or termination of your right to possess the Premises). If you desire to acquire a successor Franchise, then each of the following conditions must be met before and/or at the time of acquisition (as appropriate):

(1) you must have given us written notice of your election to acquire a successor Franchise not less than 90 days nor more than 12 months before the end of the Term or first successor term, as applicable;

(2) you must have taken, at your expense, all steps identified by us to bring the Protein Bar & Kitchen Business into full compliance with the then-current System Standards (regardless of cost);

(3) you must be, and must have been throughout the Term or first successor term, as applicable, in compliance with your obligations under these Terms, and during that same period, you and your Affiliates must have been in compliance with your or their obligations under any other agreements with us;

(4) you must satisfy all monetary obligations owed to us or our affiliates;

(5) you must present satisfactory evidence that you have the right to remain in possession of the Premises for the operation of the Protein Bar & Kitchen Business for the duration of the successor term;

(6) you must comply with our current qualifications and training requirements;

(7) you and your owners must execute our then-current form of franchise agreement, which will supersede this Agreement in all respects, and the terms of which may differ from the

terms of this Agreement, including a higher Royalty fee and Brand Fund contribution or expenditure requirement (you will not, however, be required to pay to us an initial franchise fee, but you or it must pay a successor Franchise fee of 50% of our then-current Initial Franchise Fee for new single unit franchises;

(8) you and your owners must have executed and delivered to us a general release (in a form prescribed by us) of all claims against us and our Affiliates, and each of our respective officers, directors, shareholders, partners, agents, representatives, independent contractors, servants, and employees, in their corporate and individual capacities, including claims arising under the Agreement or under federal, state or local laws, rules, regulations or orders; and

(9) we are then granting Franchises for Protein Bar & Kitchen Businesses in the state in which your Business is located.

B. GRANT OF A SUCCESSOR FRANCHISE.

We will respond, in writing, within 90 days after we receive your notice under Section 14.A(1) with our decision to grant you a successor Franchise and listing any deficiencies that must be corrected or to not grant a successor Franchise with reasons for our decision. If our decision is to grant you a successor Franchise, our willingness to do so will also be subject to your continued compliance with all of the terms and conditions of the Agreement through the date of its expiration. Failure by you or your owners to sign such agreements and releases necessary for the successor Franchise and to deliver them to us, along with payment of the applicable fee, for acceptance and signature within the earlier of 60 days after their delivery to you or the expiration of the Term will be deemed an election not to acquire a successor Franchise.

15. TERMINATION OF AGREEMENT.

A. BY YOU.

If you and your owners are fully complying with the Agreement and we materially fail to comply with the Agreement and do not correct the failure within 30 days after you deliver written notice of the material failure to us; or if we cannot correct the failure within 30 days, and we fail to give you, within 30 days after, your notice reasonable evidence of our effort to correct the failure within a reasonable time, you may terminate the Agreement effective an additional 30 days after you deliver to us written notice of termination. Your termination of the Agreement other than according to this Section 15.A. will be deemed a termination without cause and a breach of the Agreement.

B. BY US.

We may terminate the Agreement, effective upon delivery of written notice to you, if:

(1) you (or any of your owners) have made or make any material misrepresentation or omission in the Application Materials or otherwise in acquiring the Franchise or operating your Business;

(2) you do not sign a Lease for an acceptable site for the Premises or open the Protein Bar & Kitchen Business within the time periods specified under Section 3;

(3) we determine any Required Trainees are not capable or qualified to satisfactorily complete the Initial Training Program, and you do not replace them with persons who are able to, and do, successfully complete the Initial Training Program within 21 days following our written notice to you;

(4) you (i) close your Business for business or inform us of your intention to cease operation of your Business, (ii) fail to actively operate your Business for three (3) or more consecutive days, or (iii) otherwise abandon or appear to have abandoned your rights under the Agreement;

(5) you (or any of your owners) are or have been convicted by a trial court of, or plead or have pleaded no contest or guilty to, a felony;

(6) you fail to maintain the insurance we require and do not correct the failure within 10 days after we deliver written notice of that failure to you;

(7) you (or any of your owners) engage in any conduct which, in our opinion, adversely affects the reputation of your or any other Protein Bar & Kitchen Business, the System, or the goodwill associated with the Marks;

(8) you (or any of your owners) make or attempt to make a Transfer without complying with the requirements of Section 13;

(9) you lose the right to occupy the Premises;

(10) you (or any of your owners) knowingly make any unauthorized use or disclosure of any Confidential Information, including the Operations Manual;

(11) you violate any law, ordinance, rule or regulation of a governmental agency in connection with the operation of your Business and fail to correct such violation within 72 hours after you receive notice from us or any other party;

(12) you fail to pay us or our Affiliates any amounts due and do not correct the failure within five (5) days after written notice of that failure has been delivered or fail to pay any third-party obligations owed in connection with your ownership or operation of the Protein Bar & Kitchen Business and do not correct such failure within any cure periods permitted by the person or entity to whom such obligations are owed;

(13) you fail to pay when due any federal or state taxes due on or in connection with the operation of your Business, unless you are in good faith contesting your liability for those taxes;

(14) you understate the Gross Sales three (3) times or more during the Term;

(15) you (or any of your owners) (a) fail on three (3) or more separate occasions within any consecutive 12-month period to comply with any provision of these Terms or (b) fail on two (2) or more separate occasions within any consecutive 6-month period to comply with the same obligation under these Terms; in either case, whether or not we notify you of the failures, and, if we do notify you of the failures, whether or not you correct the failures after our delivery of notice to you;

(16) you (or any of your owners) file a petition in bankruptcy or a petition in bankruptcy is filed against you; you make an assignment for the benefit of creditors or admit in writing your insolvency or inability to pay your debts generally as they become due; you consent to the appointment of a receiver, trustee, or liquidator of all or the substantial part of your property; your Business is attached, seized, subjected to a writ or distress warrant, or levied upon, unless the

attachment, seizure, writ, warrant, or levy is vacated within 30 days; or any order appointing a receiver, trustee, or liquidator of you or your Business is not vacated within 30 days following the order's entry;

(17) you (or any of your owners) fail to comply with anti-terrorism laws, ordinances, regulations and Executive Orders;

(18) you create or allow to exist any condition in connection with your operation of the Protein Bar & Kitchen Business, at any location, which we reasonably determine to present a health or safety concern for the Protein Bar & Kitchen Business' customers or employees;

(19) you fail to pass a quality assurance audit, and do not cure such failure within 15 days after we deliver written notice of the failure to you;

(20) you (or any of your owners) fail to comply with any other provision of these Terms or any System Standard, and do not correct the failure within 30 days after we deliver written notice of the failure to you; or

(21) you or an Affiliate fails to comply with any other agreement with us or our Affiliate and do not correct such failure within the applicable cure period, if any.

C. ASSUMPTION OF MANAGEMENT.

We (or a third party we designate) may assume the management of your Business under the following circumstances: (1) if you abandon or fail to actively operate your Business; (2) if we are entitled to terminate the Agreement under Section 15.B above; or (3) if the Agreement expires or is terminated and we are deciding whether to exercise our option to purchase your Business under Section 16.B. below. If we exercise our rights under clauses (1) or (2) above, that will not affect our right to terminate the Agreement under Section 15.B. above, and you agree to pay us (in addition to the Royalty, Brand Fund contributions, and other amounts due under the Agreement) an amount equal to 10% of Gross Sales, plus the direct out-of-pocket costs and expenses incurred in the operation of the Protein Bar & Kitchen Business, for any period we deem appropriate. If we or a third party we designate assumes the management of your Business, you acknowledge that we or such third party will have a duty to utilize only reasonable efforts and will not be liable to you or your owners for any debts, losses, or obligations your Business incurs, or to any of your creditors for any supplies, products, or other assets or services your Business purchases, while we or such third party manages your Business.

16. OUR AND YOUR RIGHTS AND OBLIGATIONS UPON TERMINATION OR EXPIRATION OF THE AGREEMENT.

A. YOUR OBLIGATIONS.

You and, as applicable, your owners and all such other persons or entities who are bound under the terms of the Agreement must immediately do the following:

(1) pay us all Royalty, Brand Fund contributions, interest, and all other amounts owed to us (and our Affiliates) which then are unpaid;

(2) close the Protein Bar & Kitchen Business for business to customers and cease to directly or indirectly sell any products and services of any kind and in any manner from the Premises unless we direct you otherwise in connection with our exercise of our option to assume

management of the Protein Bar & Kitchen Business under Section 15.C above or to purchase pursuant to Section 16.B below;

(3) cease all direct or indirect use any Mark, any colorable imitation of a Mark, other indicia of a Protein Bar & Kitchen Business, any trade name, trademark, service mark, trade dress, or other commercial symbol that indicates or suggests a connection or association with us or the System, in any manner or for any purpose (except in connection with other Protein Bar & Kitchen Businesses you operate in compliance with other franchise agreements with us);

(4) cease to directly or indirectly identify yourself or your Business as a current or former Protein Bar & Kitchen Business or as one of our current or former franchise owners (except in connection with other Protein Bar & Kitchen Businesses you operate in compliance with other franchise agreements with us) and take the action required to cancel or assign all fictitious or assumed name or equivalent registrations relating to your use of any Mark;

(5) return to us or destroy (as we require) all items, forms and materials containing any Mark or otherwise identifying or relating to the Protein Bar & Kitchen Business as a Protein Bar & Kitchen[®]-branded business;

(6) if we do not exercise our option to purchase your Business under Section 16.B below, promptly and at your own expense, make the alterations we specify in the Operations Manual (or otherwise) to distinguish the Premises and building clearly from its former appearance and from other Protein Bar & Kitchen Businesses, including by removing all materials bearing the Marks and removing from both the interior and exterior of the Premises all materials and components of our trade dress as we determine to be necessary in order to prevent public confusion and in order to comply with the non-competition provisions set forth in paragraph (10) below;

(7) cease using or operating with any Contact Identifiers or Online Presence related to your Business or the Marks, and take any action as may be required to disable such Contact Identifier or Online Presence, or transfer exclusive control and access of such Contact Identifier or Online Presence to us or our designee, as we determine in our sole discretion;

(8) comply with all other System Standards we periodically establish (and all applicable laws) in connection with the closure and de-identification of your Business, including as it relates to disposing of Personal Information, in any form, in your possession or the possession of any of your employees; and

(9) cease using any Confidential Information (including computer software or similar technology and digital passwords and identifications that we have licensed to you or that otherwise are proprietary to us or the System) in any business or otherwise and return to us or destroy (as we require) all copies of the Operations Manual and any other confidential materials that we have loaned you;

(10) for 2 years beginning on the effective date of termination or expiration or the date on which all persons restricted by this Section 16.A(10) begin to comply with their obligations hereunder, whichever is later, neither you nor any of other Restricted Persons will have any direct or indirect interest as an owner (whether of record, beneficially, or otherwise), investor, partner, director, officer, employee, consultant, lessor, representative, or agent in any Competitive Business located or operating (i) at the Premises, (ii) within a 10-mile radius of the Premises; or (iii) within a 10-mile radius of any other Protein Bar & Kitchen Business in operation or under construction

on the later of the effective date of the termination or expiration of the Agreement or the date on which all persons restricted by this Section 16.A(10) begin to comply with such obligations. If any Restricted Person refuses voluntarily to comply with those obligations, the two-year period set forth in this Section 16.A(10) for that person will commence with the entry of a court order enforcing that provision. You and your owners expressly acknowledge that you and they possess skills and abilities of a general nature and have other opportunities for exploiting these skills. Consequently, our enforcing the covenants made in this Section 16.A(10) will not deprive you or them of personal goodwill or ability to earn a living; and

(11) you and your owners, your or your owners' Affiliates, or the officers, directors, managers, or immediate family members of any of the foregoing, will refrain from interfering or attempting to interfere with our or our Affiliates' relationships with any vendors, franchisees or consultants, or Protein Bar & Kitchen Business employees at the Director level or above, or engage in any other activity which might injure the goodwill of the Marks or the System.

Within 30 days after the expiration or termination of the Agreement, you must give us evidence satisfactory to us of your compliance with these obligations. If you fail to take any of the actions or refrain from taking any of the actions described above, we may take whatever action and sign whatever documents we deem appropriate on your behalf to cure the deficiencies, including, without liability to you or third parties for trespass or any other claim, to enter the Premises and remove any signs or other materials containing any Marks from your Business. You must reimburse us for all costs and expenses we incur in correcting any such deficiencies.

B. OUR RIGHT TO PURCHASE YOUR BUSINESS.

In addition to any other rights to purchase we have, we have the right to purchase your Business, as described in this Section 16.B (the "**Purchase Option**"), upon the expiration of the Agreement without the grant of a successor Franchise (except where a successor Franchise was not granted because we are not then offering Franchises), our termination of the Agreement under Section 15.B, or your termination of the Agreement without cause (each of the foregoing, a "**Termination Event**"). We will have 30 days after a Termination Event to exercise the Purchase Option upon written notice to you. We have the unrestricted right to assign the Purchase Option in our discretion. The purchase price for your Business will be the net realizable value of the tangible assets in accordance with the liquidation basis of accounting (not the value of your Business as a going concern) ("**Liquidation Value**"). If you dispute our calculation of the Liquidation Value, we will appoint one independent accredited appraiser, within 15 days after we receive all relevant financial and other information necessary to calculate the Liquidation Value, who will calculate the Liquidation Value based on the criteria above. You and we will share equally the appraiser's fees and expenses. The appraiser must complete its calculation within 30 days after its appointment. The appraiser's calculation of the Liquidation Value will be the purchase price. Closing of the purchase will take place, as described below, on a date we select which is within 90 days after determination of the Liquidation Value.

Unless we assume the management of the Protein Bar & Kitchen Business under Section 15.C above, you will continue to operate your Business in accordance with the Agreement through the closing. Prior to closing, you agree to cooperate with us in conducting due diligence, including providing us with access to your business and financial records, contracts, and all other information relevant to the Protein Bar & Kitchen Business. At the closing, we (or our assignee) will pay the purchase price in cash. You agree to execute and deliver to us (or our assignee):

- (1) all customary agreements, in form and substance acceptable to us and in which you
- (i) provide all customary warranties and representations, including, without limitation, as to

ownership and condition of and title to assets, no liens and encumbrances on assets, validity of contracts and agreements, and liabilities affecting the assets, contingent or otherwise; (ii) transfer good and merchantable title to the assets purchased, free and clear of all liens and encumbrances (other than liens and security interests acceptable to us), with all sales and other transfer taxes paid by you; (iii) and assign the Lease and all of the licenses and permits for your Business which are permitted to be assigned or transferred; and

(2) an agreement, in form and substance satisfactory to us, voluntarily terminating the Agreement under which you and your owners release, in form and substance satisfactory to us, any and all claims you and your owners have against us and our shareholders, officers, directors, employees, agents, successors, and assigns and agree to comply with all post-term obligations set forth in Section 16.A above and with all other obligations which, either expressly or by their nature, are intended to survive termination or expiration of the Agreement.

C. **LOST REVENUE DAMAGES.**

If we terminate the Agreement because of your breach or if you terminate the Agreement without cause, you and we agree that it would be difficult, if not impossible, to determine the amount of damages that we would suffer due to the loss or interruption of the revenue stream we otherwise would have derived from your continued payment of Royalties through the remainder of the Term. Therefore, you and we agree that a reasonable estimate of such damages, less any cost savings we might have experienced (the “**Lost Revenue Damages**”), is an amount equal to the net present value of the Royalties that would have become due had the Agreement not been terminated, from the date of termination to the earlier of: (a) 60 months following the date of termination, or (b) the originally scheduled expiration of the Term (the “**Measurement Period**”). For the purposes of this Section, Lost Revenue Damages shall be calculated as follows: (1) the number of calendar months in the Measurement Period, multiplied by (2) Royalty fee percentage, multiplied by (3) the highest monthly Gross Sales of your Business during the 36 full calendar months immediately preceding the termination date (or, if the termination is based on your unapproved closure of the Protein Bar & Kitchen Business, the 36 full calendar months immediately preceding the closure date); provided, that if as of the termination date (or the closure date in light of the foregoing), your Business has not been operating for at least 36 months, the highest average monthly Gross Sales of all Protein Bar & Kitchen Businesses operating under the Marks during the 36 months immediately preceding the termination date.

You agree to pay us Lost Revenue Damages, as calculated in accordance with this Section, within 15 days after the Agreement expires or is terminated, or on any later date that we determine. You and we agree that the calculation described in this Section is a calculation only of the Lost Revenue Damages and that nothing herein shall preclude or limit us from proving and recovering any other damages caused by your breach or wrongful termination of this Agreement.

D. **CONTINUING OBLIGATIONS.**

All of our and your (and your owners’) obligations which expressly or by their nature survive this Agreement’s expiration or termination will continue in full force and effect subsequent to and notwithstanding its expiration or termination and until they are satisfied in full or by their nature expire, including, without limitation, all obligations relating to non-disparagement, non-competition, non-interference, confidentiality, and indemnification.

17. **RELATIONSHIP OF THE PARTIES/INDEMNIFICATION.**

A. **INDEPENDENT CONTRACTORS.**

The Agreement does not create a fiduciary relationship between you and us. You and we are and will be independent contractors, and nothing in the Agreement is intended to make either you or us a general or special agent, joint venturer, partner, or employee of the other for any purpose. You agree to identify yourself conspicuously in all dealings with customers, vendors, public officials, your personnel, and others as the owner of your Business under a franchise we have granted and to place notices of independent ownership on the business cards, advertising, and other materials we periodically require.

You also acknowledge that you will have a contractual relationship only with us and may look only to us to perform under the Agreement. None of our Affiliates is a party to the Agreement and has no obligations under it. However, our Affiliate who is the owner of the Marks, you and we agree that such Affiliate will be a third-party beneficiary of those provisions in these Terms relating to use of the Marks, with the independent right to enforce such provisions against you and to seek damages from you for your failure to comply with those provisions.

B. **NO LIABILITY TO OR FOR ACTS OF OTHER PARTY.**

We and you may not make any express or implied agreements, warranties, guarantees, or representations, or incur any debt, in the name or on behalf of the other or represent that our respective relationship is other than franchisor and franchise owner. We will not be obligated for any damages to any person or property directly or indirectly arising out of the operation of your Business or the business you conduct under the Agreement. We will have no liability for your obligations to pay any third parties, including any product vendors. We will have no liability for any sales, use, service, occupation, excise, gross receipts, income, property, or other taxes, whether levied upon you or your Business, due to the business you conduct (except for our income taxes). You are responsible for paying these taxes and must reimburse us for any such taxes that we must pay to any state taxing authority on account of your operation or payments that you make to us, and, at our election, a reasonable administrative fee (not to exceed 10%) of the amount of such payment.

C. **INDEMNIFICATION.**

You agree to indemnify, defend, and hold us, our Affiliates, and our and their respective owners, directors, managers, officers, employees, agents, successors, and assignees (the “**Indemnified Parties**”) harmless against, and to reimburse any one or more of the Indemnified Parties for, all claims, obligations, and damages directly or indirectly arising out of the development or operation of your Business, the business you conduct under the Agreement, or your breach of the Agreement, including, without limitation, those alleged to be caused by the Indemnified Party’s negligence, unless (and then only to the extent that) the claims, obligations, or damages are determined to be caused solely by the Indemnified Party’s intentional misconduct in a final, unappealable ruling issued by a court with competent jurisdiction. For purposes of this indemnification, “**claims**” include all obligations, damages (actual, consequential, or otherwise), and costs that any Indemnified Party reasonably incurs in defending any claim against it, including, without limitation, reasonable accountants’, arbitrators’, attorneys’, and expert witness fees, costs of investigation and proof of facts, court costs, travel and living expenses, and other expenses of litigation or alternative dispute resolution, regardless of whether litigation or alternative dispute resolution is commenced. Each Indemnified Party may defend any claim against it at its expense (including choosing and retaining its own legal counsel) and agree to settlements or take any other remedial, corrective, or other actions. This indemnity will continue in full force and effect subsequent to and notwithstanding the Agreement’s expiration or termination. An Indemnified Party need not seek recovery from any insurer or other third party, or otherwise mitigate its losses and expenses, in order to maintain and recover fully a

claim against you under this subparagraph. You agree that a failure to pursue a recovery or mitigate a loss will not reduce or alter the amounts that an Indemnified Party may recover from you under this subparagraph.

18. **ENFORCEMENT.**

A. **ARBITRATION.**

We and you agree that all controversies, disputes, or claims between us or any of our Affiliates, and our and their respective shareholders, officers, directors, agents, and employees, on the one hand, and you (and your owners, guarantors, Affiliates, and employees), on the other hand, arising out of or related to: (1) the Agreement or any other agreement between you (or any of your owners) and us (or any of our Affiliates); (2) our relationship with you; (3) the scope or validity of the Agreement or any other agreement between you (or any of your owners) and us (or any of our Affiliates) or any provision of any of such agreements (including the validity and scope of the arbitration provision under this Section, which we and you acknowledge is to be determined by an arbitrator, not a court); or (4) any System Standard, must be submitted for binding arbitration, on demand of either party, to the American Arbitration Association (the “AAA”). The arbitration proceedings will be conducted by one arbitrator and, except as this Section otherwise provides, according to the AAA’s then-current Commercial Arbitration Rules. All proceedings will be conducted at a suitable location chosen by the arbitrator that is within fifty (50) miles of our or, as applicable, our successor’s or assign’s then current principal place of business (currently, Chicago, Illinois). All matters relating to arbitration will be governed by the Federal Arbitration Act (9 U.S.C. §§ 1 et seq.). The interim and final awards of the arbitrator shall be final and binding upon each party, and judgment upon the arbitrator’s awards may be entered in any court of competent jurisdiction.

The arbitrator has the right to award or include in his or her awards any relief which he or she deems proper, including, without limitation, money damages, pre- and post-award interest, interim costs and attorneys’ fees, specific performance, and injunctive relief, provided that the arbitrator may not declare any of the trademarks owned by us or our Affiliates generic or otherwise invalid, or award any punitive or exemplary damages against any party to the arbitration proceeding (we and you hereby waiving to the fullest extent permitted by law any such right to or claim for any punitive or exemplary damages against any party to the arbitration proceeding). Further, at the conclusion of the arbitration, the arbitrator shall award to the prevailing party its attorneys’ fees and costs.

We and you agree to be bound by the provisions of any applicable contractual or statutory limitations provision, whichever expires earlier. We and you further agree that, in any arbitration proceeding, each party must submit or file any claim which would constitute a compulsory counterclaim (as defined by Rule 13 of the Federal Rules of Civil Procedure) within the same proceeding. Any claim which is not submitted or filed as required will be forever barred. The arbitrator may not consider any settlement discussions or offers that might have been made by either you or us.

We and you agree that arbitration will be conducted on an individual basis and that an arbitration proceeding between us and any of our affiliates, or our and their respective shareholders, officers, directors, agents, and employees, on the one hand, and you (or your owners, guarantors, affiliates, and employees), on the other hand, may not be: (i) conducted on a class-wide basis, (ii) commenced, conducted or consolidated with any other arbitration proceeding, (iii) joined with any separate claim of an unaffiliated third-party, or (iv) brought on your behalf by any association or agent. Notwithstanding the foregoing, if any court or arbitrator determines that all or any part of the preceding sentence is unenforceable with respect to a dispute, controversy or claim that otherwise would be subject to arbitration under this Section, then all parties agree that this arbitration clause shall not apply to that dispute, controversy or claim and that such

dispute, controversy or claim shall be resolved in a judicial proceeding in accordance with the dispute resolution provisions of these Terms.

We and you agree that, in any arbitration arising as described herein, the arbitrator shall have full authority to manage any necessary exchange of information among the parties with a view to achieving an efficient and economical resolution of the dispute. The parties may only serve reasonable requests for documents, which must be limited to documents upon which a party intends to rely or documents that are directly relevant and material to a significant disputed issue in the case or to the case's outcome. The document requests shall be restricted in terms of time frame, subject matter and persons or entities to which the requests pertain, and shall not include broad phraseology such as "all documents directly or indirectly related to." You and we further agree that no interrogatories or requests to admit shall be propounded, unless the parties later mutually agree to their use.

The provisions of this Section are intended to benefit and bind certain third-party non-signatories. The provisions of this Section will continue in full force and effect subsequent to and notwithstanding the expiration or termination of the Agreement.

Any provisions of these Terms below that pertain to judicial proceedings shall be subject to the agreement to arbitrate contained in this Section.

Except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051 et seq.), or other United States federal law, the Agreement, the Franchise and all claims arising from the relationship between us and you will be governed by the laws of the State of Illinois, without regard to its conflict of laws rules, except that (1) any state law regulating the offer or sale of franchises or governing the relationship of a franchisor and its franchisee will not apply unless its jurisdictional requirements are met independently without reference to this Section, and (2) the enforceability of those provisions of the Agreement which relate to restrictions on you and your owners' competitive activities will be governed by the laws of the state in which your Business is located.

B. CONSENT TO JURISDICTION.

Subject to the obligation to arbitrate under Section 18.A above and the provisions below, you and your owners agree that all actions arising under the Agreement or otherwise as a result of the relationship between you and us must be commenced in the court nearest to our or, as applicable, our successor's or assign's then current principal place of business (currently, Chicago, Illinois), and you (and each owner) irrevocably submit to the jurisdiction of that court and waive any objection you (or the owner) might have to either the jurisdiction of or venue in that court.

C. WAIVER OF PUNITIVE DAMAGES, JURY TRIAL AND CLASS ACTION.

Except for your obligation to indemnify us for third party claims under Section 17.C, we and you (and your owners) waive to the fullest extent permitted by law any right to or claim for any punitive or exemplary damages against the other and agree that, in the event of a dispute between us and you, the party making a claim will be limited to equitable relief and to recovery of any actual damages it sustains.

We and you irrevocably waive trial by jury in any action or proceeding brought by either of us.

We and you agree that any proceeding between us under or relating to this Agreement will be conducted on an individual basis and that any proceeding between us and any of our Affiliates, or our and their respective shareholders, officers, directors, agents, and employees, on the one hand, and you or your owners, guarantors, Affiliates, and employees, on the other hand, may not be: (i) conducted on a class-wide

basis, (ii) commenced, conducted or consolidated with any other proceeding, (iii) joined with any claim of an unaffiliated third-party, or (iv) brought on your behalf by any association or agent.

D. INJUNCTIVE RELIEF.

Nothing in the Agreement, including the provisions of Section 18.A, bars our right to obtain specific performance of the provisions of the Agreement and injunctive relief against any threatened or actual conduct that will cause us, the Marks, or the System loss or damage, under customary equity rules, including applicable rules for obtaining restraining orders and temporary or preliminary injunctions. You agree that we may seek such relief from any court of competent jurisdiction in addition to such further or other relief as may be available to us at law or in equity. You agree that we will not be required to post a bond to obtain injunctive relief and that your only remedy if an injunction is entered against you will be the dissolution of that injunction, if warranted, upon due hearing (all claims for damages by injunction being expressly waived hereby).

E. COSTS AND ATTORNEYS' FEES.

The prevailing party in any judicial or arbitration proceeding shall be entitled to recover from the other party all damages, costs and expenses, including arbitration and court costs and reasonable attorneys' fees, incurred by the prevailing party in connection with such proceeding.

F. LIMITATIONS OF CLAIMS.

You and your owners agree not to bring any claim asserting that any of the Marks are generic or otherwise invalid. Unless prohibited by applicable law, except for claims arising from your non-payment or underpayment of amounts you owe us, any and all claims arising out of or relating to this Agreement or our relationship with you will be barred unless a judicial or arbitration proceeding is commenced in accordance with this Agreement within one (1) year from the date on which the party asserting the claim knew or should have known of the facts giving rise to the claims. The parties understand that such time limit might be shorter than otherwise allowed by law. You and your owners agree that your and their sole recourse for claims arising between the parties shall be against us or our successors and assigns. You and your owners agree that our and our Affiliates' members, managers, shareholders, directors, officers, employees, and agents shall not be personally liable nor named as a party in any action between us or our Affiliates and you or your owners.

No previous course of dealing shall be admissible to explain, modify, or contradict the terms of the Agreement. No implied covenant of good faith and fair dealing shall be used to alter the express terms of the Agreement.

19. MISCELLANEOUS.

A. SECURITY INTEREST.

You hereby collaterally assign to us the Lease and grant us a security interest in all of the Operating Assets and all other assets of your Business, including but not limited to inventory, accounts, supplies, contracts, cash derived from the operation of your Business and sale of other assets, and proceeds and products of all those assets. You agree to execute such other documents as we may reasonably request in order to further document, perfect and record our security interest. If you default in any of your obligations under the Agreement, we may exercise all rights of a secured creditor granted to us by law, in addition to our other rights under the Agreement and at law. If an approved third-party lender requires that we subordinate our security interest in the assets of your Business as a condition to lending you working capital for the construction or operation of your Business, we will agree to subordinate pursuant to terms and

conditions determined by us. The Agreement shall be deemed to be a Security Agreement and Financing Statement and may be filed for record as such in the records of any county and state that we deem appropriate to protect our interests.

B. BINDING EFFECT.

The Agreement is binding upon us and you and our and your respective executors, administrators, heirs, beneficiaries, permitted assigns, and successors in interest. Subject to our right to modify the Operations Manual and System Standards, the Agreement may not be modified except by a written agreement signed by our and your duly authorized officers.

C. RIGHTS OF PARTIES ARE CUMULATIVE.

Our and your rights under the Agreement are cumulative, and our or your exercise or enforcement of any right or remedy under the Agreement will not preclude our or your exercise or enforcement of any other right or remedy which we or you are entitled by law to enforce.

D. SEVERABILITY AND SUBSTITUTION OF VALID PROVISIONS.

Except as expressly provided to the contrary in the Agreement, each section, paragraph, term, and provision of the Agreement is severable, and if, for any reason, any part is held to be invalid or contrary to or in conflict with any applicable present or future law or regulation in a final, unappealable ruling issued by any court, agency, or tribunal with competent jurisdiction, that ruling will not impair the operation of, or otherwise affect, any other portions of the Agreement, which will continue to have full force and effect and bind the parties.

If any covenant which restricts competitive activity is deemed unenforceable by virtue of its scope in terms of area, business activity prohibited, or length of time, but would be enforceable if modified, you and we agree that the covenant will be enforced to the fullest extent permissible under the laws and public policies applied in the jurisdiction whose law determines the covenant's validity.

If any applicable and binding law or rule of any jurisdiction requires more notice than the Agreement requires of the Agreement's termination or of our refusal to enter into a successor Franchise agreement, or some other action that the Agreement does not require, or if, under any applicable and binding law or rule of any jurisdiction, any provision of the Agreement or any System Standard is invalid, unenforceable, or unlawful, the notice or other action required by the law or rule will be substituted for the comparable provisions of the Agreement, and we may modify the invalid or unenforceable provision or System Standard to the extent required to be valid and enforceable or delete the unlawful provision in its entirety. You agree to be bound by any promise or covenant imposing the maximum duty the law permits which is subsumed within any provision of the Agreement, as though it were separately articulated in and made a part of the Agreement.

E. WAIVER OF OBLIGATIONS.

We and you may by written instrument unilaterally waive or reduce any obligation of or restriction upon the other under the Agreement, effective upon delivery of written notice to the other or another effective date stated in the notice of waiver. Any waiver granted will be without prejudice to any other rights we or you have, will be subject to continuing review, and may be revoked at any time and for any reason effective upon delivery of 10 days' prior written notice.

We and you will not waive or impair any right, power, or option the Agreement reserves (including, without limitation, our right to demand exact compliance with every term, condition, and covenant or to

declare any breach to be a default and to terminate the Agreement before its term expires) because of any custom or practice at variance with the Agreement's terms; our or your failure, refusal, or neglect to exercise any right under the Agreement or to insist upon the other's compliance with the Agreement, including, without limitation, any System Standard; our waiver of or failure to exercise any right, power, or option, whether of the same, similar, or different nature, with other System Protein Bar & Kitchen Businesses; the existence of franchise agreements for other Protein Bar & Kitchen Businesses which contain provisions different from those contained in the Agreement; or our acceptance of any payments due from you after any breach of the Agreement. No special or restrictive legend or endorsement on any check or similar item given to us will be a waiver, compromise, settlement, or accord and satisfaction. We are authorized to remove any legend or endorsement, which then will have no effect.

The following provision applies if you or the franchise granted hereby are subject to the franchise registration or disclosure laws in Illinois, Indiana, Maryland, Michigan, Minnesota, New York, Rhode Island, Virginia or Wisconsin: 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.

F. THE EXERCISE OF OUR JUDGMENT.

We have the right to operate, develop, and change the System in any manner that is not specifically prohibited by the Agreement. Whenever we have reserved in the Agreement a right to take or to withhold an action, to grant or decline to grant you a right to take or withhold an action, or to provide or withhold approval or consent, we may, except as otherwise specifically provided in the Agreement, make our decision or exercise our rights in our sole and unfettered discretion.

G. CONSTRUCTION.

The preambles and exhibits are a part of these Terms, which together with the attached Data Sheet, constitute our and your entire agreement, and there are no other oral or written understandings or agreements between us and you, or oral or written representations by us, relating to the subject matter of the Agreement, the franchise relationship, or your Business (any understandings or agreements reached, or any representations made, before the Agreement are superseded by the Agreement). Nothing in this or any related agreement is intended to disclaim the representations we made in the latest franchise disclosure document that we furnished to you. Any policies that we periodically adopt and implement to guide us in our decision-making are subject to change, are not a part of the Agreement, and are not binding on us. Except as provided in Section 17.C, nothing in the Agreement is intended or deemed to confer any rights or remedies upon any person or legal entity not a party to the Agreement.

Except where the Agreement expressly obligates us reasonably to approve or not unreasonably to withhold our approval of any of your actions or requests, we have the absolute right to refuse any request you make or to withhold our approval of any of your proposed, initiated, or completed actions that require our approval. The headings of the sections and paragraphs are for convenience only and do not define, limit, or construe the contents of these sections or paragraphs.

References in these Terms to the "Agreement" mean these Terms and the attached Data Sheet, together. References in the Agreement to "we," "us," and "our" include any of our Affiliates with whom you deal. The term "Affiliate" means any person or entity directly or indirectly owned or controlled by,

under common control with, or owning or controlling you or us. “Control” means the power to direct or cause the direction of management and policies. “Including” means “including, without limitation.”

If two or more persons are at any time the owners of the Franchise and your Business, whether as partners or joint venturers, their obligations and liabilities to us will be joint and several. References to “owner” mean any person holding a direct or indirect ownership interest (whether of record, beneficially, or otherwise) or voting rights in you (or a transferee of the Agreement and your Business or an ownership interest in you), including, without limitation, any person who has a direct or indirect interest in you (or a transferee), the Agreement, the Franchise, or your Business and any person who has any other legal or equitable interest, or the power to vest in himself or herself any legal or equitable interest, in their revenue, profits, rights, or assets. References to an “ownership interest” in you or one of your owners (if you are not a natural person) mean the percent of the voting shares or other voting rights that results from dividing 100% of the ownership interests by the number of owners. “Person” means any natural person, corporation, limited liability company, general or limited partnership, unincorporated association, cooperative, or other legal or functional entity.

Unless otherwise specified, all references to a number of days shall mean calendar days and not business days. Your “Business” includes all of the assets of the Protein Bar & Kitchen Business you operate under the Agreement, including its revenue and the Lease.

H. **NOTICES AND PAYMENTS.**

All written notices, reports, and payments permitted or required to be delivered by the Agreement or the Operations Manual will be deemed to be delivered on the earlier of the date of actual delivery or one of the following: (i) at the time delivered by hand, (ii) at the time delivered via computer transmission and, in the case of the Royalty, Brand Fund contributions, and other amounts due, at the time we actually receive electronic payment, or (iii) one (1) business day after being placed in the hands of a nationally recognized commercial courier service for next business day delivery. Notices must be sent to the party to be notified at its address shown on the attached Data Sheet or these Terms, as applicable, or the most current principal business address of which the notifying party has notice; except that, it will always be deemed acceptable to send notice to you at the address of the Premises. Notices to us must be sent to the Attention: President, with a copy (which shall not constitute notice) to Legal Department.

I. **COUNTERPARTS; COPIES.**

This Agreement and its Attachments may be executed in multiple counterparts, each of which shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. Faxed, scanned or electronic signatures shall have the same effect and validity, and may be relied upon in the same manner, as original signatures.

J. **SAFETY.**

We will not be required to send any of our representatives to your Business to provide any assistance or services if, in our sole determination, it is unsafe to do so. Such determination by us will not relieve you from your obligations under the Agreement (including, without limitation, to pay monies owed) and will not serve as a basis for your termination of the Agreement.

K. **PROHIBITED PARTIES.**

You hereby represent and warrant to us, as an express consideration for the franchise granted hereby, that neither you nor any of your employees, agents, or representatives, nor any other person or entity associated with you, is now, or has been:

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1. Listed on: (a) the U.S. Treasury Department's List of Specially Designated Nationals, (b) the U.S. Commerce Department's Denied Persons List, Unverified List, Entity List, or General Orders, (c) the U.S. State Department's Debarred List or Nonproliferation Sanctions, or (d) the Annex to U.S. Executive Order 13224.
2. A person or entity who assists, sponsors, or supports terrorists or acts of terrorism, or is owned or controlled by terrorists or sponsors of terrorism.

You further represent and warrant to us that you are now, and have been, in compliance with U.S. anti-money laundering and counter-terrorism financing laws and regulations, and that any funds provided by you to us or our affiliates are and will be legally obtained in compliance with these laws. You agree not to, and to cause all employees, agents, representatives, and any other person or entity associated with you not to, during the term of this Agreement, take any action or refrain from taking any action that would cause such person or entity to become a target of any such laws and regulations.

[Signature Page to Follow]

IN WITNESS WHEREOF, the parties have executed and delivered the Agreement on the dates noted below, to be effective as of the Effective Date.

**PROTEIN BAR AND KITCHEN
FRANCHISING, LLC**, a Delaware limited
liability company

By: _____
Name: _____
Title: _____
Date: _____

FRANCHISE OWNER:

[Name]
By: _____
Name: _____
Title: _____
Date: _____

ATTACHMENT A
TO FRANCHISE AGREEMENT

GUARANTY AND ASSUMPTION OF OBLIGATIONS

THIS GUARANTY AND ASSUMPTION OF OBLIGATIONS is given by each of the undersigned persons indicated below who have executed this Guaranty (each a “**Guarantor**”) to be effective as of the Effective Date of the Agreement (defined below).

In consideration of, and as an inducement to, the execution of that certain Franchise Agreement (as amended, modified, restated or supplemented from time to time, the “**Agreement**”) on this date by **PROTEIN BAR AND KITCHEN FRANCHISING, LLC**, a Delaware limited liability company (“**us,**” “**we,**” or “**our**”), each Guarantor personally and unconditionally (a) guarantees to us and our successors and assigns, for the term of the Agreement and afterward as provided in the Agreement, that _____ (“**Franchise Owner**”) will punctually pay and perform each and every undertaking, agreement, and covenant set forth in the Agreement and (b) agrees to be personally bound by, and personally liable for the breach of, each and every provision in the Agreement, both monetary obligations and obligations to take or refrain from taking specific actions or to engage or refrain from engaging in specific activities, including the non-competition, confidentiality, and transfer requirements.

Each Guarantor consents and agrees that: (1) Guarantor’s direct and immediate liability under this Guaranty will be joint and several, both with Franchise Owner and among other guarantors; (2) Guarantor will render any payment or performance required under the Agreement upon demand if Franchise Owner fails or refuses punctually to do so; (3) this liability will not be contingent or conditioned upon our pursuit of any remedies against Franchise Owner or any other person; (4) this liability will not be diminished, relieved, or otherwise affected by any extension of time, credit, or other indulgence which we may from time to time grant to Franchise Owner or to any other person, including, without limitation, the acceptance of any partial payment or performance or the compromise or release of any claims, none of which will in any way modify or amend this Guaranty, which will be continuing and irrevocable during the term of the Agreement; and (5) at our request, each Guarantor shall present updated financial information to us as reasonably necessary to demonstrate such Guarantor’s ability to satisfy the financial obligations of Franchise Owner under the Agreement.

Each Guarantor waives: (i) all rights to payments and claims for reimbursement or subrogation which any Guarantor may have against Franchise Owner arising as a result of the Guarantor’s execution of and performance under this Guaranty; and (ii) acceptance and notice of acceptance by us of Guarantor’s undertakings under this Guaranty, notice of demand for payment of any indebtedness or non-performance of any obligations hereby guaranteed, protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations hereby guaranteed, and any other notices to which he or she may be entitled.

Each Guarantor represents and warrants that, if no signature appears below for such Guarantor’s spouse, such Guarantor is either not married or, if married, is a resident of a state which does not require the consent of both spouses to encumber the assets of a marital estate.

The provisions contained in Section 18 (Enforcement) of the Agreement, including Section 18.A (Arbitration), Section 18.B (Consent to Jurisdiction) and Section 18.E (Costs and Attorneys’ Fees) of the Agreement are incorporated into this Guaranty by reference and shall govern this Guaranty and any disputes

Franchise Agreement Terms and Conditions
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between the Guarantors and us. The Guarantors shall reimburse us for all costs and expenses we incur in connection with enforcing the terms of this Guaranty.

By signing below, the undersigned spouse of each Guarantor indicated below, acknowledges and consents to the guaranty given herein by his/her spouse. Such consent also serves to bind the assets of the marital estate to Guarantor’s performance of this Guaranty. We confirm that a spouse who signs this Guaranty solely in his or her capacity as a spouse (and not as an owner) is signing merely to acknowledge and consent to the execution of the Guaranty by his or her spouse and to bind the assets of the marital estate as described therein and for no other purpose (including, without limitation, to bind the spouse’s own separate property).

Each Guarantor that is a business entity, retirement or investment account, or trust acknowledges and agrees that if Franchisee (or any of its Affiliates) is delinquent in payment of any amounts guaranteed hereunder, that no dividends or distributions may be made by such Guarantor (or on such Guarantor’s account) to its owners, accountholders or beneficiaries or otherwise, for so long as such delinquency exists, subject to applicable law.

IN WITNESS WHEREOF, each of the undersigned has affixed his or her signature on the same day and year as this Guaranty and Assumption of Obligations was executed.

GUARANTOR(S)	SPOUSE(S)
DEVELOPER (If different than Franchisee): Name: _____ Sign: _____	
Name: _____ Sign: _____ Address: _____ _____ _____	Name: _____ Sign: _____ Address: _____ _____ _____
Name: _____ Sign: _____ Address: _____ _____ _____	Name: _____ Sign: _____ Address: _____ _____ _____

ATTACHMENT B
TO FRANCHISE AGREEMENT

IF YOU ARE A RESIDENT OR, OR YOUR BUSINESS WILL BE OPERATED IN, ANY OF THE FOLLOWING STATES, DO NOT COMPLETE OR SIGN THIS ATTACHMENT: ILLINOIS, INDIANA, MARYLAND, MICHIGAN, MINNESOTA, NEW YORK, RHODE ISLAND, OR VIRGINIA.

REPRESENTATIONS AND ACKNOWLEDGEMENT STATEMENT

The purpose of this Statement is to demonstrate to **PROTEIN BAR AND KITCHEN FRANCHISING, LLC**, a Delaware limited liability company (“Franchisor”) that the person(s) signing below (“I,” “me” or “my”), whether acting individually or on behalf of any legal entity established to acquire the development and/or franchise rights (“Franchisee”), (a) fully understands that the purchase of a Protein Bar and Kitchen franchise is a significant long-term commitment, complete with its associated risks, and (b) is not relying on any statements, representations, promises or assurances that are not specifically set forth in Franchisor’s Franchise Disclosure Document and Exhibits (collectively, the “FDD”) with which you were provided prior to signing the Agreement in deciding to purchase the franchise.

In that regard, I represent to Franchisor and acknowledge that:

I understand that buying a franchise is not a guarantee of success. Purchasing or establishing any business is risky, and the success or failure of the franchise is subject to many variables such as my skills and abilities (and those of my partners, officers, employees), the time my associates and I devote to the business, competition, interest rates, the economy, inflation, operation costs, location, lease terms, the marketplace generally and other economic and business factors. I am aware of and am willing to undertake these business risks. I understand that the success or failure of my business will depend primarily upon my efforts and not those of Franchisor.	INITIAL:
I acknowledge that I have had the opportunity to personally and carefully review the FDD and have, in fact, done so. I have been advised to have professionals (such as lawyers and accountants) review the documents for me and to have them help me understand these documents. I have also been advised to consult with other franchisees regarding the risks associated with the purchase of the franchise.	INITIAL:
Neither the Franchisor nor any of its officers, employees or agents (including any franchise broker) has made a statement, promise or assurance to me concerning any matter related to the franchise (including those regarding advertising, marketing, training, support service or assistance provided by Franchisor) that is contrary to, or different from, the information contained in the FDD.	INITIAL:
My decision to purchase the Franchise has not been influenced by any oral representations, assurances, warranties, guarantees or promises whatsoever made by the Franchisor or any of its officers, employees or agents (including any franchise broker), including as to the likelihood of success of the franchise.	INITIAL:

<p>I have made my own independent determination as to whether I have the capital necessary to fund the business and my living expenses, particularly during the start-up phase.</p>	<p>INITIAL:</p>
<p>PLEASE READ THE FOLLOWING QUESTION CAREFULLY. THEN SELECT YES OR NO AND PLACE YOUR INITIALS WHERE INDICATED.</p> <p>Have you received any information from the Franchisor or any of its officers, employees or agents (including any franchise broker) concerning actual, average, projected or forecasted sales, revenues, income, profits or earnings of the franchise business (including any statement, promise or assurance concerning the likelihood of success) other than information contained in the FDD?</p> <p><input type="checkbox"/> Yes <input type="checkbox"/> No (Initial Here: ____)</p> <p>If you selected "Yes," please describe the information you received on the lines below:</p> <p>_____</p> <p>_____.</p>	<p>INITIAL:</p>

Sign: _____
Name: _____
Capacity: Individually, and for and on behalf of
[Franchisee Name]

Sign: _____
Name: _____
Capacity: Individually, and for and on behalf of
[Franchisee Name]

Sign: _____
Name: _____
Capacity: Individually, and for and on behalf of
[Franchisee Name]

EXHIBIT C

MULTI-UNIT DEVELOPMENT AGREEMENT

PROTEIN BAR AND KITCHEN FRANCHISING, LLC

MULTI-UNIT DEVELOPMENT AGREEMENT

Developer: _____

Development Area: _____



protein bar & kitchen

**PROTEIN BAR AND KITCHEN FRANCHISING, LLC
MULTI-UNIT DEVELOPMENT AGREEMENT**

DATA SHEET

1. **Effective Date of Agreement:** _____

2. **Developer.**

Name:	
Address:	
Attention:	
Email Address:	
Phone:	
Type of Entity:	
Date of Formation:	
State of Formation:	
Managing Owner:	

3. **Owners.**

Name	Address	Type of Interest	Percentage Held

4. **Development Fee.** \$ _____ [(1) the Initial Franchise Fee for your first Business (\$40,000), plus (2) \$20,000 for each franchise (less one) you agree to develop pursuant to the Development Schedule]

5. **Development Area.**

The geographic area within _____, as depicted on the following map:

[insert map]

If the Development Area is identified by counties or other political subdivisions, political boundaries will be considered fixed as of the date of this Agreement and will not change, notwithstanding a political reorganization or change to the boundaries or regions.

6. **Development Schedule.**

Development Period	Protein Bar & Kitchen Businesses Opened During Development Period	Cumulative Number of Protein Bar & Kitchen Businesses Operating by End of Development Period
_____ to _____	_____	_____
_____ to _____	_____	_____
_____ to _____	_____	_____
_____ to _____	_____	_____
_____ to _____	_____	_____

7. **Additional Terms or Modifications to the Agreement.** The following terms, if any, supplement or amend the provisions of the Multi-Unit Development Agreement Terms and Conditions attached hereto and will control in the event of any conflicts:

[insert as applicable]

8. **Acknowledgement and Acceptance of Agreement.** By signing below, you represent and warrant to us that the information contained in this Data Sheet is true and correct. The parties, intending to be legally bound, accept and agree that this Data Sheet and the accompanying Multi-Unit Development Agreement Terms and Conditions (together, this “**Agreement**”) describe their respective rights and obligations, and each agrees to be bound thereto and to perform as set forth therein.

**PROTEIN BAR AND KITCHEN
FRANCHISING, LLC,**
a Delaware limited liability company

DEVELOPER:

[Name]

By: _____
Name: _____
Title: _____
Date: _____

By: _____
Name: _____
Title: _____
Date: _____

PROTEIN BAR & KITCHEN®

MULTI-UNIT DEVELOPMENT AGREEMENT TERMS AND CONDITIONS

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ATTACHMENTS

ATTACHMENT A Guaranty and Assumption of Obligations



MULTI-UNIT DEVELOPMENT AGREEMENT TERMS AND CONDITIONS

The following Multi-Unit Development Agreement Terms and Conditions (these “**Terms**”) form an integral part of the Agreement between **PROTEIN BAR AND KITCHEN FRANCHISING, LLC**, a Delaware limited liability company having its address at 231 LaSalle Street, Suite 2100, Chicago, Illinois 60611 (“**us**”) and the party identified in and signing the attached Data Sheet as the “Developer” (“**you**”).

1. PREAMBLES.

A. BACKGROUND.

We grant franchises for the development, ownership and operation of businesses that are currently identified by the *Protein Bar & Kitchen*[®] trademark (together, with such other trademarks, service marks and commercial symbols we periodically designate, the “**Marks**”) and that offer their customers healthy food choices consisting primarily of high-protein salads, wraps, and bowls, customizable for all diets, and protein-packed shakes and smoothies (each a “**Protein Bar & Kitchen Business**”). Protein Bar & Kitchen Businesses are developed and operated using certain specified business formats, methods, procedures, designs, layouts, standards, and specifications, each of which we may replace, further develop, or otherwise modify or discontinue from time to time (collectively, the “**System**”).

Based on your own investigation and diligence, you have requested that we grant you the right to acquire multiple franchises (each a “**Business**”) for the development and operation of Protein Bar & Kitchen Businesses (the “**Development Rights**”) and, to support your request, you and, as applicable, your owners have provided us with certain information about your and their background, experience, skills, financial condition and resources (collectively, the “**Application Materials**”). In reliance on, among other things, the Application Materials, we are willing to grant you the Development Rights on the Terms contained in this Agreement.

B. BUSINESS ENTITY.

If you are not a natural person, you agree, represent and warrant to us that: (1) you were validly formed and are and will maintain, throughout the Term (defined below), your existence and good standing under the laws of the state of your formation and remain qualified to do business in the state in which you operate your Business; (2) the information on the attached Data Sheet is complete and accurate as of the Effective Date; (3) the only business that you will conduct will be that described in this Agreement; (4) at our request, you will furnish us with copies of all documents regarding your formation, existence, standing, and governance; and (5) each of your direct and indirect owners with at least a 10% ownership interest in you (each a “**Principal Owner**”) must personally guarantee your obligations under this Agreement and each Franchise Agreement and agree to be bound personally by every contractual provision, whether containing monetary or non-monetary obligations, including the covenant not to compete, and will sign and deliver to us our then-standard form of Guaranty and Assumption of Obligations (the “**Guaranty**”). Our current form of Guaranty appears as Attachment A to this Agreement. The non-owner spouse of each guarantor must also sign the Guaranty in the capacity and for the purposes reflected in the Guaranty.

If you are an entity, you must identify one of your owners who is a natural person with at least a 10% ownership interest in you, to at all times act as your “**Managing Owner**” who is designated on the attached Data Sheet. You agree that your Managing Owner will be authorized, on your behalf, to deal with us in all matters that arise in respect of the Agreement. We will be entitled to rely on the decisions of your Managing Owner without being obligated to seek approvals or input from your other owners. You must

promptly notify us in writing if your Managing Owner cannot continue or no longer qualifies to serve as such and immediately request our approval of a replacement Managing Owner.

C. **YOUR LIQUIDITY.**

Our decision to grant you the Development Rights is based, in part, on your representations to us regarding, and our assessment of, your liquidity as of the Effective Date. You will ensure that, throughout the Term, you will maintain sufficient liquidity to meet your obligations under this Agreement.

2. **THE DEVELOPMENT RIGHTS.**

A. **GRANT.**

We hereby grant you the Development Rights, which must be exercised in strict compliance with this Agreement. The Development Rights may be exercised from the Effective Date and, unless sooner terminated as provided herein, will expire on the later of (1) the opening of the last Protein Bar & Kitchen Business required to be open under the Development Schedule shown on the attached Data Sheet (the “**Development Schedule**”) opens for regular business, or (2) the date by which the last such Business is required to be open in satisfaction of the Development Schedule (the “**Term**”). You accept the grant of the Development Rights and agree to, at all times, faithfully, honestly, and diligently perform your obligations under this Agreement and fully exploit the Development Rights during the Term and throughout the entire Development Area identified on the attached Data Sheet (the “**Development Area**”). You must perform all of your obligations under this Agreement, and you may not subcontract or delegate any of those obligations to any third parties.

B. **DEVELOPMENT AREA AND RESERVATION OF RIGHTS.**

The Development Rights may only be exercised for Protein Bar & Kitchen Businesses to be located in the Development Area. You agree that any Non-Traditional Locations (defined below) that become available during the Term and are located within the Development Area are deemed to be excluded from the Development Area unless we indicate otherwise on the Data Sheet. As used herein, a “**Non-Traditional Location**” is a physical location that (1) is part of a larger venue or facility, (2) is not generally and easily accessible to the general public, or (3) whose operating hours are limited to those imposed by the owner or operator of the venue in which it sits (for example, military bases, shopping malls, hotels, school and college campuses, airports, train stations, travel plazas, toll roads, beaches, parks and other seasonal facilities, government buildings and establishments, prisons, hospitals, convenience stores, trucks, casinos, sports or entertainment venues or stadiums, and retail shop locations being sublet under a lease to a master concessionaire).

To maintain your rights under the Development Agreement you must have open and in operation, in accordance with the Development Schedule, the cumulative number of Protein Bar & Kitchen Businesses stated on the Development Schedule. Failure to do so will be grounds for either a loss of territorial exclusivity or a termination of the Development Agreement. As long as you are in compliance with these Terms and except with respect to Non-Traditional Locations, we will not, during the Term, operate or grant the right to anyone else to operate a Protein Bar & Kitchen Business within the Development Area, or grant Development Rights to anyone else to be exercised with your Development Area.

You acknowledge that our agreement regarding your Development Area applies only to the operation of a Business as defined in this Agreement. You will not receive an exclusive Development Area because we reserve the right, under certain circumstances, to have a physical presence in your Development Area. We reserve, for ourselves and our Affiliates, all other rights, and the right to do all things that we do

not expressly agree in those agreements not to do, in each case, without compensation to you, without regard to proximity to your Business or Development Area, and on such terms and conditions as we deem appropriate. For example, and without limitation, we and our Affiliates may, ourselves or through authorized third parties:

(1) own and operate, and license others to own and operate Protein Bar & Kitchen Businesses in Non-Traditional Locations anywhere in the world, including within your Protected Territory and Development Area, as applicable;

(2) own and operate, and license others to own and operate, Protein Bar & Kitchen Businesses using the System and the Marks on such terms and conditions we deem appropriate outside of your Protected Territory or Development Area, as applicable;

(3) develop or become associated with other businesses, including other healthy food concepts and systems, and/or award franchises under such other concepts, provided that, if located in your Protected Territory or Development Area, as applicable, such businesses are not identified by the *Protein Bar & Kitchen* trademark (although they may, in our discretion, use and incorporate certain other elements of System and System Standards);

(4) acquire or be acquired by, merge or affiliate with, or engage in any transaction with other businesses (whether or not competitive) located anywhere and (i) convert the other businesses to the *Protein Bar & Kitchen* brand, (ii) allow the other businesses to operate as part of or to use the elements of the System, and/or (iii) permit the other businesses to continue to operate under another name;

(5) solicit customers, advertise, and authorize others to advertise, and promote sales of Protein Bar & Kitchen Businesses anywhere, including within the Protected Territory and Development Area, and fill customer orders; and

(6) market and sell, and grant to others the right to market and sell, products and services that are authorized for sale at Protein Bar & Kitchen Businesses through alternative channels of distribution (for example, through e-commerce and product lines in other businesses) using the Marks or other trademarks and commercial symbols.

C. **DEVELOPMENT SCHEDULE.**

Each period described in the Development Schedule is a “**Development Period.**” You agree to deliver to us a fully executed lease (or otherwise secure possession of the site), and open and operate your Businesses in the Development Area, each pursuant to a written franchise agreement and related agreements signed by us and you or your Affiliate that we approve (each a “**Franchise Agreement**”), each as necessary to satisfy the requirements of each Development Period, but you shall not be required to open, in total, more than the cumulative number of Businesses shown for the last Development Period. The Development Schedule is not our representation, express or implied, that the Development Area can support, or that there are or will be sufficient sites for, the number of Protein Bar & Kitchen Businesses specified in the Development Schedule or during any particular Development Period. We are relying on your knowledge and expertise of the Development Area and your representation that you have conducted your own independent investigation and have determined that you can satisfy the development obligations under each Development Period of the Development Schedule.

D. LOCATING SITES FOR PROTEIN BAR & KITCHEN BUSINESSES.

Despite any assistance we may provide, you are entirely responsible for locating and presenting to us proposed sites for the Businesses in the Development Area as necessary to comply with the Development Schedule (each a “**Site**”). You agree to give us all information and materials we request to assess each proposed Site as well as your or your proposed Affiliate’s financial and operational ability to develop and operate a Protein Bar & Kitchen Business at the proposed Site. We have the absolute right to reject any site or any Affiliate (a) that does not meet our criteria or (b) if you or your Affiliates are not then in compliance with any existing Franchise Agreements executed pursuant to this Agreement or operating your or their Businesses in compliance with the mandatory specifications, standards, operating procedures and rules that we periodically prescribe for operating Protein Bar & Kitchen Businesses (the “**System Standards**”). We agree to use our reasonable efforts to review and evaluate your proposed Sites within 30 days after we receive all requested information and materials. If we accept a proposed Site, you or your approved Affiliate must sign a separate Franchise Agreement for the Site within 15 days after we provide you with an execution copy of the Franchise Agreement, failing which, we may withdraw our acceptance. Our approval of any proposed Site is entirely for our own purposes and, by approving your Site, we are not representing or guaranteeing that it will perform as you or we expect it to do. We are not responsible if the Site we recommend or approve fails to meet your expectations.

E. EXECUTION OF FRANCHISE AGREEMENTS.

When you sign the Development Agreement, you will also sign the Franchise Agreement and related documents for the 1st Business you are obligated to acquire under this Agreement. By virtue of signing the 1st Franchise Agreement, you and your Affiliates must then open and operate the Business referenced in that agreement. For the 2nd and each subsequent Business you are obligated to acquire under the Development Schedule, you or your Affiliates must sign a then-current form of franchise agreement and related documents after we have accepted a Site, and prior to you signing a lease or otherwise securing possession of the Site. The terms of any future forms of franchise agreements may differ substantially from the terms contained in the form of Franchise Agreement we are using to grant Businesses on the Effective Date, except that the Royalty rate will not exceed 6% of Gross Sales, and the Initial Franchise Fee will be \$40,000 for the first Protein Bar & Kitchen Business only. Each Franchise Agreement will govern the development and operation of the Protein Bar & Kitchen Business at the accepted Site identified therein.

Expiration or termination of the Development Rights does not impact the continued existence of any Franchise Agreements that are, as of such time, already fully executed unless, in the case of termination, the grounds for termination are also bases for termination under the Franchise Agreements.

3. DEVELOPMENT FEE.

In addition to paying the Initial Franchise Fee due under the first Franchise Agreement referenced in Section 2.E, you must pay us, on your execution of this Agreement and in consideration of the grant of the Development Rights, a nonrecurring and nonrefundable Development Fee in the amount shown on the attached Data Sheet (the “**Development Fee**”). The Development Fee is fully earned by us when you and we sign this Agreement and is nonrefundable. We will credit the Development Fee, in \$20,000 increments, toward payment of the Initial Franchise Fee that is due as the second and each subsequent Franchise Agreement is signed pursuant to this Agreement, until the aggregate amount of these credits equals the Development Fee.

4. **RECORDS AND REPORTING REQUIREMENTS.**

You agree, during the Term, to maintain records regarding your activities in connection with the exercise of the Development Rights and to provide us with the following records and reports:

(1) within 10 days after the end of each month during the Term, you must send us a report of your business activities during that month, including information about your efforts to find sites for Businesses in the Development Area and the status of development and projected opening for each Business under development in the Development Area;

(2) within 30 days after the end of each calendar quarter, you must provide us with a balance sheet and profit and loss statement for you and your Affiliates covering that quarter and the year-to-date, and an updated balance sheet for each person or entity signing the Guaranty; and

(3) such other data, reports, information, financial statements, and supporting records as we reasonably request from time to time.

5. **TRANSFER.**

A. **BY US.**

We have the right to delegate the performance of any portion or all of our rights and obligations under this Agreement to third-party designees. You represent that you have not signed this Agreement in reliance on any particular person or entity remaining with us in any capacity. We may change our ownership or form or assign this Agreement and any other agreement to a third party without restriction.

B. **BY YOU OR YOUR OWNERS.**

Your rights and duties under this Agreement are personal to you (or your owners if you are an entity), and we have granted you the Development Rights in reliance upon our assessment of your (or your owners') individual or collective character, skill, aptitude, attitude, business ability, and financial capacity. Accordingly, neither you nor any of your owners, nor any of your or their permitted successors or assigns, may sell, assign, transfer, convey, give away, pledge, mortgage, or otherwise dispose of or encumber this Agreement (or any direct or indirect interest in this Agreement), the Development Rights, or any direct or indirect ownership interest in you (regardless of its size) (each, a "**Transfer**"), without our prior written consent. Any Transfer without our prior written approval is a material breach of this Agreement and has no effect.

If you intend to list your Development Rights for sale with any broker or agent, you shall do so only after obtaining our written approval of the broker or agent and of the listing agreement and any advertising materials. You may not use any Mark in advertising the transfer or sale of your Development Rights or of any ownership in you without our prior written consent.

C. **CONDITIONS FOR APPROVAL OF TRANSFER.**

We may consider, and you will provide or assist us in compiling, any information we deem necessary or appropriate in connection with our assessment of a proposed Transfer. If we elect to approve a proposed Transfer, we may, at our discretion, condition our approval in any manner we deem necessary and appropriate to protect the *Protein Bar & Kitchen*[®] brand and our interests in the System and this Agreement, including any of the following (each of which you agree is reasonable):

- (1) you and any person or entity obligated under this Agreement or Guaranty must be in compliance with your or its obligations;
- (2) you and the proposed transferee and its owners (if the transferee is not a natural person) must provide all information and documents we request regarding the Transfer and the proposed transferee and its owners or Affiliates;
- (3) you must provide us with executed versions of any relevant documents to effect the Transfer, and all other information we request about the proposed Transfer;
- (4) if you or the transferor offer the transferee financing for any part of the purchase price, all of the transferee's obligations under promissory notes, agreements, or security interests reserved in your Development Rights must be subordinate to the transferee's obligation to pay all amounts due to us, our Affiliates, and third-party vendors and otherwise agree to comply with these Terms (or any applicable Franchise Agreement with us);
- (5) you (and your owner(s)) must sign a general release, in a form satisfactory to us, of any and all claims against us and our shareholders, officers, directors, employees and agents;
- (6) you (and your transferring owner(s)) (and your or their immediate family members) must sign a non-competition covenant in favor of us, commencing on the effective date of the Transfer and consistent with the post-term non-competition obligations contained in the most recent Franchise Agreement that you or your Affiliates have signed with us;
- (7) you must pay all amounts owed to us, our Affiliates, and third-party vendors and must have submitted all required reports and statements under these Terms and any Franchise Agreement with us;
- (8) you and your owners must not have violated any provision of these Terms or any other agreement with us or our Affiliates during both the 60-day period before you requested our consent to the Transfer and the period between your request and the effective date of the Transfer;
- (9) the transferee, at our request, must sign our then-current form of multi-unit development agreement and related documents, any and all of the provisions of which may differ materially from any and all of those contained in this Agreement;
- (10) you must pay or cause to be paid to us our then-current Transfer fee; and
- (11) the Transfer of this Agreement must not be made separate and apart from the Transfer to the same transferee of all Franchise Agreements that were signed pursuant to this Agreement.

D. EFFECT OF CONSENT TO TRANSFER.

Our consent to a Transfer is not a representation of the fairness of the terms of any contract between you and the transferee or transferee's prospects of success, or a waiver of any claims we have against you (or your owners) or of our right to demand full compliance by you and the transferee with this Agreement.

E. PUBLIC OR PRIVATE OFFERINGS.

Written information used to raise or secure funds can reflect upon us and the System. You agree to submit any written information intended to be used for that purpose to us before inclusion in any registration statement, prospectus or similar offering memorandum. Should we object to any reference to us or our Affiliates or any of our business in the offering literature or prospectus, the literature or prospectus shall not be used until our objections are addressed to our satisfaction or withdrawn. You may not engage in a public offering of securities without our prior written consent.

F. OUR RIGHT OF FIRST REFUSAL.

If you (or any of your owners) desire to engage in a Transfer, you (or your owners) agree to obtain from a responsible and fully disclosed buyer, and send us, a true and complete copy of a bona fide, executed written offer (which may include a letter of intent) relating exclusively to an interest in you or in this Agreement and your Development Rights. The offer must include details of the payment terms of the proposed sale and the sources and terms of any financing for the proposed purchase price. To be a valid, bona fide offer, the proposed purchase price must be couched entirely as a dollar amount, and we may require the proposed buyer submit with its offer a reasonable earnest money deposit acceptable to us. We may require you (or your owners) to send us copies of any materials or information sent to the proposed buyer or transferee regarding the possible transaction.

Within 30 days after we receive an exact copy of the bona fide offer and all relevant information we request, we may, by written notice delivered to you or your selling owner(s), elect to purchase the interest offered for the price and on the terms and conditions contained in the offer. We may substitute any form of payment proposed in the offer as acceptable consideration. If we exercise our right of first refusal, we will have 30 days from the date we notified you of our intended purchase to prepare for closing. You and your owners must make all customary representations and warranties given by the seller of the assets of a business or the ownership interests in a legal entity, as applicable, and you and your selling owner(s) (and your and their immediate family members) must comply with the obligations regarding Competitive Businesses, as described in the Franchise Agreements executed pursuant to this Agreement, as though such Franchise Agreements had expired on the date of the purchase. We have the unrestricted right to assign this right of first refusal to a third party, who then will have the rights described in this Section 5.F.

If we do not exercise our right of first refusal, you or your owners may complete the sale to the proposed buyer on the original offer's terms, but only if we otherwise approve the Transfer in accordance with, and you (and your owners) and the transferee comply with the conditions in, Sections 5.B and 5.C above. If you do not complete the sale to the proposed buyer within 60 days after either we notify you that we do not intend to exercise our right of first refusal or the time our exercise expires, or if there is a material change in the terms of the sale (which you agree to tell us promptly), we or our designee will have an additional right of first refusal during the 30-day period following either the expiration of the 60-day period or our receipt of notice of the material change(s) in the sale's terms, either on the terms originally offered or the modified terms, at our or our designee's option.

6. TERMINATION OF AGREEMENT.

A. BY YOU.

If you and your owners are fully complying with this Agreement and we materially fail to comply with this Agreement and do not correct the failure within 30 days after you deliver written notice of the material failure to us or if we cannot correct the failure within 30 days and we fail to give you within 30 days after your notice reasonable evidence of our effort to correct the failure within a reasonable time, you may terminate this Agreement effective an additional 30 days after you deliver to us written notice of

termination. Your termination of this Agreement other than according to this Section 6.A. will be deemed a termination without cause and a breach of this Agreement.

B. BY US.

We may terminate your Development Rights, effective upon delivery of written notice to you, if:

(1) you (or any of your owners) have made or make any material misrepresentation or omission in the Application Materials or otherwise;

(2) you fail to comply with the Development Schedule or fail to make progress in the development of Businesses to indicate, in our determination, that you will not be able to satisfy your development obligations under this Agreement for the then-current Development Period;

(3) you (or any of your owners) make or attempt to make a Transfer without complying with the requirements of Section 5;

(4) you (or any of your owners) (a) fail on three (3) or more separate occasions within any 12 consecutive-month period to comply with any provision of this Agreement or (b) fail on two (2) or more separate occasions within any six (6) consecutive month period to comply with the same obligation under this Agreement, in either case, whether or not we notify you of the failures, and, if we do notify you of the failures, whether or not you correct the failures after our delivery of notice to you;

(5) you (or any of your owners) file a petition in bankruptcy or a petition in bankruptcy is filed against you; you make an assignment for the benefit of creditors or admit in writing your insolvency or inability to pay your debts generally as they become due; you consent to the appointment of a receiver, trustee, or liquidator of all or the substantial part of your property; any of your or your Affiliates' Businesses are attached, seized, subjected to a writ or distress warrant, or levied upon, unless the attachment, seizure, writ, warrant, or levy is vacated within 30 days; or any order appointing a receiver, trustee, or liquidator of your or your Affiliates' Businesses are not vacated within 30 days following the order's entry;

(6) you (or any of your owners) fail to comply with anti-terrorism laws, ordinances, regulations and Executive Orders;

(7) you (or any of your owners) fail to comply with any other provision of this Agreement and do not correct the failure within 30 days after we deliver written notice of the failure to you;

(8) you (or any of your owners) are convicted of a felony or any criminal act that is likely to adversely affect the goodwill of Protein Bar & Kitchen Businesses or the System;

(9) you or a Guarantor or an Affiliate fails to comply with any other agreement with us or our Affiliate, including any Franchise Agreement, unless the failure is timely and completely cured within any cure period provided under the applicable agreement); or

(10) you (or any of your owners) engage in any conduct which, in our opinion, adversely affects the reputation of any Protein Bar & Kitchen Businesses or the goodwill associated with the Marks.

7. RIGHTS AND OBLIGATIONS ON TERMINATION OR EXPIRATION OF THE AGREEMENT.

You and, as applicable, your owners and all such other persons or entities who are bound under the terms of this Agreement must immediately upon the expiration or termination of this Agreement, cease to directly or indirectly exercise or attempt to exercise any of the rights granted to you under this Agreement, comply with all obligations that either expressly survive or by their nature are intended to survive the expiration or termination of this Agreement, and refrain from interfering or attempting to interfere with our or our Affiliates' relationships with any vendors, franchisees or consultants or engage in any other activity which might injure the goodwill of the Marks or the System.

All of our and your (and your owners') obligations which expressly or by their nature survive this Agreement's expiration or termination will continue in full force and effect subsequent to and notwithstanding its expiration or termination and until they are satisfied in full or by their nature expire, including, without limitation, all obligations relating to indemnification.

8. RELATIONSHIP OF THE PARTIES/INDEMNIFICATION.

A. INDEPENDENT CONTRACTORS.

This Agreement does not create a fiduciary relationship between you and us. You and we are and will be independent contractors, and nothing in this Agreement is intended to make either you or us a general or special agent, joint venturer, partner, or employee of the other for any purpose. You agree to identify yourself conspicuously in all dealings with customers, vendors, public officials, your personnel, and others as the owner of your business under a franchise we have granted and to place notices of independent ownership on the business cards, advertising, and other materials we periodically require.

You also acknowledge that you will have a contractual relationship only with us and may look only to us to perform under this Agreement. None of our Affiliates is a party to this Agreement and has no obligations under it. However, our Affiliate who is the owner of the Marks, you and we agree that such Affiliate will be a third-party beneficiary of those provisions in this Agreement relating to use of the Marks, with the independent right to enforce such provisions against you and to seek damages from you for your failure to comply with those provisions.

B. INDEMNIFICATION.

You agree to indemnify, defend, and hold harmless us, our Affiliates, and our and their respective owners, managers, directors, officers, employees, agents, successors, and assignees (the "**Indemnified Parties**") against, and to reimburse any one or more of the Indemnified Parties for, all claims, obligations, and damages directly or indirectly arising out of the operation of the business you conduct under this Agreement, or your breach of this Agreement, including, without limitation, those alleged to be caused by the Indemnified Party's negligence, unless (and then only to the extent that) the claims, obligations, or damages are determined to be caused solely by the Indemnified Party's intentional misconduct in a final, unappealable ruling issued by a court with competent jurisdiction. For purposes of this indemnification, "**claims**" include all obligations, damages (actual, consequential, or otherwise), and costs that any Indemnified Party reasonably incurs in defending any claim against it, including, without limitation, reasonable accountants', arbitrators', attorneys', and expert witness fees, costs of investigation and proof of facts, court costs, travel and living expenses, and other expenses of litigation or alternative dispute resolution, regardless of whether litigation or alternative dispute resolution is commenced. Each Indemnified Party may defend any claim against it at your expense (including choosing and retaining its own legal counsel) and agree to settlements or take any other remedial, corrective, or other actions. This indemnity will continue in full force and effect subsequent to and notwithstanding this Agreement's

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expiration or termination. An Indemnified Party need not seek recovery from any insurer or other third party, or otherwise mitigate its losses and expenses, in order to maintain and recover fully a claim against you under this subparagraph. You agree that a failure to pursue a recovery or mitigate a loss will not reduce or alter the amounts that an Indemnified Party may recover from you under this Section 8.B.

9. **ENFORCEMENT.**

A. **ARBITRATION.**

We and you agree that all controversies, disputes, or claims between us or any of our Affiliates, and our and their respective shareholders, officers, directors, agents, and employees, on the one hand, and you (and your owners, guarantors, Affiliates, and employees), on the other hand, arising out of or related to: (1) this Agreement or any other agreement between you (or any of your owners) and us (or any of our Affiliates); (2) our relationship with you; (3) the scope or validity of this Agreement or any other agreement between you (or any of your owners) and us (or any of our Affiliates) or any provision of any of such agreements (including the validity and scope of the arbitration provision under this Section, which we and you acknowledge is to be determined by an arbitrator, not a court); or (4) any System Standards, must be submitted for binding arbitration, on demand of either party, to the American Arbitration Association (the “AAA”). The arbitration proceedings will be conducted by one arbitrator and, except as this Section otherwise provides, according to the AAA’s then-current Commercial Arbitration Rules. All proceedings will be conducted at a suitable location chosen by the arbitrator that is within 50 miles of our or, as applicable, our successor’s or assign’s then current principal place of business (currently, Chicago, Illinois). All matters relating to arbitration will be governed by the Federal Arbitration Act (9 U.S.C. §§ 1 et seq.). The interim and final awards of the arbitrator shall be final and binding upon each party, and judgment upon the arbitrator’s awards may be entered in any court of competent jurisdiction.

The arbitrator has the right to award or include in his or her awards any relief which he or she deems proper, including, without limitation, money damages, pre- and post-award interest, interim costs and attorneys’ fees, specific performance, and injunctive relief, provided that the arbitrator may not declare any of the trademarks owned by us or our Affiliates generic or otherwise invalid, or award any punitive or exemplary damages against any party to the arbitration proceeding (we and you hereby waiving to the fullest extent permitted by law any such right to or claim for any punitive or exemplary damages against any party to the arbitration proceeding). Further, at the conclusion of the arbitration, the arbitrator shall award to the prevailing party its attorneys’ fees and costs.

We and you agree to be bound by the provisions of any applicable contractual or statutory limitations provision, whichever expires earlier. We and you further agree that, in any arbitration proceeding, each party must submit or file any claim which would constitute a compulsory counterclaim (as defined by Rule 13 of the Federal Rules of Civil Procedure) within the same proceeding. Any claim which is not submitted or filed as required will be forever barred. The arbitrator may not consider any settlement discussions or offers that might have been made by either you or us.

WE AND YOU AGREE THAT ARBITRATION WILL BE CONDUCTED ON AN INDIVIDUAL BASIS AND THAT AN ARBITRATION PROCEEDING BETWEEN US AND ANY OF OUR AFFILIATES, OR OUR AND THEIR RESPECTIVE SHAREHOLDERS, OFFICERS, DIRECTORS, AGENTS, AND EMPLOYEES, ON THE ONE HAND, AND YOU (OR YOUR OWNERS, GUARANTORS, AFFILIATES, AND EMPLOYEES), ON THE OTHER HAND, MAY NOT BE: (I) CONDUCTED ON A CLASS-WIDE BASIS, (II) COMMENCED, CONDUCTED OR CONSOLIDATED WITH ANY OTHER ARBITRATION PROCEEDING, (III) JOINED WITH ANY SEPARATE CLAIM OF AN UNAFFILIATED THIRD-PARTY, OR (IV) BROUGHT ON YOUR BEHALF BY ANY ASSOCIATION OR AGENT. Notwithstanding the foregoing, if any court or arbitrator determines that all

or any part of the preceding sentence is unenforceable with respect to a dispute, controversy or claim that otherwise would be subject to arbitration under this Section, then all parties agree that this arbitration clause shall not apply to that dispute, controversy or claim and that such dispute, controversy or claim shall be resolved in a judicial proceeding in accordance with the dispute resolution provisions of this Agreement.

We and you agree that, in any arbitration arising as described herein, the arbitrator shall have full authority to manage any necessary exchange of information among the parties with a view to achieving an efficient and economical resolution of the dispute. The parties may only serve reasonable requests for documents, which must be limited to documents upon which a party intends to rely or documents that are directly relevant and material to a significant disputed issue in the case or to the case's outcome. The document requests shall be restricted in terms of time frame, subject matter and persons or entities to which the requests pertain, and shall not include broad phraseology such as "all documents directly or indirectly related to." You and we further agree that no interrogatories or requests to admit shall be propounded, unless the parties later mutually agree to their use.

The provisions of this Section are intended to benefit and bind certain third party non-signatories. The provisions of this Section will continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement.

Any provisions of these Terms below that pertain to judicial proceedings shall be subject to the agreement to arbitrate contained in this Section.

B. GOVERNING LAW.

Except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051 *et seq.*), or other United States federal law, this Agreement, the franchise and all claims arising from the relationship between us and you will be governed by the laws of the State of Illinois, without regard to its conflict of laws rules, except that (1) any state law regulating the offer or sale of franchises or governing the relationship of a franchisor and its franchisee will not apply unless its jurisdictional requirements are met independently without reference to this section, and (2) the enforceability of those provisions of these Terms which relate to restrictions on you and your owners' competitive activities will be governed by the laws of the state in which your Development Area is located.

C. CONSENT TO JURISDICTION.

Subject to the obligation to arbitrate under Section 9.A above and the provisions below, you and your owners agree that all actions arising under this Agreement or otherwise as a result of the relationship between you and us must be commenced in the court nearest to our or, as applicable, our successor's or assign's then current principal place of business (currently, Chicago, Illinois), and you (and each owner) irrevocably submit to the jurisdiction of that court and waive any objection you (or the owner) might have to either the jurisdiction of or venue in that court.

D. WAIVER OF PUNITIVE DAMAGES AND JURY TRIAL.

Except for your obligation to indemnify us for third party claims under Section 8.B, we and you (and your owners) waive to the fullest extent permitted by law any right to or claim for any punitive or exemplary damages against the other and agree that, in the event of a dispute between us and you, the party making a claim will be limited to equitable relief and to recovery of any actual damages it sustains. We and you irrevocably waive trial by jury in any action or proceeding brought by either of us.

E. **INJUNCTIVE RELIEF.**

Nothing in this Agreement, including the provisions of Section 9.A, bars our right to obtain specific performance of the provisions of this Agreement and injunctive relief against any threatened or actual conduct that will cause us, the Marks, or the System loss or damage, under customary equity rules, including applicable rules for obtaining restraining orders and temporary or preliminary injunctions. You agree that we may seek such relief from any court of competent jurisdiction in addition to such further or other relief as may be available to us at law or in equity. You agree that we will not be required to post a bond to obtain injunctive relief and that your only remedy if an injunction is entered against you will be the dissolution of that injunction, if warranted, upon due hearing (all claims for damages by injunction being expressly waived hereby).

F. **COSTS AND ATTORNEYS' FEES.**

The prevailing party in any judicial or arbitration proceeding shall be entitled to recover from the other party all damages, costs and expenses, including arbitration and court costs and reasonable attorneys' fees, incurred by the prevailing party in connection with such proceeding.

G. **LIMITATIONS OF CLAIMS.**

UNLESS PROHIBITED BY APPLICABLE LAW, EXCEPT FOR CLAIMS ARISING FROM YOUR NON-PAYMENT OR UNDERPAYMENT OF AMOUNTS YOU OWE US, ANY AND ALL CLAIMS ARISING OUT OF OR RELATING TO THIS AGREEMENT OR OUR RELATIONSHIP WITH YOU WILL BE BARRED UNLESS A JUDICIAL OR ARBITRATION PROCEEDING IS COMMENCED IN ACCORDANCE WITH THESE TERMS WITHIN ONE (1) YEAR FROM THE DATE ON WHICH THE PARTY ASSERTING THE CLAIM KNEW OR SHOULD HAVE KNOWN OF THE FACTS GIVING RISE TO THE CLAIMS. The parties understand that such time limit might be shorter than otherwise allowed by law. You and your owners agree that your and their sole recourse for claims arising between the parties shall be against us or our successors and assigns. You and your owners agree that our and our Affiliates' members, managers, shareholders, directors, officers, employees, and agents shall not be personally liable nor named as a party in any action between us or our Affiliates and you or your owners.

WE AND YOU AGREE THAT ANY PROCEEDING WILL BE CONDUCTED ON AN INDIVIDUAL BASIS AND THAT ANY PROCEEDING BETWEEN US AND ANY OF OUR AFFILIATES, OR OUR AND THEIR RESPECTIVE SHAREHOLDERS, OFFICERS, DIRECTORS, AGENTS, AND EMPLOYEES, ON THE ONE HAND, AND YOU OR YOUR OWNERS, GUARANTORS, AFFILIATES, AND EMPLOYEES, ON THE OTHER HAND, MAY NOT BE: (I) CONDUCTED ON A CLASS-WIDE BASIS, (II) COMMENCED, CONDUCTED OR CONSOLIDATED WITH ANY OTHER PROCEEDING, (III) JOINED WITH ANY CLAIM OF AN UNAFFILIATED THIRD-PARTY, OR (IV) BROUGHT ON YOUR BEHALF BY ANY ASSOCIATION OR AGENT.

No previous course of dealing shall be admissible to explain, modify, or contradict the terms of this Agreement. No implied covenant of good faith and fair dealing shall be used to alter the express terms of this Agreement.

10. **MISCELLANEOUS.**

A. **BINDING EFFECT.**

This Agreement is binding upon us and you and our and your respective executors, administrators, heirs, beneficiaries, permitted assigns, and successors in interest. Subject to our right to modify the System

Standards, this Agreement may not be modified except by a written agreement signed by our and your duly-authorized officers.

B. RIGHTS OF PARTIES ARE CUMULATIVE.

Our and your rights under this Agreement are cumulative, and our or your exercise or enforcement of any right or remedy under this Agreement will not preclude our or your exercise or enforcement of any other right or remedy which we or you are entitled by law to enforce.

C. SEVERABILITY AND SUBSTITUTION OF VALID PROVISIONS.

Except as expressly provided to the contrary in this Agreement, each section, paragraph, term, and provision of this Agreement is severable, and if, for any reason, any part is held to be invalid or contrary to or in conflict with any applicable present or future law or regulation in a final, unappealable ruling issued by any court, agency, or tribunal with competent jurisdiction, that ruling will not impair the operation of, or otherwise affect, any other portions of this Agreement, which will continue to have full force and effect and bind the parties.

If any applicable and binding law or rule of any jurisdiction requires more notice than this Agreement requires of this Agreement's termination or of our refusal to enter into a successor franchise agreement, or some other action that this Agreement does not require, or if, under any applicable and binding law or rule of any jurisdiction, any provision of this Agreement or any System Standard is invalid, unenforceable, or unlawful, the notice or other action required by the law or rule will be substituted for the comparable provisions of this Agreement, and we may modify the invalid or unenforceable provision or System Standard to the extent required to be valid and enforceable or delete the unlawful provision in its entirety. You agree to be bound by any promise or covenant imposing the maximum duty the law permits which is subsumed within any provision of this Agreement, as though it were separately articulated in and made a part of this Agreement.

D. WAIVER OF OBLIGATIONS.

We and you may by written instrument unilaterally waive or reduce any obligation of or restriction upon the other under this Agreement, effective upon delivery of written notice to the other or another effective date stated in the notice of waiver. Any waiver granted will be without prejudice to any other rights we or you have, will be subject to continuing review, and may be revoked at any time and for any reason effective upon delivery of 10 days' prior written notice.

We and you will not waive or impair any right, power, or option this Agreement reserves (including our right to demand exact compliance with every term, condition, and covenant or to declare any breach to be a default and to terminate this Agreement before its term expires) because of any custom or practice at variance with this Agreement's terms; our or your failure, refusal, or neglect to exercise any right under this Agreement or to insist upon the other's compliance with this Agreement. No special or restrictive legend or endorsement on any check or similar item given to us will be a waiver, compromise, settlement, or accord and satisfaction. We are authorized to remove any legend or endorsement, which then will have no effect.

The following provision applies if you or the franchise granted hereby are subject to the franchise registration or disclosure laws in Illinois, Indiana, Maryland, Michigan, Minnesota, New York, Rhode Island, Virginia or Wisconsin: 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.

E. THE EXERCISE OF OUR JUDGMENT.

We have the right to operate, develop, and change the System in any manner that is not specifically prohibited by this Agreement. Whenever we have reserved in this Agreement a right to take or to withhold an action, to grant or decline to grant you a right to take or withhold an action, or to provide or withhold approval or consent, we may, except as otherwise specifically provided in this Agreement, make our decision or exercise our rights in our sole and unfettered discretion.

F. CONSTRUCTION.

The preambles and exhibits are a part of this Agreement, which together with the attached Data Sheet constitute our and your entire agreement, and there are no other oral or written understandings or agreements between us and you, or oral or written representations by us, relating to the subject matter of this Agreement, the franchise relationship, or your Development Rights (any understandings or agreements reached, or any representations made, before this Agreement are superseded by this Agreement). Nothing in this or any related agreement is intended to disclaim the representations we made in the latest franchise disclosure document that we furnished to you. Any policies that we periodically adopt and implement to guide us in our decision-making are subject to change, are not a part of this Agreement, and are not binding on us. Except as provided in Section 8.B, nothing in this Agreement is intended or deemed to confer any rights or remedies upon any person or legal entity not a party to this Agreement.

Except where this Agreement expressly obligates us reasonably to approve or not unreasonably to withhold our approval of any of your actions or requests, we have the absolute right to refuse any request you make or to withhold our approval of any of your proposed, initiated, or completed actions that require our approval. The headings of the sections and paragraphs are for convenience only and do not define, limit, or construe the contents of these sections or paragraphs.

References in this Agreement to “**we**,” “**us**,” and “**our**,” with respect to all of our rights and all of your obligations to us under this Agreement, include any of our Affiliates with whom you deal. The term “**Affiliate**” means any person or entity directly or indirectly owned or controlled by, under common control with, or owning or controlling you or us. “**Control**” means the power to direct or cause the direction of management and policies. “Including” means “including, without limitation.”

If two or more persons are at any time the owners of the Development Rights, whether as partners or joint venturers, their obligations and liabilities to us will be joint and several. References to “owner” mean any person holding a direct or indirect ownership interest (whether of record, beneficially, or otherwise) or voting rights in you (or a transferee of this Agreement and your Development Rights or an ownership interest in you), including, without limitation, any person who has a direct or indirect interest in you (or a transferee), this Agreement, the Business, or your Development Rights and any person who has any other legal or equitable interest, or the power to vest in himself or herself any legal or equitable interest, in their revenue, profits, rights, or assets. References to an “ownership interest” in you or one of your owners (if not a natural person) mean the percent of the voting shares or other voting rights that results from dividing 100% of the ownership interests by the number of owners. “Person” means any natural person, corporation, limited liability company, general or limited partnership, unincorporated association, cooperative, or other legal or functional entity.

Unless otherwise specified, all references to a number of days shall mean calendar days and not business days.

G. NO WARRANTY OR REPRESENTATION.

We and our agents, Affiliates, officers, directors, managers, owners, employees and other representatives have not made or given to you any warranties, representations, undertakings, commitments, covenants or guarantees respecting the subject matter of this Agreement except as expressly stated in this Agreement, and specifically without limiting the generality of the foregoing, you hereby acknowledge and agree that we and our agents, Affiliates, officers, directors, managers, owners, employees and other representatives have not made or given any warranty, representation, undertaking, commitment, covenant or guarantee in respect of sales or profit to be derived or costs or expenses to be incurred by you and that you are not relying upon any warranties, representations, undertakings, commitments, covenants or guarantees of us and our officers, directors, shareholders, employees and other representatives except as provided in this Agreement.

H. NOTICES.

All notices, consents, approvals, statements, documents or other communications required or permitted to be given hereunder must be in writing, and will be deemed to be delivered on the earlier of the date of actual delivery or one of the following: (i) at the time delivered by hand, (ii) at the time delivered via computer transmission and, in the case of amounts due, at the time we actually receive electronic payment, or (iii) one (1) business day after being placed in the hands of a nationally recognized commercial courier service for next business day delivery. Your and our current notice addresses are shown on the attached Data Sheet or this Agreement, as applicable. Any notice must be sent to the party to be notified at its most current principal business address of which the notifying party has notice; except that, it will always be deemed acceptable to send notice to you at the address of any of your Businesses. Any required payment or report which we do not actually receive during regular business hours on the date due will be deemed delinquent. Notices to us must be sent to the Attention: President, with a copy (which shall not constitute notice) to Legal Department.

I. COUNTERPARTS.

This Agreement may be executed in multiple counterparts, each of which shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. Faxed, scanned or electronic signatures shall have the same effect and validity, and may be relied upon in the same manner, as original signatures.

[Signature Page to Follow]

IN WITNESS WHEREOF, the parties have executed and delivered this Agreement on the dates noted below, to be effective as of the Effective Date.

**PROTEIN BAR AND KITCHEN
FRANCHISING, LLC,**
a Delaware limited liability company

By: _____
Name: _____
Title: _____
Date: _____

DEVELOPER:
[Name]

By: _____
Name: _____
Title: _____
Date: _____

**ATTACHMENT A
TO MULTI-UNIT DEVELOPMENT AGREEMENT**

GUARANTY AND ASSUMPTION OF OBLIGATIONS

THIS GUARANTY AND ASSUMPTION OF OBLIGATIONS is given by each of the undersigned persons indicated below who have executed this Guaranty (each a “**Guarantor**”) to be effective as of the Effective Date of the Agreement (defined below).

In consideration of, and as an inducement to, the execution of that certain Multi-Unit Development Agreement (as amended, modified, restated or supplemented from time to time, the “**Agreement**”) on this date by **PROTEIN BAR AND KITCHEN FRANCHISING, LLC** (“**we**” or “**our**”), each Guarantor personally and unconditionally (a) guarantees to us and our successors and assigns, for the term of the Agreement (including extensions) and afterward as provided in the Agreement, that _____ (“**Developer**”) will punctually pay and perform each and every undertaking, agreement, and covenant set forth in the Agreement and (b) agrees to be personally bound by, and personally liable for each and every provision in the Agreement that sets out an obligation of the Developer, including both monetary obligations and obligations to take or refrain from taking specific actions or to engage or refrain from engaging in specific activities.

Each Guarantor consents and agrees that: (1) Guarantor’s direct and immediate liability under this Guaranty will be joint and several, both with Developer and among other guarantors; (2) Guarantor will render any payment or performance required under the Agreement upon demand if Developer fails or refuses punctually to do so; (3) this liability will not be contingent or conditioned upon our pursuit of any remedies against Developer or any other person; (4) this liability will not be diminished, relieved, or otherwise affected by any extension of time, credit, or other indulgence which we may from time to time grant to Developer or to any other person, including, without limitation, the acceptance of any partial payment or performance or the compromise or release of any claims, none of which will in any way modify or amend this Guaranty, which will be continuing and irrevocable during the term of the Agreement; and (5) at our request, each Guarantor shall present updated financial information to us as reasonably necessary to demonstrate such Guarantor’s ability to satisfy the financial obligations of Developer under the Agreement.

Each Guarantor waives: (i) all rights to payments and claims for reimbursement or subrogation which any Guarantor may have against Developer arising as a result of the Guarantor’s execution of and performance under this Guaranty; and (ii) acceptance and notice of acceptance by us of Guarantor’s undertakings under this Guaranty, notice of demand for payment of any indebtedness or non-performance of any obligations hereby guaranteed, protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations hereby guaranteed, and any other notices to which he or she may be entitled.

Each Guarantor represents and warrants that, if no signature appears below for such Guarantor’s spouse, such Guarantor is either not married or, if married, is a resident of a state which does not require the consent of both spouses to encumber the assets of a marital estate.

The provisions contained in Section 9 (Enforcement) of the Agreement, including Section 9.A (Arbitration), Section 9.C (Consent to Jurisdiction) and Section 9.F (Costs and Attorneys’ Fees) of the Agreement are incorporated into this Guaranty by reference and shall govern this Guaranty and any disputes

between the Guarantors and us. The Guarantors shall reimburse us for all costs and expenses we incur in connection with enforcing the terms of this Guaranty.

By signing below, the undersigned spouse of each Guarantor indicated below, acknowledges and consents to the guaranty given herein by his/her spouse. Such consent also serves to bind the assets of the marital estate to Guarantor’s performance of this Guaranty. We confirm that a spouse who signs this Guaranty solely in his or her capacity as a spouse (and not as an owner) is signing merely to acknowledge and consent to the execution of the Guaranty by his or her spouse and to bind the assets of the marital estate as described therein and for no other purpose (including, without limitation, to bind the spouse’s own separate property).

Each Guarantor that is a business entity, retirement or investment account, or trust acknowledges and agrees that if Franchisee (or any of its Affiliates) is delinquent in payment of any amounts guaranteed hereunder, that no dividends or distributions may be made by such Guarantor (or on such Guarantor’s account) to its owners, accountholders or beneficiaries or otherwise, for so long as such delinquency exists, subject to applicable law.

IN WITNESS WHEREOF, each of the undersigned has affixed his or her signature on the same day and year as this Guaranty and Assumption of Obligations was executed.

GUARANTOR(S)	SPOUSE(S)
Name: _____ Sign: _____ Address: _____ _____ _____	Name: _____ Sign: _____ Address: _____ _____ _____
Name: _____ Sign: _____ Address: _____ _____ _____	Name: _____ Sign: _____ Address: _____ _____ _____

EXHIBIT D
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EXHIBIT E

STATE SPECIFIC ADDENDA

**ADDITIONAL DISCLOSURES FOR THE
FRANCHISE DISCLOSURE DOCUMENT OF
PROTEIN BAR AND KITCHEN FRANCHISING, LLC**

The following are additional disclosures for the Franchise Disclosure Document of Protein Bar and Kitchen Franchising, LLC required by various state franchise laws. Each provision of these additional disclosures will only apply to you if the applicable state franchise registration and disclosure law applies to you.

FOR THE FOLLOWING STATES: ILLINOIS, INDIANA, MARYLAND, MICHIGAN, MINNESOTA, NEW YORK, RHODE ISLAND, VIRGINIA OR WISCONSIN.

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.

ILLINOIS

1. The following paragraphs are added to the end of Item 17:

Except for the U.S. Federal Arbitration Act and other federal laws in the U.S., the laws of the State of Illinois will govern the Franchise Agreement and Development Agreement.

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

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

Your rights upon termination and non-renewal of a franchise agreement or development agreement are subject to sections 19 and 20 of the Illinois Franchise Disclosure Act.

MARYLAND

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

Based upon the franchisor's financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the Franchise Agreement. In addition, all development fees and initial payments by multi-unit developers shall be deferred until the first franchise under the Development Agreement opens.

2. The following is added to the end of the "Summary" sections of Item 17(c) and Item 17(m):

However, under COMAR 02.02.08.16L, any release required as a condition of renewal and/or assignment/transfer will not apply to claims arising under the Maryland Franchise Registration and Disclosure Law.

3. The following is added to the end of the "Summary" section of Item 17(h):

The Franchise Agreement and the Development Agreement provide for termination upon bankruptcy. This provision might not be enforceable under federal bankruptcy law (11 U.S.C. Section 101 et seq.).

4. The "Summary" section of Item 17(v) is amended to add the following:

A franchisee may bring suit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law. Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

MINNESOTA

1. **Financial Assurance.** The following is added to the end of Item 5 and Item 7:

Based upon our financial condition, the Minnesota Securities Registration Division has required that we provide a financial assurance. Therefore, payment of all initial fees and other payments owed by you to us or our affiliates (except the reasonable wholesale price of any items we or our affiliates sell to you) will be deferred until your Protein Bar & Kitchen Business opens and we have completed our pre-opening obligations under the Franchise Agreement. In addition, all development fees and initial payments by multi-unit developers will be deferred until we have completed our pre-opening obligations under the Development Agreement.

2. **Lost Revenue Damages.** The Item 6 line item entitled "Lost Revenue Damages" will not be enforced to the extent prohibited by applicable law.

3. **Insufficient Funds Fee.** The following is added to the "Remarks" column in the Item 6 line item entitled "Insufficient Funds Fee:"

NSF checks and related interest and attorneys' fees are governed by Minnesota Statute § 604.113, which puts a cap of \$30 on initial service charges and requires notice and opportunity to cure prior to assessing interest and attorneys' fees.

4. **Renewal, Termination, Transfer and Dispute Resolution.** The following is added to the end of the chart in Item 17:

With respect to franchises governed by Minnesota law, we will comply with Minnesota Statutes, Section 80C.14, Subds. 3, 4 and 5 which require, except in certain specified cases, that you be given 90 days' notice of termination (with 60 days to cure) of the Franchise Agreement or Development Agreement and 180 days' notice for non-renewal of the Franchise Agreement or Development Agreement.

Minn. Stat. Sec. 80C.21 and Minn. Rule 2860.4400J prohibit us from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring you to consent to liquidated damages, termination penalties, injunctive relief, or judgment notes. In addition, nothing in the Disclosure Document, Franchise Agreement or Development Agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes 1984, Chapter 80C, or your rights to any procedure, forum or remedies provided for by the laws of the jurisdiction. Those provisions also provide that no condition, stipulations or provision in the Franchise Agreement or Development Agreement will in any way abrogate or reduce any of your rights under the Minnesota Franchises Law, including, if applicable, the right to submit matters to the jurisdiction of the courts of Minnesota.

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

Minnesota Rule 2860.4400(G) prohibits a franchisor from imposing on a franchisee by contract or rule, whether written or oral, any standard of conduct that is unreasonable.

NEW YORK

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

INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT D OR YOUR PUBLIC LIBRARY FOR SOURCES OF INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND NEW YORK STATE DEPARTMENT OF LAW, BUREAU OF INVESTOR PROTECTION AND SECURITIES, 28 LIBERTY STREET, 21ST FLOOR, NEW YORK, NEW YORK 10005.

WE MAY, IF WE CHOOSE, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE DISCLOSURE DOCUMENT. HOWEVER, WE CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS DISCLOSURE DOCUMENT.

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

Except as provided above, with regard to us, our parent, affiliates, the persons identified in Item 2, or an affiliate offering franchises under our principal trademark:

A. No such party has an administrative, criminal or civil action pending against that person alleging: a felony; a violation of a franchise, antitrust, or securities law; fraud; embezzlement; fraudulent conversion; misappropriation of property; unfair or deceptive practices; or comparable civil or misdemeanor allegations.

B. No such party has pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchisees and the size, nature or financial condition of the franchise system or its business operations.

C. No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the 10 year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud, or securities law; fraud; embezzlement; fraudulent conversion or misappropriation of property; or unfair or deceptive practices or comparable allegations.

D. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State, or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

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

Neither we, our affiliate, officers or general partners, or any other individual who will have management responsibility relating to the sale or operation of franchises offered by this Disclosure Document have, during the 10-year period immediately before the date of the Disclosure Document: (a) filed as debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code; (b) obtained a discharge of its debts under the U.S. Bankruptcy Code; or (c) was a principal officer of a company or a general partner in a partnership that either filed as a debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code or that obtained a discharge of its debts under the U.S. Bankruptcy Code during or within 1 year after that officer or general partner of the franchisor held this position in the company or partnership.

4. The following is added to the end of the “Summary” sections of Item 17(c) and Item 17(m):

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

5. The following is added to the end of the “Summary” section of Item 17(d):

You may terminate the Franchise Agreement or Development Agreement on any grounds available by law.

6. The following is added to the end of the “Summary” section of Item 17(j):

However, to the extent required by applicable law, no assignment will be made except to an assignee who, in our good faith judgment, is willing and able to assume our obligations under the Franchise Agreement or the Development Agreement.

7. The following is added to the end of the “Summary” sections of Item 17(v) and Item 17(w):

However, the governing choice of law and choice of forum shall not be considered a waiver of any right conferred upon you by the provisions of Article 33 of the General Business Law of the State of New York.

RHODE ISLAND

1. The following language is added to the end of the "Summary" sections of Item 17(v) and 17(w):

Section 19-28.1-14 of the Rhode Island Franchise Investment Act provides that “A provision in a franchise agreement or development agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act. To the extent required by applicable law Rhode Island law will apply to claims arising under the Rhode Island Franchise Investment Act.”

VIRGINIA

1. The following is added to the cover page entitled “Special Risks to Consider About This Franchise”:

Estimated Initial Investment. The franchisee will be required to make an estimated initial investment ranging from \$369,500 to \$685,000. This amount exceeds the franchisor’s stockholders’ equity as of April 19, 2023, which is \$100,000.

2. The following language is added to the end of the “Summary” section of Item 17(h):

Under Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any grounds for default or termination stated in the Franchise Agreement or Development Agreement does not constitute “reasonable cause,” as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.

**THE FOLLOWING PAGES IN THIS EXHIBIT ARE
STATE-SPECIFIC RIDERS TO THE
FRANCHISE AGREEMENT**

**RIDER TO THE
FRANCHISE AGREEMENT
FOR USE IN ILLINOIS**

THIS RIDER is made and entered into by and between **PROTEIN BAR AND KITCHEN FRANCHISING, LLC**, a Delaware limited liability company whose address is 231 S. LaSalle Street, Suite 2100, Chicago, Illinois 60604 (“**we**”), and _____
a(n) _____ whose principal business address is _____
_____ (“**you**”).

1. **BACKGROUND.** We and you are parties to that certain Franchise Agreement dated _____, 20____ (the "Franchise Agreement") that has been signed concurrently with the signing of this Rider. This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because (a) any of the offering or sales activity relating to the Franchise Agreement occurred in Illinois and the Protein Bar & Kitchen Business that you will operate under the Franchise Agreement will be located in Illinois, and/or (b) you are domiciled in Illinois.

2. **WAIVER OF PUNITIVE DAMAGES, JURY TRIAL AND CLASS ACTION.** The following language is added to the end of Section 18.C of the Franchise Agreement:

Nothing contained in this section shall constitute a condition, stipulation, or provision purporting to bind any person to waive compliance with any provision of the Illinois Franchise Disclosure Act or any other law of the State of Illinois, to the extent applicable.

IN WITNESS WHEREOF, the parties have executed and delivered this Rider on the dates noted below, to be effective as of the Effective Date of the Franchise Agreement.

**PROTEIN BAR AND KITCHEN
FRANCHISING, LLC**

FRANCHISE OWNER:

By: _____
Name: _____
Title: _____
Date*: _____

[Name]
By: _____
Name: _____
Title: _____
Date: _____

(*This is the Effective Date)

**RIDER TO THE
FRANCHISE AGREEMENT
FOR USE IN MARYLAND**

THIS RIDER is made and entered into by and between **PROTEIN BAR AND KITCHEN FRANCHISING, LLC**, a Delaware limited liability company whose address is 231 S. LaSalle Street, Suite 2100, Chicago, Illinois 60604 (“**we**”), and _____ a(n) _____ whose principal business address is _____ (“**you**”).

1. **BACKGROUND.** We and you are parties to that certain Franchise Agreement dated _____, 20__ (the "Franchise Agreement") that has been signed concurrently with the signing of this Rider. This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because (a) you are a resident of the State of Maryland; or (b) the Protein Bar & Kitchen Business that you develop under your Franchise Agreement is or will be operated in the State of Maryland; or (c) the offer to sell is made in the State of Maryland; or (d) the offer to buy is accepted in the State of Maryland.

2. **FINANCIAL ASSURANCE.** The following is added to the end of Section 4.A of the Franchise Agreement:

Based upon the franchisor’s financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the Franchise Agreement. In addition, all development fees and initial payments by multi-unit developers shall be deferred until the first franchise under the Development Agreement opens.

3. **RELEASES.** The following is added to the end of Sections 13.C.(4), 14.A.(8), 14.B, and 16.B.(2) of the Franchise Agreement:

Pursuant to COMAR 02.02.08.16L, any release required as a condition of sale, renewal and/or assignment/transfer will not apply to claims arising under the Maryland Franchise Registration and Disclosure Law.

4. **BANKRUPTCY.** The following is added to the end of Section 15.B.(16) of the Franchise Agreement:

; however, we and you acknowledge that certain aspects of this provision might not be enforceable under federal bankruptcy law (11 U.S.C. Sections 101 et seq.);

5. **VENUE; TIME FOR BRINGING ACTIONS.** Sections 18.B and 18.F of the Franchise Agreement are supplemented and amended as follows:

A franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law. Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

6. **REPRESENTATIONS AND WARRANTIES**. The following is added to the end of Section 19.E of the Franchise Agreement:

Your acknowledgments or representations made in this Agreement, which disclaim the occurrence and/or acknowledge the non-occurrence of acts that could constitute a violation of the Maryland Franchise Registration and Disclosure Law, are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

[Signature Page to Follow]

IN WITNESS WHEREOF, the parties have executed and delivered this Rider on the dates noted below, to be effective as of the Effective Date of the Franchise Agreement.

**PROTEIN BAR AND KITCHEN
FRANCHISING, LLC**

FRANCHISE OWNER:

By: _____
Name: _____
Title: _____
Date*: _____

(*This is the Effective Date)

[Name]
By: _____
Name: _____
Title: _____
Date: _____

**RIDER TO THE
FRANCHISE AGREEMENT
FOR USE IN MINNESOTA**

THIS RIDER is made and entered into by and between **PROTEIN BAR AND KITCHEN FRANCHISING, LLC**, a Delaware limited liability company whose address is 231 S. LaSalle Street, Suite 2100, Chicago, Illinois 60604 (“**we**”), and _____ a(n) _____ whose principal business address is _____ (“**you**”).

1. **BACKGROUND.** We and you are parties to that certain Franchise Agreement dated _____, 20____ (the "Franchise Agreement") that has been signed concurrently with the signing of this Rider. This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because (a) the Protein Bar & Kitchen Business that you will operate under the Franchise Agreement will be located in Minnesota; and/or (b) any of the offering or sales activity relating to the Franchise Agreement occurred in Minnesota.

2. **FINANCIAL ASSURANCE.** The following is added to the end of Section 4.A of the Franchise Agreement:

Based upon our financial condition, the Minnesota Securities Registration Division has required that we provide a financial assurance. Therefore, payment of all initial fees and other payments owed by you to us or our affiliates (except the reasonable wholesale price of any items we or our affiliates sell to you) will be deferred until your Protein Bar & Kitchen Business opens and we have completed our pre-opening obligations under this Agreement.

3. **INSUFFICIENT FUNDS AND NON-COMPLIANCE FEES.** The following is added to the end of Section 4.E of the Franchise Agreement:

NSF checks and related interest and attorneys’ fees are governed by Minnesota Statute § 604.113, which puts a cap of \$30 on initial service charges and requires notice and opportunity to cure prior to assessing interest and attorneys’ fees.

4. **LOST REVENUE DAMAGES.** The following is added to the end of the last paragraph of Section 16.C of the Franchise Agreement:

We and you acknowledge that certain parts of this provision might not be enforceable under Minn. Rule Part 2860.4400J. However, we and you agree to enforce the provision to the extent the law allows.

5. **RELEASES.** The following is added to the end of Sections 13.C.(4), 14.A.(8), 14.B, and 16.B.(2) of the Franchise Agreement:

Any release required as a condition of sale, renewal and/or assignment/transfer will not apply to the extent prohibited by the Minnesota Franchises Law.

6. **TERMINATION.** The following is added to the end of Sections 15.B of the Franchise Agreement:

However, with respect to franchises governed by Minnesota law, we will comply with Minnesota Statutes, Section 80C.14, Subds. 3, 4 and 5 which require, except in certain specified cases, that you be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice of non-renewal of this Agreement.

7. **CONSENT TO JURISDICTION.** The following is added to the end of Section 18.B of the Franchise Agreement:

Notwithstanding the foregoing, Minn. Stat. Sec 80C.21 and Minn. Rule 2860.4400J prohibit us, except in certain specified cases, from requiring litigation to be conducted outside Minnesota. Nothing in this Agreement shall abrogate or reduce any of your rights under Minnesota Statutes Chapter 80C or your right to any procedure, forum or remedies that the laws of the jurisdiction provide.

8. **WAIVER OF PUNITIVE DAMAGES, JURY TRIAL AND CLASS ACTION.** If and then only to the extent required by Minnesota law, Section 18.C is deleted. The following is added to the end of Section 18.C of the Franchise Agreement:

Minnesota law provides that no action may be commenced under Minn. Stat Sect. 80C.17 more than 3 years after the cause of action accrues.

9. **INJUNCTIVE RELIEF.** If and then only to the extent required by Minnesota law, Section 18.D is deleted. Otherwise, the following is added to the end of Section 18.D of the Franchise Agreement:

Notwithstanding the foregoing, a court will determine if a bond is required.

10. **MINNESOTA LAW.** Minnesota Rule 2860.4400(G) prohibits a franchisor from imposing on a franchisee by contract or rule, whether written or oral, any standard of conduct that is unreasonable.

[Signature Page to Follow]

IN WITNESS WHEREOF, the parties have executed and delivered this Rider on the dates noted below, to be effective as of the Effective Date of the Franchise Agreement.

**PROTEIN BAR AND KITCHEN
FRANCHISING, LLC**

By: _____
Name: _____
Title: _____
Date*: _____
(*This is the Effective Date)

FRANCHISE OWNER:

[Name]
By: _____
Name: _____
Title: _____
Date: _____

**RIDER TO THE
FRANCHISE AGREEMENT
FOR USE IN NEW YORK**

THIS RIDER is made and entered into by and between **PROTEIN BAR AND KITCHEN FRANCHISING, LLC**, a Delaware limited liability company whose address is 231 S. LaSalle Street, Suite 2100, Chicago, Illinois 60604 (“**we**”), and _____ a(n) _____ whose principal business address is _____ (“**you**”).

1. **BACKGROUND.** We and you are parties to that certain Franchise Agreement dated _____, 20____ (the “Franchise Agreement”). This Rider is being signed because (a) an offer to sell is made in the State of New York; or (b) an offer to buy is accepted in the State of New York; or (c) if you are domiciled in the State of New York, the Protein Bar & Kitchen Business is or will be operated in the State of New York.

2. **TRANSFER BY US.** The following language is added to the end of Section 13.A of the Franchise Agreement:

However, to the extent required by applicable law, no transfer will be made except to an assignee who, in our good faith judgment, is willing and able to assume our obligations under this Agreement.

3. **RELEASES.** The following is added to the end of Sections 13.C.(4), 14.A.(8), 14.B, and 16.B.(2) of the Franchise Agreement:

Notwithstanding the foregoing all rights enjoyed by you and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force to the extent required by the non-waiver provisions of GBL Sections 687.4 and 687.5, as amended.

4. **TERMINATION BY YOU.** The following language is added to the end of Section 15.A of the Franchise Agreement:

You also may terminate this Agreement on any grounds available by law under the provisions of Article 33 of the General Business Law of the State of New York.

5. **GOVERNING LAW; CONSENT TO JURISDICTION.** The following statement is added at the end of Section 18.A and Section 18.B of the Franchise Agreement:

This section shall not be considered a waiver of any right conferred upon you by the provisions of Article 33 of the New York State General Business Law, as amended, and the regulations issued thereunder.

[Signature Page to Follow]

IN WITNESS WHEREOF, the parties have executed and delivered this Rider on the dates noted below, to be effective as of the Effective Date of the Franchise Agreement.

**PROTEIN BAR AND KITCHEN
FRANCHISING, LLC**

By: _____
Name: _____
Title: _____
Date*: _____
(*This is the Effective Date)

FRANCHISE OWNER:

[Name]
By: _____
Name: _____
Title: _____
Date: _____

**RIDER TO THE
FRANCHISE AGREEMENT
FOR USE IN RHODE ISLAND**

THIS RIDER is made and entered into by and between **PROTEIN BAR AND KITCHEN FRANCHISING, LLC**, a Delaware limited liability company whose address is 231 S. LaSalle Street, Suite 2100, Chicago, Illinois 60604 (“**we**”), and _____ a(n) _____ whose principal business address is _____ (“**you**”).

1. **BACKGROUND.** We and you are parties to that certain Franchise Agreement dated _____, 20____ (the "Franchise Agreement") that has been signed concurrently with the signing of this Rider. This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because (a) an offer to sell is made or accepted in the State of Rhode Island, or (b) an offer to buy is accepted in the State of Rhode Island, or (c) you are a resident of the State of Rhode Island and the Protein Bar & Kitchen Business that you develop under your Franchise Agreement is or will be operated in the State of Rhode Island.

2. **GOVERNING LAW; CONSENT TO JURISDICTION.** The following language is added to Sections 18.A and 18.B of the Franchise Agreement:

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

IN WITNESS WHEREOF, the parties have executed and delivered this Rider on the dates noted below, to be effective as of the Effective Date of the Franchise Agreement.

**PROTEIN BAR AND KITCHEN
FRANCHISING, LLC**

FRANCHISE OWNER:

By: _____
Name: _____
Title: _____
Date*: _____

[Name]
By: _____
Name: _____
Title: _____
Date: _____

(*This is the Effective Date)

**THE FOLLOWING PAGES IN THIS EXHIBIT ARE
STATE-SPECIFIC RIDERS TO THE
MULTI-UNIT DEVELOPMENT AGREEMENT**

**RIDER TO THE
MULTI-UNIT DEVELOPMENT AGREEMENT
FOR USE IN ILLINOIS**

THIS RIDER is made and entered into by and between **PROTEIN BAR AND KITCHEN FRANCHISING, LLC**, a Delaware limited liability company whose address is 231 S. LaSalle Street, Suite 2100, Chicago, Illinois 60604 (“**we**”), and _____ a(n) _____ whose principal business address is _____ (“**you**”).

1. **BACKGROUND.** We and you are parties to that certain Multi-Unit Development Agreement dated _____, 20__ (the "Development Agreement") that has been signed concurrently with the signing of this Rider. This Rider is annexed to and forms part of the Development Agreement. This Rider is being signed because (a) any of the offering or sales activity relating to the Development Agreement occurred in Illinois and the Protein Bar & Kitchen Business(es) that you will operate under the Development Agreement will be located in Illinois, and/or (b) you are domiciled in Illinois.

2. **WAIVER OF PUNITIVE DAMAGES AND JURY TRIAL; LIMITATION OF CLAIMS.** The following language is added to the end of Section 9.D and Section 9.G of the Development Agreement:

However, nothing contained in this section shall constitute a condition, stipulation, or provision purporting to bind any person to waive compliance with any provision of the Illinois Franchise Disclosure Act or any other law of the State of Illinois, to the extent applicable.

IN WITNESS WHEREOF, the parties have executed and delivered this Rider on the dates noted below, to be effective as of the Effective Date of the Development Agreement.

**PROTEIN BAR AND KITCHEN
FRANCHISING, LLC**

DEVELOPER:

By: _____
Name: _____
Title: _____
Date*: _____

[Name]
By: _____
Name: _____
Title: _____
Date: _____

(*This is the Effective Date)

**RIDER TO THE
MULTI-UNIT DEVELOPMENT AGREEMENT
FOR USE IN MARYLAND**

THIS RIDER is made and entered into by and between **PROTEIN BAR AND KITCHEN FRANCHISING, LLC**, a Delaware limited liability company whose address is 231 S. LaSalle Street, Suite 2100, Chicago, Illinois 60604 (“**we**”), and _____ a(n) _____ whose principal business address is _____ (“**you**”).

1. **BACKGROUND.** We and you are parties to that certain Multi-Unit Development Agreement dated _____, 20__ (the "Development Agreement") that has been signed concurrently with the signing of this Rider. This Rider is annexed to and forms part of the Development Agreement. This Rider is being signed because (a) you are domiciled in Maryland, and/or (b) the Protein Bar & Kitchen Business(es) that you will operate under the Development Agreement will be located in Maryland.

2. **FINANCIAL ASSURANCE.** The following is added to the end of Section 3 of the Development Agreement:

Based upon the franchisor’s financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the Franchise Agreement. In addition, all development fees and initial payments by multi-unit developers shall be deferred until the first franchise under the Development Agreement opens.

3. **RELEASES.** The following is added to the end of Section 5.C.(5) of the Development Agreement:

Pursuant to COMAR 02.02.08.16L, any release required as a condition of sale, renewal and/or assignment/transfer will not apply to claims arising under the Maryland Franchise Registration and Disclosure Law.

4. **BANKRUPTCY.** The following is added to the end of Section 6.B.(5) of the Development Agreement:

; however, we and you acknowledge that certain aspects of this provision might not be enforceable under federal bankruptcy law (11 U.S.C. Sections 101 et seq.);

5. **REPRESENTATIONS AND WARRANTIES.** The following is added to the end of Section 10.G of the Development Agreement:

Your acknowledgments or representations made in this Agreement, which disclaim the occurrence and/or acknowledge the non-occurrence of acts that could constitute a violation of the Franchise Law, are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

6. **VENUE; TIME FOR BRINGING ACTIONS.** The following is added to the end of Section 9.B and Section 9.G of the Development Agreement:

A franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law. Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

[Signature Page to Follow]

IN WITNESS WHEREOF, the parties have executed and delivered this Rider on the dates noted below, to be effective as of the Effective Date of the Development Agreement.

**PROTEIN BAR AND KITCHEN
FRANCHISING, LLC**

By: _____
Name: _____
Title: _____
Date*: _____
(*This is the Effective Date)

DEVELOPER:

[Name]
By: _____
Name: _____
Title: _____
Date: _____

**RIDER TO THE
MULTI-UNIT DEVELOPMENT AGREEMENT
FOR USE IN MINNESOTA**

THIS RIDER is made and entered into by and between **PROTEIN BAR AND KITCHEN FRANCHISING, LLC**, a Delaware limited liability company whose address is 231 S. LaSalle Street, Suite 2100, Chicago, Illinois 60604 (“**we**”), and _____ a(n) _____ whose principal business address is _____ (“**you**”).

1. **BACKGROUND.** We and you are parties to that certain Multi-Unit Development Agreement dated _____, 20__ (the "Development Agreement") that has been signed concurrently with the signing of this Rider. This Rider is annexed to and forms part of the Development Agreement. This Rider is being signed because (a) the Protein Bar & Kitchen Business(es) that you will operate under the Development Agreement will be located in Minnesota; and/or (b) you either a resident of, domiciled in, or actually present in the State of Minnesota.

2. **FINANCIAL ASSURANCE.** The following is added to the end of Section 3 of the Development Agreement:

Based upon our financial condition, the Minnesota Securities Registration Division has required that we provide a financial assurance. Therefore, all development fees and initial payments by multi-unit developers will be deferred until we have completed our pre-opening obligations under the Development Agreement.

3. **RELEASES.** The following is added to the end of Section 5.C(5) of the Development Agreement:

Any release required as a condition of sale, renewal and/or assignment/transfer will not apply to the extent prohibited by the Minnesota Franchises Law.

4. **TERMINATION.** The following is added to the end of Section 6.B of the Development Agreement:

However, with respect to franchises governed by Minnesota law, we will comply with Minnesota Statutes, Section 80C.14, Subds. 3, 4 and 5 which require, except in certain specified cases, that you be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice of non-renewal of this Agreement.

5. **GOVERNING LAW.** The following is added to the end of Section 9.B of the Development Agreement:

Notwithstanding the foregoing, Minn. Stat. Sec 80C.21 and Minn. Rule 2860.4400J prohibit us, except in certain specified cases, from requiring litigation to be conducted outside Minnesota.

6. **WAIVER OF PUNITIVE DAMAGES AND JURY TRIAL.** The following is added to the end of Section 9.D of the Development Agreement:

Nothing in this Section or elsewhere in this Agreement shall abrogate or reduce any of your rights under Minnesota Statutes Chapter 80C or your right to any procedure, forum or remedies that the laws of the jurisdiction provide.

7. **INJUNCTIVE RELIEF.** If and then only to the extent required by Minnesota law, Section 9.E is deleted. Otherwise, the following is added to the end of Section 9.E of the Development Agreement:

Notwithstanding the foregoing, a court will determine if a bond is required.

8. **LIMITATION OF CLAIMS.** If and then only to the extent required by Minnesota law, Section 9.G of the Development Agreement is deleted and replaced with the following:

Minnesota law provides that no action may be commenced under Minn. Stat Sect. 80C.17 more than 3 years after the cause of action accrues.

9. **MINNESOTA LAW.** Minnesota Rule 2860.4400(G) prohibits a franchisor from imposing on a franchisee by contract or rule, whether written or oral, any standard of conduct that is unreasonable.

[Signature Page to Follow]

IN WITNESS WHEREOF, the parties have executed and delivered this Rider on the dates noted below, to be effective as of the Effective Date of the Development Agreement.

**PROTEIN BAR AND KITCHEN
FRANCHISING, LLC**

By: _____
Name: _____
Title: _____
Date*: _____
(*This is the Effective Date)

DEVELOPER:

[Name]
By: _____
Name: _____
Title: _____
Date: _____

**RIDER TO THE
MULTI-UNIT DEVELOPMENT AGREEMENT
FOR USE IN NEW YORK**

THIS RIDER is made and entered into by and between **PROTEIN BAR AND KITCHEN FRANCHISING, LLC**, a Delaware limited liability company whose address is 231 S. LaSalle Street, Suite 2100, Chicago, Illinois 60604 (“**we**”), and _____ a(n) _____ whose principal business address is _____ (“**you**”).

1. **BACKGROUND.** We and you are parties to that certain Multi-Unit Development Agreement dated _____, 20____, (the “Development Agreement”) that has been signed concurrently with the signing of this Rider. This Rider is being signed because (a) an offer to sell is made in the State of New York; or (b) an offer to buy is accepted in the State of New York; or (c) if you are domiciled in the State of New York, the Protein Bar & Kitchen Business(es) is or will be operated in the State of New York.

2. **TRANSFER BY US.** The following language is added to the end of Section 5.A. of the Development Agreement:

However, to the extent required by applicable law, no transfer will be made except to an assignee who, in our good faith judgment, is willing and able to assume our obligations under this Agreement.

3. **RELEASES.** The following is added to the end of Section 5.C.(5) of the Development Agreement:

Notwithstanding the foregoing all rights enjoyed by you and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force to the extent required by the non-waiver provisions of GBL Sections 687.4 and 687.5, as amended.

4. **TERMINATION BY YOU.** The following language is added to the end of Section 6.A. of the Development Agreement:

You also may terminate this Agreement on any grounds available by law under the provisions of Article 33 of the General Business Law of the State of New York.

5. **GOVERNING LAW.** The following statement is added at the end of Section 9.B of the Development Agreement:

This section shall not be considered a waiver of any right conferred upon you by the provisions of Article 33 of the New York State General Business Law, as amended, and the regulations issued thereunder.

6. **CONSENT TO JURISDICTION.** The following is added to the end of Section 9.C of the Development Agreement:

This section shall not be considered a waiver of any right conferred upon you by the provisions of Article 33 of the New York State General Business Law, as amended, and the regulations issued thereunder.

IN WITNESS WHEREOF, the parties have executed and delivered this Rider on the dates noted below, to be effective as of the Effective Date of the Development Agreement.

**PROTEIN BAR AND KITCHEN
FRANCHISING, LLC**

DEVELOPER:

By: _____
Name: _____
Title: _____
Date*: _____

[Name]
By: _____
Name: _____
Title: _____
Date: _____

(*This is the Effective Date)

**RIDER TO THE
MULTI-UNIT DEVELOPMENT AGREEMENT
FOR USE IN RHODE ISLAND**

THIS RIDER is made and entered into by and between **PROTEIN BAR AND KITCHEN FRANCHISING, LLC**, a Delaware limited liability company whose address is 231 S. LaSalle Street, Suite 2100, Chicago, Illinois 60604 (“**we**”), and _____ a(n) _____ whose principal business address is _____ (“**you**”).

3. **BACKGROUND.** We and you are parties to that certain Multi-Unit Development Agreement dated _____, 20__ (the "Development Agreement") that has been signed concurrently with the signing of this Rider. This Rider is annexed to and forms part of the Development Agreement. This Rider is being signed because (a) you are domiciled in Rhode Island and the Protein Bar & Kitchen Business(es) that you will operate under the Development Agreement will be located in Rhode Island, or (b) an offer to buy is accepted in the State of Rhode Island, or (c) you are a resident of the State of Rhode Island and the Protein Bar & Kitchen Business(es) that you develop under your Franchise Agreement is or will be operated in the State of Rhode Island.

4. **GOVERNING LAW; CONSENT TO JURISDICTION.** The following language is added to Section 9.B and Section 9.C of the Development Agreement:

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

IN WITNESS WHEREOF, the parties have executed and delivered this Rider on the dates noted below, to be effective as of the Effective Date of the Development Agreement.

**PROTEIN BAR AND KITCHEN
FRANCHISING, LLC**

DEVELOPER:

By: _____
Name: _____
Title: _____
Date*: _____

[Name]
By: _____
Name: _____
Title: _____
Date: _____

(*This is the Effective Date)

EXHIBIT F
FINANCIAL STATEMENTS

PROTEIN BAR AND KITCHEN FRANCHISING, LLC
INCOME STATEMENT as of AUGUST 31, 2023

<u>REVENUES</u>	<u>Aug-23</u>
Franchise Fee Income	-
Franchise Royalty Income	-
Other Income	-
Total Revenues	-
<u>COSTS AND EXPENSES</u>	
Labor Expenses	-
Franchise Expenses	-
General and Administrative Expenses	(159)
Depreciation Expense	-
Other Expenses	-
Total Operating Expenses	(159)
Net Gain / (Loss)	(159)

THESE FINANCIAL STATEMENTS WERE PREPARED WITHOUT AN AUDIT. INVESTORS IN OR SELLERS OF FRANCHISES SHOULD BE ADVISED THAT NO CERTIFIED PUBLIC ACCOUNTANT HAS AUDITED THESE FIGURES OR EXPRESSED HIS OR HER OPINION WITH REGARD TO THEIR CONTENTS OR FORM.

Protein Bar and Kitchen Franchising, LLC

Balance Sheet
April 19, 2023

Independent Auditor's Report	1-2
Balance Sheet	3
Notes to Balance Sheet	4

Independent Auditor's Report

To the Member
Protein Bar and Kitchen Franchising, LLC

Opinion

We have audited the financial statement of Protein Bar and Kitchen Franchising, LLC (the "Company"), which comprise the balance sheet as of April 19, 2023 and the related notes to the balance sheet.

In our opinion, the accompanying balance sheet presents fairly, in all material respects, the financial position of the Company as of April 19, 2023 in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Balance Sheet* section of our report. We are required to be independent of the Company and to meet our ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Balance Sheet

Management is responsible for the preparation and fair presentation of the balance sheet 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 the balance sheet that is free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Balance Sheet

Our objectives are to obtain reasonable assurance about whether the financial statement as a whole is 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 GAAS 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 statement.

To the Member
Protein Bar and Kitchen Franchising, LLC

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the balance sheet, 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 statement.
- 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 the Company'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 balance sheet.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

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.

Plante & Moran, PLLC

May 5, 2023

Protein Bar and Kitchen Franchising, LLC

Balance Sheet

	April 19, 2023
Assets - Cash	\$ <u>100,000</u>
Liabilities and Member's Equity	
Liabilities	\$ -
Member's Equity	<u>100,000</u>
Total liabilities and member's equity	\$ <u>100,000</u>

April 19, 2023

Note 1 - Nature of Business

Protein Bar and Kitchen Franchising, LLC (a wholly owned subsidiary of Protein Bar, Inc.) (the "Company") is a limited liability company organized in the state of Delaware. Protein Bar, Inc. has appointed PB Restaurants, LLC as the manager of the Company. The Company is engaged in franchising restaurant locations. The Company operates under the name Protein Bar & Kitchen. Under a licensing agreement with PB Restaurants, LLC, the Company has the nonexclusive, royalty-free right to use the Licensed IP Assets, as defined under the licensing agreement, in connection with its operations. As of April 19, 2023, the Company had not signed any franchise agreements.

Note 2 - Significant Accounting Policies

Basis of Presentation

The balance sheet of the Company has been prepared on the basis of generally accepted accounting principles (GAAP). The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect amounts reported in the balance sheet. Actual results could differ from those estimates.

Income Taxes

The Company is treated as a partnership for federal income tax purposes. Consequently, federal income taxes are not payable or provided for by the Company. Members are taxed individually on their pro rata ownership share of the Company's earnings. The Company's net income or loss is allocated among the members in accordance with the Company's operating agreement.

Subsequent Events

The balance sheet and related disclosures include evaluation of events up through and including May 5, 2023, which is the date the balance sheet was available to be issued.

Note 3 - Member's Equity

The Company was formed through a contribution of equity from its sole member in the amount of \$100,000.

EXHIBIT G-1

LIST OF FRANCHISEES

**FRANCHISED OUTLETS
AS OF DECEMBER 31, 2022**

None.

EXHIBIT G-2

LIST OF FRANCHISEES WHO LEFT THE SYSTEM

**FRANCHISEES WHO LEFT THE SYSTEM
IN THE FISCAL YEAR ENDED DECEMBER 31, 2022**

None.

EXHIBIT H

SAMPLE GENERAL RELEASE

PROTEIN BAR AND KITCHEN FRANCHISING, LLC

GRANT OF FRANCHISOR CONSENT AND RELEASE

Protein Bar and Kitchen Franchising, LLC (“we,” “us,” or “our”) and the undersigned [franchisee/developer] (“you” or “your”), currently are parties to a certain that certain [franchise agreement/multi-unit development agreement] dated _____, 20____ (the “**Agreement**”). You have asked us to take the following action or to agree to the following request: _____

_____. We have the right under the Agreement to obtain a general release from you and your owners as a condition of taking this action or agreeing to this request. Therefore, we are willing to take the action or agree to the request specified above if you and your owners give us the release and covenant not to sue provided below in this document. You and your owners are willing to give us the release and covenant not to sue provided below as partial consideration for our willingness to take the action or agree to the request described above.

Consistent with the previous introduction, you, on your own behalf and on behalf of your successors, heirs, executors, administrators, personal representatives, agents, assigns, partners, owners, managers, directors, officers, principals, employees, and affiliated entities (collectively, the “Releasing Parties”), hereby forever release and discharge us and our current and former officers, directors, owners, managers, principals, employees, agents, representatives, affiliated entities, successors, and assigns (collectively, the “Franchisor Parties”) from any and all claims, damages (known and unknown), demands, causes of action, suits, duties, liabilities, and agreements of any nature and kind (collectively, “Claims”) that you and any of the other Releasing Parties now has, ever had, or, but for this document, hereafter would or could have against any of the Franchisor Parties, including without limitation, (1) arising out of or related to the Franchisor Parties’ obligations under the Agreement, or (2) otherwise arising from or related to your and the other Releasing Parties’ relationship, from the beginning of time to the date of your signature below, with any of the Franchisor Parties. You, on your own behalf and on behalf of the other Releasing Parties, further covenant not to sue any of the Franchisor Parties on any of the Claims released by this paragraph and represent that you have not assigned any of the Claims released by this paragraph to any individual or entity who is not bound by this paragraph.

We also are entitled to release and covenant not to sue from your owners. By his, her, or their separate signatures below, your owners likewise grant to us the release and covenant not to sue provided above.

[Signature Page to Follow]

IN WITNESS WHEREOF, the parties have executed and delivered this Agreement on the date stated below.

**PROTEIN BAR AND KITCHEN
FRANCHISING, LLC**
a Delaware limited liability company

By: _____

Name: _____

Title: _____

Dated: _____

FRANCHISEE:

**(IF YOU ARE A CORPORATION,
LIMITED LIABILITY COMPANY, OR
PARTNERSHIP):**

By: _____

Name: _____

Title: _____

**(IF YOU ARE AN INDIVIDUAL AND
NOT A LEGAL ENTITY; AND/OR ALL
FRANCHISEE OWNERS):**

Signature

Print Name

Signature

Print Name

EXHIBIT I

CURRENT FORM OF LEASE ADDENDUM

LEASE ADDENDUM AND SPECIAL PROVISIONS

This Lease Addendum and Special Provisions (this “**Rider**”) and the provisions hereof are hereby incorporated into the body of the lease to which this Rider is attached, by and between _____, as “Tenant,” and _____, as “Landlord” (the “**Lease**”), and the provisions hereof shall be cumulative of those set forth in the Lease, but to the extent of any conflict between any provisions of this Rider and the provisions of the Lease, this Rider shall govern and control.

1. Relationship of Tenant and Franchisor. Landlord acknowledges that Tenant intends to operate an Protein Bar Kitchen & Restaurant in the Premises, and that Tenant's rights to operate a Protein Bar Kitchen & Restaurant and to use the trademarks, service marks and other proprietary symbols, signs, décor items, color schemes, graphics packages, trade dress and related components of Franchisor’s system are solely pursuant to a franchise agreement dated _____, 20__ (as amended, restated, modified and otherwise supplemented from time to time, the “**Franchise Agreement**”) by and between Tenant and Protein Bar and Kitchen Franchising, LLC, a Delaware limited liability company (the “**Franchisor**”). Landlord acknowledges that Tenant’s operations at the Premises are independently owned and operated, and that Tenant is not an agent or employee of Franchisor and Tenant has no authority or power to act for, or to create any liability on behalf of, or to in any way bind Franchisor or any affiliate of Franchisor, and that Landlord has entered into this Rider with the full understanding that it creates no duties, obligations or liabilities of or against Franchisor or any of its affiliates. Tenant is solely responsible for all obligations under the unless and until Franchisor or another franchisee expressly, and in writing, assumes such obligations and takes actual possession of the Premises.

2. Consent to Collateral Assignment to Franchisor; Disclaimer. Notwithstanding any provisions of the Lease to the contrary, Landlord hereby consents, without payment of a fee and without the need for further Landlord consent, to (i) the collateral assignment of Tenant's interest in this Lease to Franchisor to secure Tenant's obligations to Franchisor under the Franchise Agreement, and/or (ii) Franchisor's (or any entity owned or controlled by, or under common control or ownership with, Franchisor) succeeding to Tenant's interest in the Lease by mutual agreement of Franchisor and Tenant, or as a result of Franchisor's exercise of rights remedies under such collateral assignment or as a result of Franchisor’s termination of, or exercise of rights or remedies granted in or under, any other agreement between Franchisor and Tenant, and/or (iii) Tenant’s, Franchisor’s and/or any other franchisee of Franchisor’s assignment of the Lease to another franchisee of Franchisor with whom Franchisor has executed its then-standard franchise agreement, provide that Franchisor will provide Landlord with prior written notice of the assignment and assumption, which shall not be conditioned on Landlord’s consent. Landlord, Tenant and Franchisor agree and acknowledge that simultaneously with such assignment pursuant to the immediately preceding sentence, Franchisor shall be released from all liability under the Lease or otherwise accruing after the date of such assignment (in the event Franchisor is acting as the assignor under such assignment), but neither Tenant nor any other franchisee shall be afforded such release in the event Tenant/such franchisee is the assignor, unless otherwise agreed by Landlord. Landlord further agrees that all unexercised renewal or extension rights and other rights stated to be personal to Tenant under the Lease shall not be terminated in the event of any assignment referenced herein, but rather inure to the benefit of the applicable assignee.

3. Notice and Cure Rights to Franchisor. Prior to exercising any remedies under the Lease (except in the event of imminent danger to the Premises), Landlord shall give Franchisor written notice of any default by Tenant, and commencing upon receipt thereof by Franchisor, Franchisor shall have fifteen (15) additional days to the established cure period as is given to Tenant under the Lease for such default; provided that, in no event shall Franchisor have a cure period of less than fifteen (15) days after Franchisor's receipt of such notice. Landlord agrees to accept cure tendered by Franchisor as if the same

was tendered by Tenant, but Franchisor has no obligation to cure such default. The initial address for notices to Franchisor is as follows:

Protein Bar and Kitchen Franchising, LLC
231 South LaSalle Street, Suite 2100
Chicago, IL 60604

4. Assignment Rights of Franchisor and Affiliates. Notwithstanding anything to the contrary contained in the Lease or this Rider, Tenant shall have the right, at any time during the term of the Lease and any extensions or renewals thereof, to assign all of its right, title and interest in the Lease to Franchisor, to an affiliate of Franchisor, or to another Protein Bar Kitchen & Restaurant® franchisee, subject to the terms and condition described in paragraph 2 above regarding Landlord's notice. The assignment will be effective upon the assignee's providing Landlord written notice of its acceptance of the assignment (the "**Assignment Notice**"). Landlord will recognize the assignee as the lessee of the Premises effective as of the date of the Assignment Notice. No assignment shall be, and nothing contained herein or in any other document shall make Franchisor a party to the Lease, or a guarantor thereof, and shall not create any liability or obligation of Franchisor unless and until the Lease is assigned to, and accepted in writing by, Franchisor. Upon any assignment to Franchisor, the term "assignment" under the Lease shall specifically exclude any change of control, sale of substantially all assets or equity, or merger of any Franchisor. Furthermore, any Franchisor who takes assignment of the Lease shall be entitled to retain any excess rent. In the event that Franchisor (or any entity owned or controlled by, or under common control or ownership with, Franchisor) becomes the assumes the Lease, whether pursuant to the terms of this Rider or otherwise consistent with the terms of the Lease, then, as of and following such date of Franchisor's (or any entity owned or controlled by, or under common control or ownership with, Franchisor's) becoming "*Tenant*," none of the following shall constitute an assignment, transfer, or change of control requiring Landlord's consent under the Lease: (i) the transfer of equity interests among existing holders of equity interests in Tenant or any direct or indirect parent thereof, to or among family members, or to trusts for the benefit of any of such parties, (ii) the transfer of equity interests in Tenant or any direct or indirect parent thereof in connection with a public offering of equity interests, (iii) any transfer of equity interests in Tenant or any direct or indirect parent thereof, if Tenant or any direct or indirect parent of Tenant is a public company, (iv) any direct or indirect transfers, including any sale, of equity interests in Tenant or any affiliate thereof, or (v) any change in the members of the board of managers, directors, management or organization of Tenant or any affiliate thereof.

5. Radius and Relocation Clauses Ineffective. Notwithstanding any provision(s) to the contrary set forth in the Lease, in the event Franchisor (or any entity owned or controlled by, or under common control or ownership with, Franchisor) becomes the "*Tenant*" entity under the Lease, whether pursuant to the terms of this Rider or otherwise consistent with the terms of the Lease, then, as of and following such date of Franchisor's (or any entity owned or controlled by, or under common control or ownership with, Franchisor's) becoming "*Tenant*": (i) all "radius" restrictions or other limitations contained within the Lease limiting the operation of other locations/stores/units shall be of no further force or effect; and (ii) all rights of Landlord to directly or indirectly relocate the Premises shall be of no further force or effect.

6. Franchisor's Right to Enter. Landlord acknowledges that, under the Franchise Agreement, Franchisor or its appointee has the right to assume the management and operation of Tenant's business, on Tenant's behalf, under certain circumstances (including Tenant's abandonment, Tenant's failure to timely cure its default of the Franchise Agreement, and while Franchisor evaluates its right to purchase the Protein Bar Kitchen & Restaurant). Landlord agrees that Franchisor or its appointee may enter upon the Premises for purposes of assuming the management and operation of Protein Bar Kitchen & Restaurant as provided in the Franchise Agreement and, if it chooses to do so, it will do so in the name

of Tenant and without assuming any direct liability under the Lease, unless Franchisor exercises such rights to assume the Lease as set forth in this Rider. Landlord acknowledges that, upon the expiration or earlier termination of this Lease or the Franchise Agreement, Franchisor or its designee may enter upon the Premises for the purpose of removing all signs and other material bearing Franchisor's name or trademarks, service marks or other commercial symbols of Franchisor.

7. Fixtures and Signage. Any lien of Landlord in Tenant's trade fixtures, "trade dress," signage and other property at the Premises is hereby subordinated to Franchisor's interest in such items as described in the Franchise Agreement. On request, Landlord shall grant the party who owns such property reasonable access to the Premises for the sole purpose of removing such property, provided such party repairs any damage caused by such removal and otherwise complies with Landlord's reasonable requirements with respect to such access.

8. Estoppel Certificate. Landlord shall from time to time, within thirty (30) days after written request by Franchisor, execute, acknowledge and deliver to Franchisor a written certification, in a form reasonably satisfactory to Franchisor: (i) that the Lease is unmodified and in full force and effect (or, if there has been any modification, stating the nature of such modification); (ii) as to the dates to which the rent and other charges arising under the Lease have been paid; (iii) as to the amount of any prepaid rent or any credit due to Tenant under the Lease, (iv) the date on which the term of the Lease commenced; (v) as to whether, to the best of its knowledge, information and belief of Landlord, Landlord or Tenant is then in default in performing any of its obligations under the Lease (and, if so, specifying the nature of each such default); and (vi) as to any other fact or condition reasonably requested by Franchisor.

9. Copies of Reports. Landlord agrees to provide copies of all revenue and other information and data in Landlord's possession related to the operation of Tenant's Protein Bar Kitchen & Restaurant on a timely basis as Franchisor may request, during the term of the Lease.

10. Third-Party Beneficiary. For so long as Franchisor holds a collateral assignment of the Lease, Franchisor shall (and shall be deemed to) constitute a third-party beneficiary of the Lease (including, without limitation, this Rider) and, as a result thereof, have all rights (but not the obligation) to enforce the same.

11. Amendments. Tenant agrees that the Lease may not be terminated, modified or amended without Franchisor's prior written consent, nor shall Landlord accept surrender of the Premises without Franchisor's prior written consent, which will not be unreasonably withheld. Tenant agrees to promptly provide Franchisor with copies of all proposed modifications or amendments and true and correct copies of the signed modifications and amendments. Franchisor will have fifteen (15) days from receipt to respond to such requests. If Franchisor does not respond within such fifteen (15) day period, Franchisor shall be deemed to have denied such request.

12. Default Under Franchise Agreement. Any default under the Lease which is not cured by Tenant within any applicable cure period also constitutes grounds for termination of the Franchise Agreement.

13. Remaining Provisions Unaffected. Those parts of the Lease that are not expressly modified by this Rider remain in full force and effect.

14. Counterparts. This Rider may be executed in one or more counterparts, each of which shall cumulatively constitute an original. PDF/Faxed signatures of this Rider shall constitute originals of the same.

IN WITNESS WHEREOF, the undersigned parties have executed this Rider, effective as of the date first above written.

LANDLORD:

By: _____

Name: _____

Title: _____

TENANT:

By: _____

Name: _____

[Signature Page to Lease Addendum]

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 Disclosure Document is registered, on file or exempt from registration in the following states having franchise registration and disclosure laws, with the following effective dates:

State	Effective Date
California	Not Registered
Hawaii	Not Registered
Illinois	June 26, 2023, as amended _____
Indiana	May 16, 2023, as amended October 10, 2023
Maryland	July 13, 2023, as amended _____
Michigan	May 17, 2023, as amended October 10, 2023
Minnesota	Pending
New York	Pending
North Dakota	Not Registered
Rhode Island	May 19, 2023, as amended _____
South Dakota	Not Registered
Virginia	July 24, 2023, as amended _____
Washington	Not Registered
Wisconsin	October 10, 2023

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 J

RECEIPTS

**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 Protein Bar and Kitchen Franchising, LLC offers you a franchise, it must provide this Disclosure Document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale, or sooner if required by applicable state law. Under Iowa law, we must give you this disclosure document at the earlier of our 1st personal meeting or 14 calendar days before you sign an agreement with, or make a payment to, us or an affiliate in connection with the proposed franchise sale. Under New York law, we must provide this Disclosure Document at the earlier of the 1st personal meeting or 10 business days before you sign a binding agreement with, or make a payment to, us or an affiliate in connection with the proposed franchise sale. Michigan requires that we give you this Disclosure Document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

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

The franchisor is Protein Bar and Kitchen Franchising, LLC, located at 231 S. LaSalle Street, Unit 2100, Chicago, Illinois 60604. Its telephone number is (312) 300-2560.

Issuance Date: May 15, 2023, as amended October 10, 2023

The franchise seller for this offering is:

Jared Cohen
Protein Bar and Kitchen
Franchising, LLC
231 S. LaSalle Street
Suite 2100
Chicago, IL 60604
(312) 300-2561

Jeff Drake
Protein Bar and Kitchen
Franchising, LLC
231 S. LaSalle Street
Suite 2100
Chicago, IL 60604
(312) 300-2561

Name of Franchise Seller: _____
Principal Business Address: _____

Protein Bar and Kitchen Franchising, LLC authorizes the respective state agencies identified on Exhibit A to receive service of process for it in the particular state.

I received a Disclosure Document dated May 15, 2023, as amended October 10, 2023, that included the following Exhibits:

- | | | | |
|-----------|--|-------------|-----------------------------|
| Exhibit A | List of State Agencies / Agents for Service of Process | Exhibit F | Financial Statements |
| Exhibit B | Franchise Agreement | Exhibit G-1 | List of Current Franchisees |
| Exhibit C | Multi-Unit Development Agreement | Exhibit G-2 | List of Former Franchisees |
| Exhibit D | Table of Contents to Operations Manual | Exhibit H | Sample General Release |
| Exhibit E | State Addenda and Agreement Riders | Exhibit I | Form of Lease Addendum |
| | | Exhibit J | Receipts |

PROSPECTIVE FRANCHISEE:

If a business entity:

Name of Business Entity

By: _____

Its: _____

Print Name: _____

Dated: _____

(Do not leave blank)

If an individual:

Print Name: _____

Dated: _____

(Do not leave blank)

Please sign this copy of the receipt, print the date on which you received this Disclosure Document, and return it to Protein Bar and Kitchen Franchising, LLC, located at 231 S. LaSalle Street, Unit 2100, Chicago, Illinois 60604.

**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 Protein Bar and Kitchen Franchising, LLC offers you a franchise, it must provide this Disclosure Document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale, or sooner if required by applicable state law. Under Iowa law, we must give you this disclosure document at the earlier of our 1st personal meeting or 14 calendar days before you sign an agreement with, or make a payment to, us or an affiliate in connection with the proposed franchise sale. Under New York law, we must provide this Disclosure Document at the earlier of the 1st personal meeting or 10 business days before you sign a binding agreement with, or make a payment to, us or an affiliate in connection with the proposed franchise sale. Michigan requires that we give you this Disclosure Document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

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

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(312) 300-2561

Name of Franchise Seller: _____
Principal Business Address: _____

Protein Bar and Kitchen Franchising, LLC authorizes the respective state agencies identified on Exhibit D to receive service of process for it in the particular state.

I received a Disclosure Document dated May 15, 2023, as amended October 10, 2023, that included the following Exhibits:

- | | | | |
|-----------|--|-------------|-----------------------------|
| Exhibit A | List of State Agencies / Agents for Service of Process | Exhibit F | Financial Statements |
| Exhibit B | Franchise Agreement | Exhibit G-1 | List of Current Franchisees |
| Exhibit C | Multi-Unit Development Agreement | Exhibit G-2 | List of Former Franchisees |
| Exhibit D | Table of Contents to Operations Manual | Exhibit H | Sample General Release |
| Exhibit E | State Addenda and Agreement Riders | Exhibit I | Form of Lease Addendum |
| | | Exhibit J | Receipts |

PROSPECTIVE FRANCHISEE:

If a business entity:

If an individual:

Name of Business Entity

Print Name: _____

By: _____

Dated: _____

Its: _____

Print Name: _____

(Do not leave blank)

Dated: _____

(Do not leave blank)

KEEP THIS COPY FOR YOUR RECORDS