

MOTW COFFEE & PASTRIES FRANCHISING, LLC



FRANCHISE DISCLOSURE DOCUMENT

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This Franchise Disclosure Document (“FDD”) describes a “*MOTW Coffee & Pastries*” (“*MOTW*”) franchise. An MOTW franchise is a quick service cafe that will operate pursuant to our system and offer various coffee beverages and products, including coffee blends, espresso, teas, pastries and related items for sit-down and for carry out. The total investment necessary to begin operation of a MOTW franchise is between \$295,500 to \$492,800. This includes \$75,000 that must be paid to the Franchisor or its affiliates.

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.**

The terms of your contract will govern your franchise relationship. Don’t rely on the disclosure document alone to understand your contract. Read your entire contract carefully. Show your contract and this disclosure document to an advisor, like a lawyer or an accountant. 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 Mr. Sajjad Shah at (317) 5140354. **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, N.W., 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: April 3, 2024

HOW TO USE THIS FRANCHISE DISCLOSURE DOCUMENT

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

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibit L.
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 A 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 MOTW Franchise 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 MOTW franchisee?	Item 20 or Exhibit L 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 mode 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 M.

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

SPECIAL RISKS TO CONSIDER ABOUT *THIS* FRANCHISE Certain

states require that the following risk(s) be highlighted.

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

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

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TABLE OF CONTENTS

<u>ITEM</u>	<u>PAGE</u>
ITEM 1—THE FRANCHISOR AND ANY PARENTS, PREDECESSORS AND AFFILIATES	1
ITEM 2—BUSINESS EXPERIENCE.....	4
ITEM 3—LITIGATION	4
ITEM 4—BANKRUPTCY	4
ITEM 5—INITIAL FEES	5
ITEM 6—OTHER FEES	6
ITEM 7—ESTIMATED INITIAL INVESTMENT	11
ITEM 8—RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES.....	16
ITEM 9—FRANCHISEE’S OBLIGATIONS	19
ITEM 10—FINANCING.....	21
ITEM 11—FRANCHISOR’S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS AND TRAINING.....	21
ITEM 12—TERRITORY.....	29
ITEM 13—TRADEMARKS	32
ITEM 14—PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION.....	35
ITEM 15—OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS.....	36
ITEM 16—RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL.....	36
ITEM 17—RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION	37
ITEM 18—PUBLIC FIGURES	44
ITEM 19—FINANCIAL PERFORMANCE REPRESENTATIONS	44
ITEM 20—OUTLETS AND FRANCHISEE INFORMATION	46
ITEM 21—FINANCIAL STATEMENTS.....	48
ITEM 22—CONTRACTS	48
ITEM 23—RECEIPTS.....	49

EXHIBITS

- A. Financial Statements
- B. Franchise Agreement and Addenda
- C. Personal Guaranty
- D. Confidentiality Agreement
- E. Assignment of Internet, Social Media and Telephone Service Agreement
- F. Authorization Agreement for Electronic Funds Transfer
- I. Acknowledgment Addendum to Franchise Agreement
- J. Mutual Release
- K. Operations Manual Table of Contents
- L. List of Franchisee/Company-Owned Units
- M. List of State Administrators
- N. List of Agents for Service of Process
- O. State Law Disclosures
- P. Receipts

ITEM 1
THE FRANCHISOR AND ANY PARENTS, PREDECESSORS AND AFFILIATES

Franchisor

The Franchisor is MOTW COFFEE & PASTRIES FRANCHISING, LLC. In this Franchise Disclosure Document, the Franchisor will be referred to as “we,” “us,” “Company,” or “Franchisor,” and the person who buys a franchise will be referred to as “you” and “your.” If you are a corporation, partnership, limited liability company or other entity, the provisions of this disclosure document will also apply to your owners.

We are an Indiana limited liability company, organized on July 6, 2023 for the purpose of offering and selling MOTW franchises. We do business under our company name and the names “MOTW” and “MOTW COFFEE & PASTRIES.” Our principal business address is 8235 E 116th Street, Suite 215, Fishers, IN 46038 (“Corporate Office”). If your state is listed in Exhibit M to this disclosure document, our agent for service of process in your state is listed in Exhibit N. If your state is not listed in Exhibit M, our agent for service of process is Mr. Sajjad Shah.

Parents, Predecessors and Affiliates

We do not have any parents or predecessors. We have the following affiliates. Our affiliate, MOTW Coffee & Pastries, LLC (“Coffee & Pastries”) owns the Franchise Marks used in connection with your cafe and has licensed us the right to sublicense the Franchise Marks to you. Coffee & Pastries principal place of business is 12641 Castle Pine Drive, Noblesville, Indiana 46060. Coffee & Pastries also operates 4 MOTW cafes similar to the café being offered here.

Except as described above, we do not have any affiliates that offer franchises in any line of business or that provide products or services to our franchisees. However, we may utilize one or more of the affiliate businesses to test our franchise system and system improvements. We also reserve the right to require you purchase goods and services from us or one or more of our affiliates.

Our Business Experience

We began offering franchises in July 2023. We do not offer, and have not offered, franchises in any other line of business. At this time, our business activities include the operation of the MOTW franchise system. Our business activities also include providing support, advice, and assistance to our affiliate that operates MOTW cafes. We reserve the right to conduct other business activities in the future. We have never operated a business similar to the business being franchised. However, our affiliate has been operating MOTW cafes since 2021. As of the issuance date, our affiliate operates 4 MOTW cafes.

The Franchise Offered

We offer to you the right to own and operate a quick service MOTW cafe that will operate pursuant to our system and offer various coffee beverages and products, including coffee blends, espresso, teas, pastries and related items for sit-down and for carry out (the “Café”).

The typical MOTW Cafe is located inside a strip center, either as an end-cap space or in-line space. An end-cap unit will make available a drive-up window to service motor vehicle customers, plus some inside seating to accommodate walk-in customers. Your site must meet our traffic, parking, access, space and demographic standards. The prototypical space size will be approximately 1,800 to 3,000 square feet with seating for approximately 35 to 50 and will include uniform interior and exterior designs and colors surrounding our proprietary name and logo.

MOTW Cafes will operate under our trademarks, service marks, logos, trade dress and other elements identifying our franchise system and Cafes, some of which are described in Item 13 of this Franchise Disclosure Document (the “Franchise Marks” or “Proprietary Marks”) and in accordance with the systems that we specify for operating an MOTW Cafe (the “Franchise System”). The distinguishing characteristics of the Franchise System include the Franchise Marks, proprietary products, coffee preparation techniques, trade dress elements of the business, including color schemes, art and overall look and feel of the Cafe, the uniforms worn by staff and certain materials used in the operation of the business, supplier and distribution arrangements, formulas, recipes and specifications for food and drink products, training, operational procedures, promotional techniques and materials, signs, paper products, equipment layout, methods of inventory and operation, and manuals covering business practices and policies. You acquire the right to operate an MOTW Café by signing our standard Franchise Agreement. The form Franchise Agreement is attached as Exhibit B. Under the Franchise Agreement, you will acquire the right to operate a single MOTW Café at a designated location (the “Franchise Location”). Your franchise may be referred to in this Franchise Disclosure Document as the “Franchise Business.”

Market and Competition

Your franchise will serve the general public. The general market for coffee, espresso and related drinks offered by MOTW Cafes is highly developed. Depending upon your location, you may face substantial competition from other coffee Cafes and brands, including fast food, dine-in and carry out businesses. Examples of competitors include nationally affiliated, regionally affiliated and local, franchises, chains and independently owned and operated Cafes or restaurants.

Your sales are not seasonal. The market for the franchise being offered could be affected by pandemics, such as the COVID-19 pandemic. These effects may be experienced while the pandemic and any social distancing policies, voluntary or mandatory shutdowns, reduction in gathering sizes, and other governmental policies and requirements relating to the pandemic are in effect. The market could also be affected by natural disasters, such as hurricanes and floods. The effects from pandemics and natural disasters may include the unavailability of employees, reduced hours of operation or closing of the business for a period of time, reduced sales volumes and cash flows, and disruptions to supply chains.

Industry Regulations

While we are unaware of any state or federal laws that specifically regulate the operation of a coffee Cafe business, there are numerous laws and regulations applicable to the retail sale of food and beverages. For example, the U.S. Food and Drug Administration, the U.S. Department of Agriculture and state and local health departments administer and enforce regulations that govern food preparation and service and Cafe sanitary conditions. State and local agencies inspect Cafes to ensure that they comply with these laws and regulations. These laws and regulations may vary significantly from state to state and even

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

Many of the laws, rules and regulations that apply to business generally, such as the Americans With Disabilities Act, Federal Wage and Hour Laws and the Occupational Safety and Health Act, also apply to Cafes. The U.S. Food and Drug Administration, the U.S. Department of Agriculture and state and local health departments administer and enforce laws and regulations that govern food preparation and service and Cafe sanitary conditions. The federal Clean Air Act and various implementing state laws require certain state and local areas to meet national air quality standards limiting emissions of ozone, carbon monoxide and particulate matters, including caps on emissions from commercial food preparation. Some areas have also adopted or are considering proposals that would regulate indoor air quality.

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

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

ITEM 2 **BUSINESS EXPERIENCE**

Chief Executive Officer: Sajjad Shah

Mr. Shah has served as our Chief Executive Officer since our inception in July 2023. From February 2021 to present, Mr. Shah has also served as the Chief Executive Officer of our affiliate Coffee & Pastries. From January 2018 to February 2021, Mr. Shah served as the head of marketing for Minder and was located in Fishers, Indiana.

ITEM 3
LITIGATION

No litigation is required to be disclosed in this Item.

ITEM 4-
BANKRUPTCY

No bankruptcies are required to be disclosed in this Item.

ITEM 5
INITIAL FEES

You must pay an initial franchise fee of \$75,000. However, if you are a Veteran with an Honorable Discharge, we will reduce the applicable initial franchise fee by \$5,000 for your first franchise. The initial franchise fee must be paid in full at the time the Franchise Agreement is signed. Our initial franchise fees are uniform and are non-refundable.

ITEM 6
OTHER FEES

Type of Fee⁽¹⁾	Amount	Due Date	Remarks
Royalty Fee	7.5% of Gross Sales	The second business day of each week by electronic funds transfer	Gross Sales includes all revenues from the franchised business except sales taxes paid and refunds. (2)
Local Advertising	1% of Gross Sales.	As incurred	In addition to any Advertising Fund Fee we impose, you are required to spend an amount to market and advertise your Cafe in your market. We may require your expenditures to be used in cooperative advertising and such contribution amount is determined by the cooperative, of which

			you will be a voting member. Contributions to the advertising cooperative may exceed this local advertising requirement but will in no event be more than 3% of Gross Sales, and you will receive credit for each dollar contributed to the cooperative toward your local advertising requirement. Cafes operated by us or our affiliates will perform their own Local Advertising on the same basis as franchisees. Further information about all advertising programs is included in Item 11.
Cooperative Advertising	None currently. May vary, up to 3% of Gross Sales. Any expenditures are credited against Local Advertising required.	As incurred	You must participate in the advertising cooperative for your area if one is established. (3)
POS System and Maintenance	\$3,000 per terminal	On receipt of billing	This expense is currently paid directly to Clover, the POS system provider. See Item 11. However, we reserve the right to require you remit these funds to us and we will remit them to Clover.
Inspection Failure Fee ⁴	\$250 to \$5,000	On receipt of invoice	See note 4 below.
Additional Training or Consulting	\$250 per trainer per day if we require or you request additional training	Before additional training	We do not charge for our initial training program. If we require additional training you must attend and pay a fee for additional

			training programs we specify. See Item 11. If you request, we may provide additional assistance but you must pay a charge specified by us.(5)
Successor Renewal Fee	25% of the initial franchise fee being charged at the time of renewal	At the time the renewal Franchise Agreement is signed	You must pay a renewal fee if you renew your franchise at the end of the initial term of the franchise.
Transfer Fee	\$10,000	Before closing of the transfer	You must pay a transfer fee if you transfer your franchise or a controlling interest in the franchisee or substantially all the assets of the franchise.
Late Charge, NSF Fees and Interest	Late charge of \$50 per day, NSF fees of at least \$30 and interest of 1.5% per month or maximum rate allowed by law	On receipt of billing	A late charge must be paid on all late payments, NSF fees must be paid for checks or debits returned to us for non-sufficient funds (NSF) or other similar reasons and interest must be paid on all overdue amounts.
Audit Expenses	Cost of audit	On receipt of our billing	This cost must be paid if the audit is necessary because of your failure to furnish reports or financial information, or the audit discloses an under-statement of 3% or more.
Appraiser Fee	50% of actual cost	On receipt of billing	If we elect to purchase the assets of your franchise on expiration or termination and we cannot mutually agree on the purchase price.
Website and Technology Fee	\$1,500 per year	On receipt of billing	Paid to us for Website hosting, mobile

			application fees and software and other technology that we may develop from time to time.
Promotions, coupons, Gift Card, E-Card or Frequency Card Program Fees	Amount to be determined	On receipt of billing	If we establish and administer various promotions such as coupons, gift cards, E-Cards, Frequency or other similar programs, we may charge an administrative fee for administering those programs.
Maintenance and Repairs	Actual cost to us	On receipt of billing	If you fail to maintain your Franchise Location, we may do so at your expense.
Refurbishing Costs	Actual cost not to exceed \$75,000 ⁽⁶⁾	At time of refurbishing	You must refurbish the Franchise Location to meet our current requirements. These amounts will not be paid to us.
Insurance	Actual cost to us if we are required to buy for you	On receipt of billing	If you fail to purchase the insurance we specify for the Franchise Business, we may do so at your expense.
Indemnification	Amount will vary under circumstances	As incurred	You must reimburse us if we incur liability from the operation of your franchise
Damages for Loss of Bargain on Termination	See Note 7	On termination	You must pay us liquidated damages if the Franchise Agreement is terminated before the end of the term, except if we breach and you terminate for cause and providing us notice and an opportunity to cure.

Annual Conference	Actual costs for travel, lodging, meals	As incurred	Hotel, airlines, Cafes
Banking and merchant processing fees	Actual costs	As incurred	Paid to Vendor
Costs and Attorneys Fees	Amount will vary under circumstances	As incurred	You must pay our costs and attorney fees if we are the prevailing party in an action or if we must take action to enforce your obligations to us.
Supplier/Product Evaluation Fee	Amount will vary depending on fees of lab, testing or vendor	Prior to evaluation	If you wish to use a non- approve supplier or non-approved products a fee will be required for testing and evaluation.
Noncompliance Fee	\$500 per occurrence	When assessed	The fee applies if you are not in compliance with the Franchise Agreement and may be implemented without issuance of a written notice of default.
Sample Site Plan CAD File	\$1,000	Before signing lease	See Note 8.
Opening Assistance Fee	\$1,000 per day	When assessed	If Franchisor determines in its sole discretion that you need assistance with opening and operations, you must pay Franchisor one-thousand dollars (\$1,000) each day that Franchisor's employees provide such assistance.

Notes to Table

(1) Except as noted, all fees are uniformly imposed by and payable to us or an affiliate of ours are uniform. All fees paid to us are non-refundable. You will pay royalty, advertising and other periodic payments payable to us by electronic or similar funds transfer in the appropriate amounts from your primary bank account to our bank accounts in the manner that we specify. Your primary operating bank account means the account in which revenue from your Franchise Business is deposited and held to pay amounts owed to us and other creditors of your Franchise Business. You must sign and provide to your bank and to us the documents necessary to authorize electronic or similar funds transfers specified by us. See the Electronic Funds Transfer Authorization attached to the Franchise Agreement as Exhibit G.

(2) The Franchise Agreement defines “Gross Sales” as the entire amount of all of your revenues from the ownership or operation of the Franchise Business or any business at or about the Franchise Location including the proceeds of any business interruption insurance, whether the revenues are evidenced by cash, credit, checks, gift certificates, scrip, food stamps, coupons and premiums (unless exempted by us), services, property or other means of exchange, excepting only the amount of any sales taxes that are collected and paid to the taxing authority. Cash refunded and credit given to customers and receivables uncollectible from customers will be deducted in computing Gross Sales if the cash, credit or receivables represent amounts previously included in Gross Sales where royalty fees and advertising contributions were paid. Gross Sales are deemed received by you at the time the goods, products, merchandise, or services from which they derive are delivered or at the time the relevant sale takes place, whichever occurs first. Gross Sales consisting of property or services (for example, “bartering” or “trade outs”) are valued at the prices applicable to the products or services exchanged for the Gross Sales at the time the Gross Sales are received.

(3) We have not yet formed any advertising cooperatives. If we form an advertising cooperative, the cooperative may require additional advertising fees, but only by a majority vote of the members of the cooperative.

(4) If you fail an inspection with respect to food or health safety or brand protection, a default of the Franchise Agreement will have occurred. Thus, we may charge fees to cover our costs of inspection including travel and any legal fees we incur regarding notifying you of your default.

(5) If you request additional training, you must pay us for the cost of any materials, travel, if any, and a reasonable charge to cover our personnel costs. If we specify additional training that you must attend, the additional training fees will be uniform as to all persons attending training at that time and will be based on our out-of-pocket expenses plus \$250 per trainer per day for the training personnel. The amounts in the table are an estimate of what we may charge if we do charge for this training.

(6) We can require refurbishing no more than one time during the initial term of the Franchise Agreement. This limit of \$75,000 will not apply at the time of renewal of the Franchise Agreement.

(7) If the Franchise Agreement is terminated before its expiration (other than termination by you for cause), we may recover from you damages attributable to the loss of bargain resulting from that termination. The damages for our loss of bargain will be the present value of the royalty fees that you would have paid to us for the lesser of: (i) the balance of the term of the Franchise Agreement if the Franchise Agreement had not been terminated; or (ii) 104 weeks. The royalty that you would have paid

to us will be calculated by taking the average weekly amount of those payments for the twelve-month period [or such lesser period if you were not in operation for a full twelve-month period] immediately preceding the date of termination and multiplying that amount by the number of weeks left in the term of the Franchise Agreement at the time of termination (maximum of 104 weeks).

(8) The CAD Site Concept Plan is a basic overlay on satellite imagery, and/or preliminary civil designs, to confirm the feasibility of Cafe development, before entering into a ground lease or purchase agreement. You are responsible for the costs incurred in preparing the final site plan to suit the shape and site constraints of the Cafe, before submitting to us for site acceptance. These expenses may be paid to us or third parties.

ITEM 7
ESTIMATED INITIAL INVESTMENT

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment Is To Be Made
Initial Franchise Fee	\$75,000 ⁽¹⁾	Lump sum	On signing the Franchise Agreement	Us
Grand Opening Advertising ⁽²⁾	\$2,000 to \$2,500	As arranged	As arranged	Advertising Media & Vendors
Lease Deposit and First Month's Rent, Utilities ⁽³⁾	\$5,000 to \$15,000	As agreed	As specified in lease	Lessor
Leasehold Improvements ⁽⁴⁾	\$100,000 to \$230,000	As agreed	Before opening as incurred	Contractors/ Vendors
CAD Site Plans	\$1,000	As agreed	Before opening as incurred	Vendors
Furniture, Fixtures and Equipment ⁽⁵⁾	\$125,000 to \$185,000	As agreed	Before opening as incurred	Contactors/ Vendors
Exterior Signage	\$2,500 to \$10,000	As incurred	Before opening as incurred	Vendors
Interior Signage	\$1,500 to \$3,500	As Incurred	Before opening as incurred	Vendors
Licenses/Permits	\$2,000 to \$3,000	As incurred	Before opening as incurred	Governmental Entities

Architecture/ Engineering Fees	\$5,000 to \$13,000	As incurred	Before opening as incurred	Vendors
Technology/ POS System ⁽⁶⁾	\$3000 per terminal	As incurred	Before opening as incurred	Vendors
Insurance ⁽⁷⁾	\$3,500 to \$4800	As agreed	Before opening as incurred	Insurance Companies
Costs Incurred While Attending Training ⁽⁸⁾	\$0 to \$2000	As incurred	Before opening as incurred	Airlines, Hotels, Cafes, Employees
Opening Inventory, supplies ⁽⁹⁾	\$15,000 to\$20,000	As incurred	Before opening as incurred	Vendors
Additional Working Capital (three months) ⁽¹⁰⁾	\$20,000 to \$25,000	As incurred	As incurred	Vendors, Employees, and Us
TOTALS ^(11 – 14)	\$360,000 to \$571,500			

Our estimate of your initial investment to develop one MOTW Cafe is described in the table above and is based on our affiliate's experience opening MOTW Cafes similar to the Cafe being offered. If you take over an existing Cafe space, your costs may be less. The estimate covers the period before the opening of your franchise and includes a category for additional expenses you may incur during the initial three-month phase after the opening of your franchise. The estimate does not include an owner's salary or draw. The estimate also does not include cash requirements to cover operating losses or owner's draw after the initial three-month phase of the franchise. You may need additional funds available, whether in cash or through credit lines or have other assets that you may liquidate, or that you may borrow against, to cover your expenses and any operating losses after the initial phase of your franchise. The estimates below also do not reflect an amount for investment in real estate, since it is assumed that you will lease your premises. We urge you to retain the services of an experienced accountant or financial adviser in order to develop a business plan and financial projections for your franchise.

Your actual investment may vary depending on local conditions peculiar to your geographic area or market, for example, real estate demand, availability and occupancy rates. Additional variables that may impact your initial investment may be: the size of your facility; age of the structure; length of your lease or other instrument granting you the right to occupy the premises; lease arrangements; location in the market; whether you are converting existing premises and whether in the same business; costs of demolishing existing leasehold improvements; construction costs; other variable expenses and whether you currently hold a lease for an acceptable location.

Notes to Table

(1) See Item 5 for an explanation of the amount and refundability of the initial franchise fee.

(2) See Item 11 for an explanation of these costs.

(3) These costs are based on rental of your Franchise Location. We expect the typical MOTW Cafe to range in size from 1,800 square feet to 3,000 square feet with seating for approximately 35-50 customers. The initial charge to you for leasing the Franchise Location is estimated to be the first month's rent and, in some cases, a security deposit of one- or two-month's rent. Your rent may be subject to escalation clauses based on inflation or other factors as provided in your lease. The annual rent amount may vary significantly depending on the area of the country, condition, location and size of the location and the demand for the location among prospective tenants. The rent could exceed the estimated amounts in major metropolitan markets. Your initial investment will be much greater if you purchase real estate and construct your Franchise Location and we do not have any estimate of those costs. The balance of costs in the estimation are for utilities (i.e. gas, water, electricity) that you will incur each month. Your initial costs may be less if you are able to negotiate tenant improvement allowances. Whether any of these amounts are refundable will depend on the lease agreement between you and your landlord.

If you choose to purchase real property on which to build your Cafe, your initial investment will be higher than what we estimate above. If you purchase real property, we cannot estimate how this purchase will affect your total initial investment.

(4) You must build out your Franchise Location in accordance with our specifications. We will provide you with prototype plans for the build-out of a Cafe. You must hire your own architect to adapt our plans to the specific shape and dimensions of the approved location for your Cafe. You may not use your architect's plans until they have been approved by us. The estimates in this Item 7 contemplate a freestanding location or an in-line end-cap location in a strip center, where a drive-thru capacity can be added.

These costs include contractor and sub-contractor expenses and in some cases an architect you may engage. If you are able to locate a site that previously operated a business similar to a Cafe, your estimated cost for leasehold improvements will be significantly lower. Leasehold improvement and construction costs vary significantly depending on the condition, if a drive-thru is to be built, location, size and configuration of the Cafe premises, the layout of the mall or retail center, and other factors relating to the geographic location of the business, suppliers, government regulations, labor costs and other considerations. You will contract directly with the construction contractor and possibly other construction suppliers on terms negotiated by you. Leasehold improvements do not include exterior costs.

(5) You must furnish your Franchise Location in a manner that we direct. This will include certain required equipment, dining area furniture and fixtures (tables, chairs, accessories), paneling, lighting, ceiling treatments, floor treatments and artifacts, decorations, phones, security system, safe, office furniture, etc. These costs will vary depending on the size and condition of the Franchise Location. You may include some of these items in a finance or lease package if you finance a portion of your initial investment. Some of the major items included in this category are grinders, espresso machine, walk-in cooler, walk-in freezer, refrigerators, dishwasher, stoves, beverage dispensing equipment, interior and exterior signs. You may include some of these items in a finance or lease package if you finance a portion of your initial investment. Whether any of these amounts are refundable will depend on your agreements with vendors and suppliers.

(6) This includes a networked point of sale system, as described by Item 11. We anticipate that you will need a minimum of one (1) terminal.

(7) You must purchase and maintain the following insurance coverage:

Type of Coverage	Limits/Specifications
General Liability	\$1,000,000 Bodily Injury/Property Damage Per Occurrence / \$2,000,000 Aggregate
Building Improvements and Betterments	\$120,000 – Special Form Coverage -- Full Replacement Cost
Business Personal Property	\$80,000 – Special Form Coverage -- Full Replacement Cost
Spoilage	\$10,000
Business Income	Twelve (12) Months of Continuing Royalty Payments and rent
Flood, Earthquake and Volcanic Eruption	Subject to Territory Limitations
Workers' Compensation	Statutory Requirements
Stop Gap or Employer Liability	\$1,000,000 by Disease \$1,000,000 each Accident \$1,000,000 Policy Limit
Hired and Non-Owned Automobile	\$1,000,000 Combined Single Limit

Your lease may require higher limits or additional coverages. Each specified policy of insurance must meet the following requirements: (a) the policy must name us (and any of our affiliates that we reasonably specify) as an additional insured; (b) the policy must not be subject to cancellation, modification or amendment except after 30 days written notice to us; (c) the insurance must be placed with an approved vendor and an insurance carrier with an AM Best's Rating of not less than A; and (d) the policy must provide that failure by you to comply with any term, condition or provision of the insurance contract, or other conduct by you, will not void or otherwise affect the coverage afforded us.

(8) Although we do not charge any additional fees for the initial training program, you must pay any wages due to your employees as well as travel, food and lodging expenses incurred by you and your employees during initial training. The cost will depend on the distance you and your employees must travel and the type of accommodations you choose.

(9) You must purchase certain proprietary beans and recipe items which constitute key components of the System, the cost of which is included here. Also included in our estimate is the opening food inventory, uniforms, linens, small wares, first aid supplies, office supplies, initial cleaning supplies, gift cards, menus and other printed items and opening cash drawer. The amount of your initial inventory will vary depending on the sales volume you anticipate for your Cafe and current market prices.⁽¹⁰⁾ Your miscellaneous pre-opening expenses may include utility deposits, installation of telephones, legal or accounting services, office supplies, menu printing, etc.

(10) This is an estimate only of the range of initial start-up expenses that you may incur. This amount does not include any payroll owner draw, or subcontractor installers' costs. The actual amount of additional funds that you will need depends upon a variety of factors, including your own management skill, economic conditions, competition in your area and other factors. The estimate is for a period of 3 months. The estimate of additional funds is based on our affiliate's experience and expertise in the metropolitan Indianapolis area, but no assurance can be given that these estimates are accurate for your franchise. These amounts are generally not refundable. Your personal living expenses are not included in the additional funds (working capital) estimates. You will need to make sure that you have appropriate reserves to cover your own living expenses during the first several months after your business commences.

(11) We relied on our affiliates' experience in developing and operating a similar business to compile these estimates. You should, of course, review these figures carefully with a business advisor before making any decision to purchase the franchise.

(12) Except as may be noted, none of the payments to us are refundable. The refundability of payments to other parties are determined by your agreements with those parties.

(13) We do not offer any financing for any part of your initial investment. You may, however, finance a portion of your initial investment with a third party. The availability and terms of financing with third parties will depend on factors including the availability of financing generally, your credit history, collateral you may have, and the lending policies of financial or leasing institutions.

(14) We recommend that you have at least 75% of your Estimated Initial Investment in equity and no more than 25% of your Estimated Initial Investment financed with debt.

ITEM 8 **RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES**

Obligations to Purchase or Lease from the Franchisor or its Designated Suppliers

You must purchase all equipment, fixtures, signs, banners, inventory, coffee and espresso beans, teas, food products, proprietary seasonings, recipes, supplies, packaging materials, ingredients, paper and plastic products, menus, uniforms, POS and computer systems, computer hardware and software, time clocks and payroll/tax filing services and all other products and services for the development and operation of your MOTW franchise of the type and in the amounts we specify, in accordance with our specifications and only from manufacturers, suppliers or distributors we designate or approve (“Approved Suppliers” or “Designated Suppliers”). We and our affiliates may be Approved Suppliers or Designated Suppliers.

You must prepare and serve all of the items on our standard menu pursuant to our recipes and methods. No food or liquid items may be sold that are different from our standard menu unless you have received our written approval. We do not have to approve other suppliers or distributors for any of these products and services. We impose these requirements so that we can ensure uniformity of operations, quality and sufficient volume purchases to obtain favorable pricing under contracts with suppliers and distributors. If you wish to request approval of a supplier, we may grant approval of alternative suppliers upon written request. We may charge a fee for each request as disclosed in Item 6. Based on the information and/or samples you supply to us from the proposed alternative supplier, we will test the items supplied and review the proposed supplier’s business reputation, Cafe very performance, credit rating and other information. We reserve the right to update our criteria periodically. We may permit you to purchase from alternative suppliers who meet our criteria after they are approved by us. We expect to complete our review and advise you of our decision within 30 days after you submit all required information to us.

Our criteria for approving suppliers are made available to you upon request (and may be set forth in the Operations Manual). Our specifications and standards with respect to product and supply purchases are contained in our bulletins, memos, emails, or in our Operations Manual.

We will provide a list of Approved Suppliers to you in memos, bulletins, emails or in our Operations Manual. This list may be amended from time to time at our discretion. We may enter into agreements with Approved Suppliers for and on behalf of all MOTW franchises or all MOTW

franchises in a particular region. As of the date of this disclosure document, none of our officers or owners own any interest in any of our Approved or Designated Suppliers.

Our designation of a manufacturer, supplier or distributor does not create any express or implied promise, guaranty or warranty by us as to the products or services of the manufacturer, supplier or distributor and we will not have any liability to you for any claims, damages or losses suffered by you as a result of or arising from the products or services provided by the manufacturer, supplier or distributor or the acts or omissions of the manufacturer, supplier or distributor.

We may negotiate purchase arrangements with some of our Approved Suppliers or Designated Suppliers for the benefit of our franchisees in order to take advantage of group purchasing power.

We reserve the right to receive rebates or other fees from Approved Suppliers based on sales of goods or services to our franchisees. We have the right to collect all rebates or fees and you must cooperate with us in the collection of those rebates and fees. If we negotiate rebates or other benefits from suppliers based upon purchases you make in the future, we reserve the right to retain all or any portion of the rebates or other benefits, contribute the rebates to the Advertising Fund, or do anything else with these rebates and benefits that we may determine in our discretion. At this time, we intend to keep any rebates, revenue, and other benefits we receive as a result of your required purchases, but reserve the right to change or modify such policy in our discretion.

You must acquire, maintain and update the equipment (including POS and computer systems), signs, products, and supplies that we specify for establishing and operating your MOTW franchise. Also, all of these items must meet our standards and specifications. You must also follow all policies set forth in our manuals concerning uniforms and personal appearances to the extent permissible by state or federal law.

Cafe Specifications

You must prepare, or cause to be prepared, all required construction plans and specifications to suit the shape and dimensions of the premises and ensure that these plans and specifications comply with applicable ordinances, building codes, federal and state laws, permit requirements and lease requirements and restrictions. You must submit construction plans, bids, specifications, and any other documentation or forms we may require to us for our approval before you begin construction of your Cafe, and you must submit all revised plans and specifications to us during the course of construction. You must engage a licensed contractor and construct and develop your Cafe using only those types of construction and decorating materials, fixtures, equipment (including computer hardware and software), furniture and signs that we have approved as meeting our specifications and standards for appearance, function and performance. You must purchase these items from the Designated Supplier(s) we select, or, if no Designated Supplier has been identified, from an Approved Supplier who can satisfy our standards and specifications.

We will furnish you with our mandatory and suggested specifications and layouts for your MOTW Cafe, including requirements for dimensions of the premises, design, image, décor, layout, signs, furniture, fixtures, equipment and color scheme. You must hire your own architect to adapt our plans to the specific shape and dimensions of the approved location for your Cafe. Our approval only relates to how well the build-out plans implement our prototype plans and implementation and

presentation of the Proprietary Marks. We must review and approve all plans and specifications before you begin to construct the location to ensure that they meet our design requirements. We may inspect the Cafe during its development.

We formulate and modify our specifications based on our experience in the business. Factors that we consider include quality and uniformity of products and services. We issue and modify our specifications by sending memos, bulletins or updates to you in writing and may also implement them through our Operations Manual once we create one.

Site Approval

The Cafe must be located at a site that we have approved. We consent to locations on a case-by-case basis, considering items such as size, appearance and other physical characteristics of the site, demographic characteristics, traffic patterns, competition from other businesses in the area and other commercial characteristics, such as rental obligations and other lease terms (including those that we require be in the lease). You may not sign a lease for the Franchised Location until you provide us with a copy of the lease, allow us reasonable time to confirm that the lease contains certain mandated provisions, and notify you in writing that we have approved the lease terms. Any lease or sublease for an approved site must be in a form satisfactory to us and provide the following: (1) notice to us of and our right to cure your default under said lease; (2) the right to assign your interest under the lease to us without the lessor's consent; (3) authorize and require the lessor to disclose to us, upon our request, sales and other information you furnish to the lessor; (4) we shall have the right, in our sole discretion, to assume the lease if the Franchise Agreement expires or if it is terminated without the grant of a successor franchise; (5) consent to your use of signage according to our specifications; and (6) the lease may not be materially modified without our consent. You and the landlord must sign a Lease Addendum (in the form that we require) in connection with any lease agreement. We reserve the right to reject the lease if the lease does not contain these provisions, or the landlord does not sign the Lease Addendum.

You must provide a copy of the signed lease to us within fifteen (15) days of its execution. You must further agree not to execute any modification of the lease, which would affect our rights without our prior written approval. You are required to enter into a lease for an approved site with one hundred eighty (180) days after you sign the Franchise Agreement or we may, at our sole discretion, terminate the Franchise Agreement.

We currently do not intend to require that you lease or sublease your Franchise Location from us. If we lease or sublease your Franchise Location to you, we may derive revenue from the rent you pay us. As of the date of this Franchise Disclosure Document we have not leased any locations to franchisees.

Insurance

You must purchase insurance coverage for your business in accordance with our standards and specifications and from our Approved Suppliers. See Item 7 for a listing of the insurance coverages that we specify.

Advertising Materials

Before you implement them, you must send us for approval samples of all advertising, promotional and marketing materials, which we have not prepared or previously approved. If you do not receive written approval within fifteen (15) days after we receive the materials, they are disapproved. You may not use any advertising or promotional materials that we have disapproved.

As noted in Items 7 and 11, you must conduct a grand opening advertising program for the Cafe in accordance with our standards and specifications.

Revenue or Other Benefits to Franchisor or Affiliates

Neither we nor our Affiliates, as of the date of this disclosure document, have received any revenue from required purchases by any franchisee. We may negotiate prices for numerous products for the benefit of the System.

Percentage of Purchases

All of your purchases from Approved Suppliers and in accordance with our specifications will represent 90% to 100% of your total purchases in the establishment of your MOTW franchise and 90% to 100% of your total purchases in the ongoing operation of your Franchise Business.

Cooperatives; Material Benefits to Franchisees

We do not at this time have any formal purchasing or distribution cooperatives. We do not provide material benefits to our franchisees based on a franchisee's purchases from designated sources.

ITEM 9 **FRANCHISEE'S OBLIGATIONS**

This table lists your principal obligations under the Franchise Agreement, Multi-Unit 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 Agreement	Disclosure Document Item
a. Site selection and acquisition/ lease	Sections 7.1, 7.2 and 7.3 of the Franchise Agreement	Items 7, 11, and 17
b. Pre-opening purchases/leases	Sections 7.3, 7.6 and 7.7 of the Franchise Agreement	Items 5, 7, and 8

c. Site development and other pre-opening requirements	Sections 7.1 through 7.7 of the Franchise Agreement	Items 5, 7 and 11
d. Initial and ongoing training	Section 10 of the Franchise Agreement	Item 11
e. Opening	Section 8.1 of the Franchise Agreement	Items 11 and 17
f. Fees	Sections 3.2(i), 7.7, 8.9, 8.13, 9.2, 9.3, 10.3, 13.2(f), 15.5 and 16.8 of the Franchise Agreement	Items 5, 6 and 7
g. Compliance with standards and policies/operating manual	Sections 2.1, 2.2, 3.2, 4.10 through 4.14, 6, 7, 8, 9.3, 9.4, 9.5, 10.2, 10.3, 13.2 and 14 of the Franchise Agreement	Items 8, 11, 13 and 16
h. Trademarks and proprietary information	Sections 6 and 11 of the Franchise Agreement; Section 1 of Confidentiality Agreement (Exhibit E)	Items 13 and 14
i. Restrictions on products/services offered	Sections 8.5 and 8.6 of the Franchise Agreement	Items 8, 11 and 16
j. Warranty and customer service requirements	Sections 8.1 and 8.3 of the Franchise Agreement	None
k. Territorial development and sales quotas	Section 8.1 and 8.2 of the Franchise Agreement	Item 12

l. Ongoing product/service purchases	Sections 4.11, 8.4, 8.5 and 8.6 of the Franchise Agreement	Items 8 and 16
m. Maintenance, appearance and remodeling requirements	Sections 3.2, 8.7 and 13.2 of the Franchise Agreement	Items 11 and 17
n. Insurance	Section 8.10 of the Franchise Agreement	Items 7 and 8
o. Advertising	Section 9 of the Franchise Agreement	Items 6 and 11
p. Indemnification	Section 8.13 of the Franchise Agreement	Item 6
q. Owner's participation/management/staffing	Sections 8.8 and 8.9 of the Franchise Agreement; Appendix D of Franchise Agreement - Personal Guaranty	Items 11 and 15
r. Records and reports	Sections 4.10 through 4.14 of the Franchise Agreement	None
s. Inspections and audits	Sections 4.13 and 4.14 of the Franchise Agreement	Item 6
t. Transfer	Section 12 of the Franchise Agreement	Items 6 and 17
u. Renewal	Section 3.2 of the Franchise Agreement	Items 6 and 17
v. Post-termination obligations	Sections 11 and 15 of the Franchise Agreement;	Item 17

	Sections 1 and 2 of the Confidentiality Agreement	
w. Non-competition covenants	Section 12 of the Franchise Agreement	Item 17
x. Dispute resolution	Section 16 of the Franchise Agreement; Section 7 of Confidentiality Agreement	Item 17
y. Other	None	None

ITEM 10
FINANCING

We do not offer direct or indirect financing for your franchise. We do not guaranty any of your notes, leases, or other obligations.

ITEM 11
FRANCHISOR’S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS AND TRAINING

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

Before Opening

Before you open your business, we will:

1. Assist you in selecting a suitable location for the Franchise Business (Section 5.1 of the Franchise Agreement). Also, we will review your proposed location for approval (Section 7.1 of the Franchise Agreement).

You are responsible for selection of the site of your MOTW franchise. However, we will assist you and may recommend a site to you. We must approve the site for your Franchise Business. The factors that we consider when we recommend or approve a site include the condition of the exterior and interior of the building, visibility, site access, surrounding population density, income and educational levels, vehicle traffic counts, pedestrian traffic counts, space dimensions, parking availability, signage restrictions, use restrictions, and economic terms. The Franchise Agreement does not establish a time limit for our approval or disapproval of a site, but we will endeavor to complete our review within 30 days. If we do not send a notice of approval the site is deemed to be rejected. If we cannot agree on a site and your MOTW Cafe is not opened within the time specified in the Franchise Agreement, the Franchise Agreement may be terminated. Our approval of a site does not constitute a guaranty or warranty of success.

2. Provide you with a CAD file of standards and specifications for the leasehold improvements, interior design, layout, floor plan, signs, designs, color and decor of the café, and specifying the standard format for the construction or improvement of your Franchise Location (Section 5.2 of the Franchise Agreement).

3. Specify and provide sources of standards and specifications for the equipment, supplies and materials used in, and the menu items offered for sale by, the Cafe, including the Approved Suppliers List for the equipment, fixtures, signs and inventory necessary for you to develop and begin operation of the Franchise Business (Section 5.3 of the Franchise Agreement).

4. Once we create an Operations Manual, we will provide you one copy for use in the operation of your Franchise Business during the Term of your franchise (Section 5.4 of the Franchise Agreement).

5. Provide an initial training program to train you to operate the Franchise Business (Sections 5.5 and 10 of the Franchise Agreement). The training program is described in more detail below in this Item under the heading “Training.”

6. For your initial Cafe, provide a representative for up to five (5) days before opening without charge to assist in the opening and initial operation of your Franchise Business. If you request, we may provide assistance beyond this five (5) day period, but you must pay a charge for the additional services in an amount determined by us (Section 5.6 of the Franchise Agreement).

7. Designate the products and services to be offered by the Franchise Business and provide sources of supply for those products and services (Section 5.7 of the Franchise Agreement).

8. Provide assistance to create a Grand Opening campaign. (Section 9.1 of the Franchise Agreement)

Time of Opening

We expect franchisees to open their MOTW franchise within one (1) year after signing the Franchise Agreement. The main factors that we expect to affect this time period are ability to complete training, obtain any applicable licenses, lease negotiations, time for improvement of the location and your personal time table.

During Operation

During the operation of your franchise, we will:

1. Provide updates to you updates and modifications to our Operations Manual (once created) and other specifications for all aspects of the Franchise Business as they become available (Section 5.4 of the Franchise Agreement).

2. If you request, we may provide assistance beyond this period, but you must pay a charge for the additional services in an amount determined by us (Section 5.6 of the Franchise Agreement).

3. Designate the products and services to be offered by the Franchise Business and continually provide you with updates in our specifications for products or services. We will also provide sources of supply for all authorized products and services (Section 5.7 of the Franchise Agreement).

4. Our representative will visit the Franchise Business after opening and periodically visit the business after that at intervals that we deem appropriate throughout the remaining term of the Franchise Agreement. During these visits the representative will evaluate your operations and provide any operational advice and assistance deemed necessary. We will also provide reasonable operational advice and assistance to you by telephone or email, including advice on specific services or products, if requested by you (Section 5.8 of the Franchise Agreement).

5. Provide guidance on and approval of the pricing of the products and services of the Franchise Business (Section 5.9 of the Franchise Agreement).

6. Administer the Advertising Fund when implemented and review for approval any local advertising proposed by you (Section 5.10 and Section 9 of the Franchise Agreement). Our advertising program is described in more detail below in this Item under the heading “Advertising.”

7. If your initial Franchise Location becomes unusable, review for approval any alternative location proposed by you (Section 7.1 of the Franchise Agreement).

8. Review proposed transferees of your franchise business for approval (Section 13 of the Franchise Agreement).

Advertising

1. Grand Opening

You are required to spend between \$2,000 to \$2,500 for grand opening advertising for your Franchise Business (“Grand Opening Advertising Payment”). This amount will be used for advertising for your Franchise Business during the two (2) week soft opening and 1-day grand opening of your Franchise Business or as otherwise agreed by us. We will work with you to develop a grand opening advertising plan, which we must approve. You will be responsible for implementing the plan and directly paying media vendors. If Franchisor determines in its sole discretion that you need assistance with opening and operations, you must pay Franchisor one-thousand dollars (\$1,000) each day that Franchisor’s employees provide such assistance.

2. Local Advertising.

You must conduct local advertising in your Territory and spend at least 1% of your Cafe’s Gross Sales each month for local advertising. We must approve all advertising before you use it. You must provide us with an annual marketing plan by December 1st of every year for the following year and we must approve this plan. You must also send us a monthly update to your marketing plan before the end of every month including an expenditure report to show that you have complied with the Local Advertising requirements. Any advertising that you propose to use that has either not been prepared by us or has not been approved by us in the immediately preceding 6-month period must be submitted to us for our approval

before you may use it. We will have 15 days after receipt of all materials to approve or disapprove of the proposed advertising materials. Unless we provide our specific approval of the proposed advertising materials, the materials are deemed not approved. Any materials you submit to us for our review will become our property, and there will be no restriction on our use or distribution of these materials.

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

3. Advertising Fund.

We require you to contribute up to 2% of your Gross Sales to an advertising fund that will be administered by us or a third party we designate (the “Advertising Fund”). The Advertising Fund will be used to maximize general public recognition and patronage of the Franchise Marks and Franchise System. We will use the advertising fund to formulate, develop, and produce advertising and promotional programs and to conduct advertising and promotional programs on a national, regional or local level as we determine, in our discretion, to be most effective in achieving brand and product media placement. We are not required to spend your advertising fund contributions to place advertising in your local area or in any specific media. As described below, any advertising placed by you must be approved in advance by us.

We may engage the services of an advertising source or sources to formulate, develop, produce and conduct advertising and these costs will be paid by the Ad Fund. We may use the Advertising Fund to reimburse us for our reasonable administrative costs that we incur in activities related to the formation, development and production of advertising or the administration of the Advertising Fund. This may include, for example, expenses incurred in market research preparation of marketing and advertising materials, advertising agency fees, internet promotion, and website development and maintenance. We will not use the advertising fund for advertising that is primarily for the solicitation for the sale of franchises. We will submit to you, on request, an annual report of the receipts and disbursements of the Advertising Fund, which may be unaudited and prepared by our management.

Any MOTW Cafe operated by us or our Affiliates will contribute to the advertising fund on the same basis as our franchisees.

If we do not use advertising fund contributions during the fiscal year in which they accrue, we will hold those funds for use in the following year.

We intend to use outside advertising agencies or independent contractors to produce advertising for us at this time. We expect that advertising by the fund may be local, regional (and eventually national) in scope and may include newspaper, magazine, direct mail, radio and television as funds permit.

We did not collect advertising fees during 2022, so we do not have any data on the portions of the advertising fees used for media placement, production of advertising, administrative costs, or other costs during that year.

You must participate in any gifts cards, coupons, ad flyers, electronic gift or money cards (E-cards), frequency cards, promotions, specials or other programs specified by us and honor all cards issued by us or by other franchisees in accordance with our policies. Your participation in those programs is integral to the Franchise System and to the success of those programs. We or a person designated by us will administer any gift and E-card or other similar programs specified by us. We may charge an administrative fee for administrating those programs. You must also honor and participate in discount coupons or similar promotional materials, drives, prizes, giveaways, contests and other programs, local, regional or national, related to sales promotions, specified by us to the extent that participation does not violate federal or state law.

All advertising by you in any medium, including signage, must be factual and dignified, must conform to our standards and specifications, and to the highest standards of ethical advertising practice, and must be approved by us in writing before it is used. No handwritten signs or otherwise non-conforming sign designs are allowed. No computer-generated signs are allowed unless they have been provided by us or approved in writing by us. You must submit to us for

approval all marketing and promotion materials, including signage, prepared by you for your Franchise Business and not prepared by or previously approved by us. You must not engage in any business or advertising that may be injurious to the goodwill associated with the Franchise Marks and Franchise System. You must not advertise any products or services for your business or use the Franchise Marks except those products or services authorized by us.

To ensure uniformity, your location(s) will be listed on our website and social media platforms. As a result, you may not develop or create your own website or social media platforms (i.e., Facebook, Twitter, etc.) for your franchise location.

4. Advertising Cooperative. We do not have a cooperative advertising fund at this time but reserve the right to implement such fund in the future. If such coop fund is created, all franchisees and affiliated Cafes will be required to participate but required expenditures for local advertising will be credited to you against any payments to be made to the fund. If your Franchise Business is within a designated advertising area, you must join, maintain a membership in and abide by the governing instrument of the advertising cooperative for that area. Each cooperative will work with us or an agency designated by us in coordinating and placing regional and local advertising for the members of the cooperative. The structure of the cooperative as well as the original governing instrument of the cooperative and any changes to that instrument, must be approved by us. The cooperative cannot modify the terms of your Franchise Agreement but may require you to make contributions to the cooperative in addition to the advertising fund contributions you will pay to us. Each Cafe Franchised Location in the cooperative will have one vote on matters before the cooperative. Decisions will be made as provided in the governing instrument of the cooperative, or if not otherwise specified, based on a majority of the votes entitled to be cast by the members of the cooperative. The cooperative will decide how the cooperative will be administered, whether by the members of the cooperative, a committee of the cooperative, us or an advertising agency. The cooperative will decide whether and how annual or periodic statements will be provided to the members of the cooperative. Any franchisee holding an officer, management, executive or committee position with the cooperative must be a franchisee in good standing. The costs and expenses of each cooperative must be paid by that cooperative. We have the power to require cooperatives to be formed and we may change, dissolve or merge cooperatives.

Electronic Cash Register and Computer Systems

You must purchase or lease the point of sale (“POS”) and computer systems we specify for the Franchise Business and use the specified POS and computer systems in the Franchise Business in the manner we specify. We estimate the cost to be approximately \$3,000 for each terminal for your Franchised Location. Also, you must pay all support, maintenance, update and upgrade costs to maintain the specified POS and computer systems in the manner specified by us. We may develop, acquire, update or endorse a POS and computer systems and specifications for certain components of the POS and computer systems in the future and may modify those specifications and the components of the POS and computer systems in the future. As part of the POS and computer systems, we may require you to obtain specified computer hardware and software including, without limitation, a license to use proprietary software developed by us or others and service agreements. Modification of the specifications for the components of the POS and computer systems may require you to incur costs to purchase, lease or license new or modified computer hardware and software and to obtain service and support for the POS and computer system during the term of the Franchise Agreement. Within 30 days after you receive notice from us, you must obtain and have operational the components of the POS and computer system that we specify. There are no contractual limitations on the cost or frequency of your obligation to update or upgrade computer hardware and software during the term of the franchise.

We have the right to independently access the sales information and other data produced by the POS and other computer systems specified by us and there are no contractual limitations on our right to access and use that information and data. You must provide us access to the information on the POS and computer systems in the manner specified by us and must supply us with any security codes necessary to obtain that access. We may retrieve, analyze, download and use the software and all data on your POS and computer systems at any reasonable times as long as the access does not unreasonably interfere with the operation of your Franchise Business.

The POS equipment that we currently specify for establishing an MOTW franchise is the Clover point-of-sale system. As of the date of this Disclosure Document, the POS System offered by Clover includes PC based computers, additional hardware, including touch screens, printers and cash drawers, and a number of software programs. The entire system may be purchased or leased. The POS System is a network of POS terminals for order entry, cash control, inventory control, labor scheduling, sales information, menu management, management reporting, time clock functions and/or other operating functions and reporting for the Franchise Business. Our POS vendor does not have an obligation to maintain and upgrade the POS System unless you purchase help desk support service or case packs and a software enhancement license. Our POS vendor will charge you service fees for the number of applications downloaded by users which averages approximately \$75 per month.

The POS computer system must be set up in accordance with the Payment Card Industry Data Security Standards (PCI DSS) and must be PCI compliant. Upon installation of this system, you must use an independent Approved Scanning Vendor (ASV) to certify that the installation is PCI compliant. We also have the right to require that you conduct certifications on an annual basis and to provide us with a copy of verification that your system is PCI compliant.

You must also offer online ordering for all items in your Franchise. The online ordering credit card payment system must be set up in accordance with the PCI DSS system and comply with all

updates and required maintenance prescribed under PCI DSS standards, including purchase of necessary hardware and software. You will be required to report to us any known vulnerability or breach of your POS system and provide proof of compliance upon our request.

You must acquire and maintain at all times a static IP address and a high speed (T-1, Cable, DSL, Satellite or other high-speed access) Internet access for communication with customers and us by email and other electronic means, connection to our intranet systems (if any) and to allow us to access your POS and computer system remotely 24 hours a day and seven days a week. You must also acquire and maintain an e-mail address so that we may communicate with you by email. If we specify, you must participate in a centralized email system maintained by us.

Operations Manual

We do not currently have an Operations Manual, but reserve the right to create one and require your compliance with its terms. If we create an Operations Manual, we will loan to you one or more copies of our Operations Manual or will provide access to the Operations Manual over our corporate Intranet. Once created, this Operations Manual will contain mandatory and suggested specifications, standards, employee uniforms and appearance, operating procedures and rules prescribed periodically by us, as well as information relative to your other obligations under the Franchise Agreement and the operation of the Franchise System.

When created by us, the Operations Manual must remain confidential and is our proprietary property. We have the right to add to and otherwise modify the Operations Manual periodically as we deem necessary, provided these additions or modifications will not alter your fundamental status and rights under the Franchise Agreement.

TRAINING PROGRAM

Subject	Hours of Classroom Training	Hours of on the Job Training	Location
Day 1	5	0	MOTW HQ in Indianapolis
<ul style="list-style-type: none"> • Intro to Coffee & MOTW • Customer Service • Mentality 			
Day 2	3	4	MOTW HQ in Indianapolis
<ul style="list-style-type: none"> • Layout and Tour • Equipment and Tools • “Look and Feel” of Shop 			

Day 3	4	3	MOTW HQ in Indianapolis
<ul style="list-style-type: none"> • POS System • Online Permission • Online Navigation • Cash Handling 			
Day 4	4	2	MOTW HQ in Indianapolis
<ul style="list-style-type: none"> • Online Ordering • Pour Over • Batch Brewing • French Press • Cold Brew 			
Day 5	2	3	MOTW HQ in Indianapolis
<ul style="list-style-type: none"> • EverySYS! • All Functions • Troubleshooting • Cleaning, Maintaining Water Filter 			
Day 6	2	4	MOTW HQ in Indianapolis
<ul style="list-style-type: none"> • Coffee Beans • Tinker • Espresso Based Drinks • Drip & Difference • Espresso Drinks 			
Day 7	1	0	MOTW HQ in Indianapolis
<ul style="list-style-type: none"> • Syrups • Chai • Tea Bulk • Prep 			
Day 8	1	0	MOTW HQ in Indianapolis

<ul style="list-style-type: none"> • Chai • Refreshers • Hot Tea 			
Day 9	1	3	MOTW HQ in Indianapolis
<ul style="list-style-type: none"> • Food Items • Pastries • Cleanliness 			
Day 10	1	3	MOTW HQ in Indianapolis
<ul style="list-style-type: none"> • Organization • Set-up • Rotation • Merch 			
Day 11	1	3	MOTW HQ in Indianapolis
<ul style="list-style-type: none"> • Opening • During the Day • Closing • Procedures and Cleaning 			
Day 12	4	4	MOTW HQ in Indianapolis
<ul style="list-style-type: none"> • Overview • People • High Expectations 			
Day 13	1	10	MOTW HQ in Indianapolis
<ul style="list-style-type: none"> • Mock Trial 1 • Full Morning and Mid-Day Shift 			
Day 14	1	10	MOTW HQ in Indianapolis
<ul style="list-style-type: none"> • Mock Trial 2 • Mid-day and Close • Make all Products 			

Training will typically be conducted by our Chief Executive Officer, Sajjad Shah, within thirty (30) to forty-five (45) days before you open your franchise. Mr. Shah has two (2) years of experience in owning

and operating MOTW Cafes. Training may also be conducted by various management staff from an MOTW location operated by our affiliates, each of whom will generally have 1 month of experience in operation of an MOTW establishment or have specific experience pertinent to the training presented. We may conduct your initial training in conjunction with other franchisees. Training will primarily take place at an MOTW location near metro-Indianapolis or as otherwise provided above. The first week of training will be at our offices near Indianapolis for a period of approximately six (6) days, from 10:00 am– 3:00 pm. The second week will also be for five (5) days, during the same daily time period and will be held at a MOTW Café location near metropolitan Indianapolis. The third week will be at your franchised location for a period of five (5) days from 10:00 am to 3:00 pm. We require at least one individual per location to complete the training program, one of whom must be your Manager for the franchise, although we encourage you to bring other employees with you who have signed the required confidentiality agreement. The instructional materials for training will be in written directives prescribed by us. You must successfully complete our training prior to the opening of your Franchise Business. If you or your Manager fails our initial training, we may either offer to retrain such individual or terminate the Franchise Agreement.

Our training sessions, whether initial training programs or additional training programs for all franchisees, will be conducted as often as required at our expense, except that you must pay for the travel, lodging, meals, salaries and other expenses of you and your employees. Neither you nor your employees will receive any compensation from us while attending the initial training program or other training programs. All franchisees and managers of their franchise must attend and successfully complete the initial training period agreed by the parties at the time of the signing of the Franchise Agreement and prior to commencing operation of the Franchise Business.

Periodically, and on an as-needed basis, we may provide mandatory follow-up training programs, which you, the manager of your franchise and/or your other employees must attend. We reserve the right to charge you a training fee at these additional training programs at our then current per diem rate which is \$250.00 per trainer per day as of the issuance date of this disclosure document. We may also conduct webinars and conference calls and hold meetings and conferences. You will be responsible for your travel, lodging, meals, salaries and other expenses of you and your employees. Neither you nor your employees will receive any compensation from us while attending the meetings, conferences or other training programs.

ITEM 12 **TERRITORY**

Franchise Location

You must operate your MOTW Cafe only from a specific location, which will be designated in Item 1 on Appendix A to the Franchise Agreement. If the exact location for your MOTW Cafe has not been determined before signing of the Franchise Agreement, you must execute a lease for a location for your franchise within the area designated on Appendix A within 180 days from execution of the Franchise Agreement. If we determine in our sole opinion that there are good grounds as to why you have not met this requirement, we may grant you an extension that we determine. You must always operate your Cafe only at a location approved in writing by us. You cannot relocate your franchise without our approval. If your franchise location becomes unusable or unavailable for your MOTW Cafe,

you must obtain our written approval for a new site. The factors we consider for relocating franchises are the same factors we consider for your initial location (see Item 11).

As long as you sell approved products and services at your franchise location, and except as otherwise provided below regarding providing delivery services to customers, you are not limited in the area from which you may draw your customers. The sale of any other products or services requires our prior written consent. You will also have no right to solicit or conduct business through the use of toll free telephone numbers, catalogs, direct mail, internet, social media or other advertising or solicitation methods not involving or promoting only sales over-the-counter at your Franchise Location.

You will not receive an exclusive territory. You may face competition from other franchisees, from outlets we own, or from other channels of distribution or competitive brands we control. However, as long as you are not in default of your Franchise Agreement, we grant you a protected area of a radius of zero (0) to five (5) miles from your Franchise Location (the “Protected Area”) in which we will not operate, authorize, license or franchise any other person to operate a business using the Franchise Marks, the Franchise System or any other Cafe business that offers the same products and services as Franchisor, without your prior written consent. Notwithstanding the above, this Protected Area is not exclusive as we may operate or authorize another person to operate a MOTW Cafe in a public facility, such as train station, bus station, shopping mall/center, airport, park, amusement park, arena or stadium within your Protected Area, or in any geographic area, if it is located off a highway exit (“Non-traditional Venues”). If your Franchise Location is in a densely populated urban area (such as a major downtown area), your Protected Area may be an area that is less than one (1) mile. In that case, the area will be mutually agreed upon and will be stated in Item 2 of Appendix A of the Franchise Agreement. In less populated rural areas, we may grant a larger Protected Area at our discretion.

You and any other franchisee may make deliveries into any Protected Area, whether by your own employees or third-party delivery companies (i.e., Grub Hub, Door Dash, etc.), as long as the customer is not further than five (5) miles from the Cafe. Thus, subject to this restriction, you are not prohibited from delivering into the Protected Area of any other MOTW franchisee. You will not be permitted to offer delivery service to any customer located outside of your Protected Area if deliveries cannot be made within a reasonable period of time or if you are unable to maintain the quality of the product delivered in accordance with the System. What constitutes a “reasonable period of time” means the time limits we determine, from time to time, as designated in writing to you or through our Operations Manuals. You will compete with other MOTW Cafes which are now, or which may in the future be, located near or adjacent to your Protected Area (Franchise Agreement, Section 2.3). We will not pay you any compensation for soliciting or accepting orders in your Protected Area.

We may operate and authorize others to operate a Cafe business that offers the same products as a MOTW Cafe in your Protected Area if we acquire a chain of existing Cafes or franchise rights to a chain of existing Cafes. However, in that case, we will not add or authorize any other person to add any additional units of those Cafes in your Protected Area after the acquisition.

Your limited rights as described above relate to location only and do not grant you any exclusivity of marketing or customers. Except as limited by us, any MOTW Cafe may sell their products and services to any customer. To the extent permitted by law, for the protection of our brand, we may require adherence to minimum and maximum prices that may be published from time to time. There are

no restrictions on our right to solicit or accept orders within your Protected Area, although we have no present intention to do so. You will not receive any compensation if we, our affiliates or franchisees solicit or accept customers or orders from inside your Protected Area.

Reservation of Rights

All rights not expressly granted in the Franchise Agreement to you relating to the Franchise Marks and Franchise System are reserved to us, including but not limited to: (a) the right to operate and authorize others to operate businesses using the Franchise Marks and/or Franchise System at any location other than a location in your Protected Area; and (b) the right to operate or authorize others to operate any business that does not use the Franchise Marks or the Franchise System at any location, including locations within your Protected Area.

Continuation of your Protected Area is not dependent upon your achievement of a certain sales volume, market penetration, or other contingency and, except as limited by us or reserved to us, there are no conditions under which your Protected Area may be altered by us.

Franchisee Options; Additional Franchises

You will not have any options, rights of first refusal or similar rights to acquire additional franchises within any specified territory or any contiguous territories. We may allow you to acquire additional franchises in our sole discretion, including if you meet our qualifications in place at that time for acquiring a franchise and ownership of multiple locations. These qualifications may include standards of character, business experience, financial strength, credit standing, health, reputation, business ability, experience, availability of management personnel, etc.

ITEM 13 **TRADEMARKS**

By written agreement with our affiliate, Coffee & Pastries (“Licensor”), we have been licensed to use and sub-license to our franchisees, all Franchise Marks used, developed or held by Licensor. Under the Franchise Agreement, we grant you the nonexclusive right to use these Franchise Marks in connection with the operation of your Franchise Location. We will sublicense you to use the Franchise Marks currently used or that may hereafter be used in the operation of the business. You must use the Franchise Marks only for the operation of your Franchise Business in the manner we authorize. You will be licensed to use our trademarks, service marks, trade names, logos and symbols (the “Franchise Marks”) in the operation of your MOTW Cafe in accordance with the terms of your Franchise Agreement. As of the date of this disclosure document, Licensor has obtained or made application for registration of the following federal service marks with the United States Patent and Trademark Office (“USPTO”):

MARK	APPLICATION DATE/NUMBER	REGISTRATION	REGISTRATION DATE	REGISTER
MOTW COFFEE & PASTRIES®	August 20, 2021 Serial No. 90893763	6845380	September 13, 2022	Principal
	August 20, 2021 Serial No. 90893788	6845384	September 13, 2022	Principal

There are no currently effective material determinations of the USPTO, the USPTO Trademark Trial and Appeal Board, or the trademark administrator of any state or any court involving the Marks. There are no pending infringement, opposition or cancellation proceedings involving the Marks. There is no pending material federal or state court litigation regarding our use of, or ownership rights in the Marks. In addition, except for our license agreement with Licensor, there are no agreements currently in effect that significantly limit our right to the Franchise Marks or to use or sublicense the use of the Franchise Marks in a manner material to the franchise.

In the Franchise Agreement, you acknowledge and agree that your license to use the Franchise Marks is nonexclusive and limited to providing MOTW Cafe products and services. We retain the right, among others, to grant other licenses for the use of the Franchise Marks outside your Protected Area, in addition to those licenses granted to you and to other MOTW franchisees, as well as to develop and establish other systems and programs providing similar products and services utilizing the same or similar marks or any other proprietary marks, without providing you with any rights to these other systems and programs.

You must use each Franchise Mark in full compliance with the Franchise Agreement, the Operations Manual (once created), and reasonable rules prescribed periodically by us. You are prohibited under the Franchise Agreement from using any Franchise Mark as part of any corporate or other legal name without our prior written consent. You must, except as prohibited by applicable law, operate your MOTW business only under the Franchise Marks designated by us for that purpose without any prefix, suffix or other modifying words, terms, designs or symbols without our prior written consent. In addition, you may not use any Franchise Mark in connection with the sale of any unauthorized product or service or in any manner not authorized in writing by us. You must submit to us samples of all advertising and other materials to be used by you upon which the Franchise Marks appear. You must use the symbol “®”, “SM”, “TM” or any other symbols or words as we may designate to protect the Franchise Marks in all printed or other advertising materials and upon all printed surfaces upon which any of the Marks appear. Under the Franchise Agreement, you agree not to contest, directly or indirectly, the ownership, title, right or interest of the Franchise Marks that are a part of our franchise System. Upon the termination or expiration of the

Franchise Agreement, you must immediately discontinue all use of the Franchise Marks and any similar variations thereof, remove all copies of the Franchise Marks from your business premises and vehicles, and take all necessary steps to assign to us all trade names, trademarks and service marks that you have used or registered during the term of the Franchise Agreement.

You may not permit any third party to print the Franchise Marks on any products, materials, documents or supplies used by you in your MOTW business without our prior consent and without causing the third party to sign a license agreement with us.

The Franchise Agreement does not obligate us to protect your use of the Franchise Marks or protect you against claims of infringement of unfair competition arising out of your use of the Franchise Marks. You must promptly notify us of any use of, or claim of right to, the Franchise Marks or any colorable variation of the Franchise Marks and any litigation instituted by any third party against us or you involving the Franchise Marks. The Franchise Agreement does not require us to take affirmative action when notified of these uses or claims. We have the right to control any administrative proceedings or litigation involving the Franchise Marks. We may, in our sole discretion, undertake the defense, prosecution or settlement of any litigation relating to the Franchise Marks. If we do so, you are required under the Franchise Agreement to sign documents and to render any other assistance as is reasonably necessary in our opinion to carry out the defense, prosecution or settlement. The Franchise Agreement does not require us to participate in your defense and/or to indemnify you for expenses or damages if you are a party to an administrative or judicial proceeding involving a Franchise Mark, or if a proceeding involving a Franchise Mark is resolved unfavorably to you. We are not aware of either superior prior rights or infringing uses that could materially affect your use of the principal Franchise Marks in the state in which your MOTW business will be located.

If we discontinue or modify any of the Franchise Marks, we may require you to discontinue or similarly modify your use of that Franchise Mark at your expense. If this occurs, you will incur the tangible cost of compliance (for example, changing signs). If the expenditure is required due to implementation of a new name based on rejection of our request for registration by the USPTO, we will equally share with you your costs for new exterior and interior signage and menu name changes. Your rights under the Franchise Agreement will continue as long as you implement the modification or discontinuance of the Franchise Marks as required by us. If you fail to comply with this requirement, we have the right to terminate the Franchise Agreement.

ITEM 14 **PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION**

Patents and Copyrights

We do not own any patents that are material to your franchise. We do not have any pending patent applications that are material to your franchise. We claim copyright protection for our written materials, including our Operations Manual (once created), although these materials are not registered with the U.S. Registrar of Copyrights. There are no currently effective material determinations of the United States Copyright Office or any court regarding any of our copyrighted or confidential materials. There are no agreements currently in effect that limit our rights to use or license the copyrighted materials or any of our confidential information. We do not know of any superior prior right or infringing uses of

our copyrighted materials or our confidential information that could materially affect your use of those materials or information.

Proprietary and Confidential Information; Trade Secrets

Our Operations Manual, specifications and procedures and other aspects of the Franchise System are considered proprietary and confidential and are or may be protected as trade secrets under various state and federal laws. This information may include site selection criteria, training and operations materials, recipes, methods, formats, specifications, standards, systems, procedures, sales and marketing techniques, knowledge and experience, knowledge of operating results, financial performance and related intellectual property. We grant you a limited license to use our trade secrets and proprietary know-how relating to the operation of Franchise System (the “Proprietary Information”). You acquire no interest in the Proprietary Information provided to you other than the right to utilize it in the operation of your MOTW franchise in accordance with and during the term of the Franchise Agreement. Once created, you also must treat the contents of the Operations Manual as confidential. You are prohibited from disclosing, copying and/or duplicating, recording, reproducing or otherwise making available the contents of the Operations Manual (once created) to any unauthorized person without our consent.

You must not use our specifications and procedures or any other aspect of our Franchise System in any unauthorized manner and you must take reasonable steps to prevent disclosure of this information to others. Your employees must sign an agreement relating to confidentiality in a form specified by us before you may disclose our confidential information to them (see Exhibit E).

You must promptly notify us of any use of, or claim of right to, the Proprietary Information and any litigation instituted by any third party against us or you involving the Proprietary Information. The Franchise Agreement does not require us to take affirmative action when notified of these uses or claims. We may, in our sole discretion, undertake the defense, prosecution or settlement of any litigation relating to the Proprietary Information. If we discontinue or modify any of the Proprietary Information, we may require you, at your expense, to discontinue or similarly modify your use of that Proprietary Information.

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

At least one of the persons designated in Appendix A of the Franchise Agreement must be a designated owner (a “Designated Owner”), who has been trained. Such person must: (a) devote his or her full time and effort to the day-to-day active management and operation of the Franchise Business; (b) personally exercise his or her best efforts to market the Franchise Business and maximize customer satisfaction; (c) preserve and exercise ultimate authority and responsibility with respect to the management and operation of the Franchise Business; and (d) represent and act on behalf of Franchisee in all dealings with us. If you desire to have a manager, other than a Designated Owner, devote full time and effort to the day-to-day active management and operation of the Franchise Business in place of a Designated Owner, the manager must successfully complete the training program designated by us and must be approved, in writing, by us. We must also approve, in writing, any change in your management personnel. You must have all of your managers’ sign an agreement relating to confidentiality in the form we specify as a condition of employment of the manager. See Exhibit E. If the Franchisee is a corporation, partnership,

limited liability company or other entity, each person with an ownership interest must personally guaranty all of the Franchisee's obligations to us (see Exhibit D, Personal Guaranty).

ITEM 16
RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You may only sell products or services approved by us. You must sell all products and provide all services that we specify for sale by the Franchise Business. You must not sell any products, provide any services or engage in any business at your Franchise Business or Franchise Location other than those specified by us without written authorization from us. We may add or delete required or authorized products or services to be provided by the Franchise Business. If any products or services are added, you must be qualified to provide the products and services before we will authorize you to offer those products and services. If a product or service is deleted, you must cease offering that product or service immediately on written notice from us. We will make all changes in the required products and services for good faith marketing reasons and on a uniform basis for all similarly situated franchisees in a particular market, except when test marketing products or services.

You are prohibited from soliciting customers by the use of toll-free telephone numbers, catalogs, direct mail, Internet, social media or other advertising and solicitation methods that we have not approved in writing. You may provide Cafe services to your customers subject to the terms and conditions stated in the Franchise Agreement and any future Operations Manual, as amended from time to time. Your Protected Territory is non-exclusive with respect to customers, but you may not open a Cafe within the Protected Area of any other franchisee or Company operated location.

In the event you determine to offer special discounts or coupons to induce customers to patronize your Franchise Business, such discounts or coupons must state the following legend: "THIS COUPON IS VALID ONLY AT (YOUR ADDRESS). OTHER MOTW COFFEE & PASTRIES LOCATIONS MAY BE INDEPENDENTLY OWNED AND OPERATED AND ARE UNDER NO OBLIGATION TO ACCEPT THIS COUPON" If your coupons are accepted by other franchisees or Company owned locations, upon our request, you must reimburse the coupon-accepting location the difference between its regular menu price and the price obtained pursuant to the coupon(s) it accepted.

Minimum and Maximum Prices

To the extent permitted by federal and state laws, to maintain uniformity and pricing viability of our franchise system, we reserve the right to require that your franchise advertise and charge minimum and maximum prices for your menu items as we may determine in our sole discretion.

ITEM 17
RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION
THE FRANCHISE RELATIONSHIP

These tables list certain important provisions of the Franchise, Multi-Unit Developer 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	Section 3.1	10 years
b. Renewal or extension of the term	Section 3.2	Two options of five years
c. Requirements for you to renew or extend	Section 3.2	Not in default; no multiple defaults within last 12 months; provide notice; maintain possession of Franchise Location; has satisfied payment and reporting requirements throughout the initial term; satisfy current training standards; sign a general release; sign new Franchise Agreement; pay a renewal fee; and comply with other standards. As a condition of renewal, you may be asked to sign a Franchise Agreement with materially different terms and conditions than your original Franchise Agreement.
d. Termination by you	Section 14.1	If we materially breach the Franchise Agreement and do not cure after notice.
e. Termination by us without cause	None	
f. Termination by us with cause	Sections 14.2 through 14.4	If you materially breach the Agreement or the occurrence of any of the events listed in these sections as described below.
g. "Cause" defined—curable defaults	Section 14.4	Notice and cure period is 10 days for monetary defaults and 30 days for other defaults. The defaults include: failure to pay obligations to us, our affiliates or third parties relating to the Franchise Business; failure to operate in accordance with uniform standards or meet minimum performance requirements; failure to purchase products and services from Approved Suppliers; disputes among franchisee's owners that materially and adversely affects the Franchise Business; any other material breach of the Franchise Agreement or any other agreement by you or your affiliates; the cancellation of any guaranty.

<p>h. “Cause” defined—non-curable defaults</p>	<p>Section 14.3</p>	<p>Non-curable defaults include: failure to obtain Franchise Location, failure to complete training, obtain permits or pay amounts due; material misrepresentation, dishonesty or fraud; a substantial number of complaints from customers; a transfer without complying with Section 13 of the Franchise Agreement; conviction of a crime; multiple failures to meet minimum performance scores; multiple defaults; failure to attend monthly meetings; abandonment; creating health or safety hazards; substance abuse; conduct that reflects materially and adversely on the Franchise Marks or Franchise System; bankruptcy, insolvency, appointment of a receiver or general assignment for creditors.</p> <p>The Wisconsin Fair Dealership Law Title XIV-A Ch. 135, Section 135.01-135.07 may affect the termination provision of the Franchise Agreement.</p>
<p>i. Your obligations on termination/non-renewal</p>	<p>Section 15</p>	<p>Complete de-identification; cease advertising; cease using proprietary information; assign telephone and fax numbers (Exhibit F), email addresses, website addresses, domain names and other electronic identifiers to us; cease using business name containing the Franchise Marks; payment of amounts due and liquidated damages for loss of bargain.</p>
<p>j. Assignment of contract by us</p>	<p>Section 13.5</p>	<p>No restriction on our right to assign if adequate provision has been made for providing further contractual services.</p>
<p>k. “Transfer” by you—defined</p>	<p>Section 13.1</p>	<p>Includes transfer of interest in the franchise or in the corporation or other business entity that owns the franchise or a transfer of substantially all of the assets of the Franchise Business.</p>

l. Our approval of a transfer by you	Sections 13.1 and 13.2	You must have our written consent to transfer your franchise. We will not unreasonably withhold consent if you meet conditions listed in the Franchise Agreement.
m. Conditions for our approval of the transfer	Section 13.2	New franchisee qualifies; transfer does not place unreasonable burdens on transferee; all amounts are paid; release signed by you (Exhibit L); new franchisee completes training program; current Franchise Agreement signed by new franchisee or assumption agreement, at our option; transfer fee paid; current requirements met.
n. Our right of first refusal to acquire your business	Section 13.2	We have the right of first refusal to match an offer to buy your franchise
o. Our option to purchase your business	Section 15.3	We have the option to purchase the assets of the Franchise Business on expiration or termination, except termination by you for cause. If we cannot agree on a price, the price is determined by appraisal.
p. Your death or disability	Section 13.3	Your estate may operate the franchise if we approve a manager. If no acceptable manager is approved, the estate must transfer the franchise within 180 days.
q. Non-competition covenants during the term of the franchise	Section 12.1	No involvement in competing business anywhere unless otherwise agreed by us.
r. Non-competition covenants after the franchise is terminated or expires	Section 12.5	May not own, operate or be consultant to any Cafe business that is the same or similar to us for a period of two (2) years within 25 miles of former site and any existing MOTW business
s. Modification of the agreement	Section 17.8	Amendments must be in writing and signed by both parties except we may unilaterally modify our specifications.
t. Integration/merger clause	Section 17.8	Only the terms of the Franchise Agreement are binding however, we do not disclaim and you do not waive reliance on any representations made in this disclosure document or in its exhibits and amendments.

u. Dispute resolution by arbitration	Section 16	Except for actions for injunctive relief, all disputes are subject to negotiation and binding arbitration.
v. Choice of forum	Sections 16.3 and 16.6	Arbitration must be in Hamilton County, Indiana. Actions by you must and actions by us may be brought in the federal courts in Indiana or in the state courts in Indiana if the federal courts do not have jurisdiction. See State Law Addendum.
w. Choice of law	Section 16.5	Except for the Federal Arbitration Act, Indiana law applies. See State Law Addendum.

APPLICABLE STATE LAW MAY REQUIRE ADDITIONAL DISCLOSURES RELATED TO THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. THESE ADDITIONAL DISCLOSURES, IF ANY, WILL APPEAR IN AN EXHIBIT TO THIS FRANCHISE DISCLOSURE DOCUMENT. TERMINATION OF THE FRANCHISE AGREEMENT ON BANKRUPTCY OR INSOLVENCY MAY NOT BE ENFORCEABLE UNDER FEDERAL BANKRUPTCY LAW (11 U.S.C. § 101 ET SEQ.).

ITEM 18
PUBLIC FIGURES

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

ITEM 19
FINANCIAL PERFORMANCE REPRESENTATIONS

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

We do not make any representations about a franchisee’s future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations, either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor’s management by contacting our CEO, Mr. Sajjad Shah at (317) 514-0354, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20
OUTLETS AND FRANCHISEE INFORMATION

Table No. 1

System Wide Outlet Summary For Years 2021 to 2023

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2021	0	0	0
	2022	0	0	0
	2023	0	0	0
Company-Owned or Affiliates	2021	0	1	+1
	2022	1	3	+2
	2023	3	4	+1
Total Outlets	2021	0	1	+1
	2022	1	3	+2
	2023	3	4	+1

Table No. 2

Transfers of Outlets From Franchisees to New Owners (Other than the Franchisor)
For Years 2021-2023

State	Year	Number of Transfers
N/A	2021	0
	2022	0
	2023	0
Totals	2021	0
	2022	0
	2023	0

Table No. 3

Status of Franchised Outlets For Years 2021 to 2023

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Re-acquired by Franchisor	Ceased Operations Other Reasons	Outlets at End of Year
Indiana	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
TOTAL	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0

Table No. 4
Status of Company-Owned/Affiliate Outlets
For Years 2021-2023

State*	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of the Year
Indiana	2021	0	1	0	0	0	1
	2022	1	2	0	0	0	3
	2023	4	0	0	0	0	4
TOTAL	2021	0	1	0	0	0	1
	2022	1	2	0	0	0	3
	2023	4	0	0	0	0	4

* The company-owned outlets refer to the Cafes operated by our affiliate, Coffee & Pastries.

Table No. 5
Projected Openings as of April 2023

State	Franchise Agreements Signed But Outlet Not Yet Opened	Projected New Franchised Outlet in the Next Fiscal Year	Projected New Company-Owned Outlet in the Next Fiscal Year
Massachusetts	1	2	0
New York	0	2	0
Illinois	0	2	0
Virginia	0	1	0
Georgia	0	1	0
Texas	0	1	0
Totals	0	9	0

The information in the tables is as of December 31st of each year. We did not begin offering franchises until July 2023. The numbers reflected in this Item refer to Cafes operated by our affiliate, Coffee & Pastries.

The addresses and telephone numbers of our operating affiliate and franchise locations are listed by **Exhibit L** attached to this disclosure document. There are no franchisees who had an outlet terminated, cancelled, transferred, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the Franchise Agreement during the most recently completed fiscal year or who have not communicated with us within 10 weeks of the disclosure document issuance date.

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

year, we had no franchisees leave the system. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

There are no trademark-specific franchisee organizations associated with the MOTW franchise system that have been created, sponsored or endorsed by us or that have asked to be included in our Franchise Disclosure Document.

ITEM 21 **FINANCIAL STATEMENTS**

Our unaudited financial statements for the past three years are attached as **Exhibit A**. We were organized in July 2023. We have not been in business for three or more years, so we are not able to provide the financial statements that are normally required by the FTC Rule. Our fiscal year ends on December 31.

ITEM 22 **CONTRACTS**

Attached to this disclosure document are copies of the following agreements:

- A. Franchise Agreement
- B. Personal Guaranty
- C. Confidentiality Agreement
- D. Assignment of Telephone Service Agreement
- E. Authorization Agreement for Electronic Funds Transfer
- F. Consent for Credit and Background Check
- G. Acknowledgment Addendum to Franchise Agreement
- H. Mutual Release

ITEM 23 **RECEIPTS**

Two copies of a Receipt that acknowledges your receipt of this Franchise Disclosure Document, including all Exhibits, are attached as **Exhibit P**. You must date and sign one copy of the Receipt and return it to us.

EXHIBIT A
FINANCIAL STATEMENTS

(ATTACHED)

EXHIBIT B
FRANCHISE AGREEMENT

FRANCHISE AGREEMENT

BETWEEN

**MOTW COFFEE &
PASTRIES FRANCHISING,
LLC**

AND

(“Franchisee”)

**EFFECTIVE DATE:
LOCATION:**

TABLE OF CONTENTS

ARTICLE 1 – INTRODUCTION	6
1.1	Franchise System 6
1.2	Proprietary Marks 6
1.3	Acknowledgements of Franchisee 6
ARTICLE 2 - GRANT OF FRANCHISE	7
2.1	Grant of Franchisee 7
2.2	Limitations 7
2.3	Limited Exclusivity 7
2.4	Reservation of Rights 8
ARTICLE 3 - TERM AND OPTION	9
3.1	Term 9
3.2	Option of Franchisee 9
ARTICLE 4 - FEES, REPORTS, ACCESS AND AUDIT	10
4.1	Initial Franchise Fee 10
4.2	Royalty 10
4.3	Grand Opening Advertising; Local Advertising 11
4.4	Training Fees 12
4.5	Renewal Fees 12
4.6	Transfer Fee 12
4.7	Noncompliance Fee; Late Charge; NSF Fees; Interest 12
4.8	Manner of Payment 12
4.9	No Setoff; Application of Payments 13
4.10	Reports and Financial Statements 13
4.11 .. Point of Sale and Computer Equipment and Software; Access to and Use of Information	13
4.12	Records 15
4.13	Inspection by Franchisor 15
4.14	Access to Records and Audit by Franchisor 15
4.15	16
4.16	16
ARTICLE 5 - SERVICES PROVIDED TO FRANCHISEE	16
5.1	Site Selection and Lease Negotiation 16
5.2	Construction and Improvements 16
5.3	Equipment, Fixtures, Signs, Inventory and Suppliers 16
5.4	Operations Manual; Update Specifications 16
5.5	Training 16
5.6	Setup and Opening 17
5.7	Products and Services; Suppliers 17
5.8	Operational Assistance 17
5.9	Pricing 17
5.10	Advertising 17

5.11	Indemnification for Trademark Actions	17
5.12	Franchisor's Services May be Provided by Independent Agents and Representatives	18
ARTICLE 6 - USE AND PROTECTION OF FRANCHISE MARKS		18
6.1	Non-ownership of Proprietary Marks	18
6.2	Use of Proprietary Mark	18
6.3	Use of Other Trademarks	19
6.4	Defense of Proprietary Marks	19
6.5	Prosecution of Infringers	19
6.6	Modification or Substitution of Proprietary Marks	19
6.7 ..	Validity and Ownership of Proprietary Marks; Prohibition Against Disputing Franchisor's Rights	20
ARTICLE 7 - FRANCHISE LOCATION, LEASE AND OTHER PRE-OPENING OBLIGATIONS		20
7.1	Location Selection and Approval	20
7.2	Franchisor's Right to Own or Lease	21
7.3	Lease Requirements	21
7.4	Licenses and Permits	21
7.5	Completion of Training	21
7.6	Development of Franchised Business and Location	21
7.7	Telephone Numbers; Internet Access; E-mail Addresses	22
ARTICLE 8 - OPERATIONS		23
8.1	Opening Date; Continuing Operations and Best Efforts	23
8.2	Standards of Operation; Operations Manual	23
8.3	Acquisition of Products and Services	25
8.4	Specifications and Designated Suppliers for Products and Services	25
8.5	Products and Services Offered by the Franchised Business; Pricing; Promotional Programs	26
8.6	Maintenance; Refurbishing; Alterations	26
8.7	Designated Owners; Managers	27
8.8	Employees	27
8.9	Insurance	28
8.10	Compliance with Laws and Other Obligations	29
8.11	Separate Identification of Franchised Business	29
8.12	Indemnification	29
8.13	Participation in Franchisee Advisory and other Committees	29
8.14	Notices to Franchisor	30
ARTICLE 9 – ADVERTISING		30
9.1	Grand Opening Advertising	30
9.2	Local Advertising	31
9.3	Administration of Advertising Fund	31
9.4	Advertising Cooperatives	31
9.5	Additional Advertising; Approval of Advertising Materials; Coupons	31
9.6 ...	Use of Websites, Internet, Social Media or Toll-Free Telephone Numbers	32

ARTICLE 10 – TRAINING	33
10.1	Initial Training 33
10.2	Franchisee’s Training Program 33
10.3	Additional Training, Sales Programs and Meetings 33
ARTICLE 11 - CONFIDENTIAL INFORMATION.....	34
11.1	Confidential Information Defined 34
11.2	Ownership and Use of Confidential Information 34
11.3	Expiration, Termination, or Transfer of this Agreement 35
ARTICLE 12 – RESTRICTIONS ON COMPETITION	35
12.1	Covenant Not to Compete During Term 35
12.2	Other Restrictions During Term 35
12.3	Definition of Competing Business 35
12.4	
Acknowledgements and Agreements Relating to Restrictions on Competition....	36
12.5	
Covenant Not to Compete After Termination or Expiration of Franchise Term...	36
ARTICLE 13 - TRANSFERABILITY	36
13.1	General Rule 36
13.2	Conditions of Franchisor’s Consent to Transfer; Right of First Refusal 36
13.3	Transfer on Death or Incapacity 38
13.4	Transfers to Controlled Entities 39
13.5	Assignment by Franchisor 39
ARTICLE 14 – DEFAULT AND TERMINATION.....	39
14.1	Default by Franchisor; Termination by Franchisee 39
14.2	Default by Franchisee; Termination by Franchisor 40
14.3	Events of Default by Franchisee; No Right to Cure 40
14.4	Events of Default by Franchisee; Right to Cure 41
14.5	Right to Withhold Products and Support Services on Certain Defaults by Franchisee.....
	42
ARTICLE 15 - EFFECT OF TERMINATION OR EXPIRATION	42
15.1	Obligations of Franchisee 42
15.2	Termination of Lease; Option to Assume Lease 44
15.3	Option to Purchase Assets 44
15.4	Surviving Obligations 44
15.5	Damages for Loss of Bargain 45
15.6	Remedies 45
ARTICLE 16 – DISPUTE RESOLUTION; LAW AND JURISDICTION; INJUNCTIVE RELIEF; COSTS OF ENFORCEMENT; JURY WAIVER; LIMITATIONS OF CLAIMS.....	45
16.1	Negotiation 45
16.2	Binding Arbitration 46
16.3	Arbitration Procedures 46
16.4	47

16.5Applicable Law 47

16.6Injunctive Relief 47

16.7Costs of Enforcement 47

16.8 Jury Waiver; Time Period for Bringing Claims; Limitation of Damages 48

16.9Survival 48

ARTICLE 17 – ADDITIONAL PROVISIONS48

17.1Independent Contractor 48

17.2Waivers 49

17.3Consents, Approvals, & Satisfaction 49

17.4Third Parties 49

17.5Cumulative Remedies 50

17.6Notices 50

17.7Unavoidable Contingencies 50

17.8Entire Agreement; Modifications 50

17.9Severability 51

17.10Uniformity 51

17.11Obligations, Joint and Several 51

17.12Signing by Franchisor 51

17.13Headings 51

17.14Ownership of Franchisee 51

17.15No Class Action or Consolidation 51

17.16No Reliance 52

ARTICLE 18 – ANTI-TERRORISM LAW COMPLIANCE52

FRANCHISE AGREEMENT

This AGREEMENT (“Agreement”) is made effective as of this 29th day of March 2024, between MOTW COFFEE & PASTRIES FRANCHISING, LLC, an Indiana limited liability company (“Franchisor,” “MOTW COFFEE & PASTRIES,” “We” or “Us”) and Coffee Bros, LLC (“Franchisee” or “You”). The Wisconsin Fair Dealership Law Title XIV-A Ch. 135, Sec. 135.01-135.07 shall supersede any conflicting terms of the Agreement.

ARTICLE 1 – INTRODUCTION

1.1 Franchise System

Franchisor franchises a system for operation of a quick service coffee Cafe offering both in-Cafe seating and carry-out of coffee blends, espresso, teas and pastries and related items, operating under the MOTW COFFEE & PASTRIES name and service marks (“Franchise System”). The distinguishing characteristics of the system include trade names, trademarks, proprietary food products and food preparation techniques, trade dress elements of the business, including color schemes, art and overall look and feel of the Cafe, the uniforms worn by staff and certain materials used in the operation of the business, supplier and distribution arrangements, recipes, formulas and specifications for food products, training, operational procedures, promotional techniques and materials, signs, paper products, equipment, methods of inventory and operation, and manuals covering business practices and policies. The Franchise System may be updated and revised by Franchisor in the future. A business operated under the Franchise System, whether operated by Franchisor, an affiliate of Franchisor or a person authorized by Franchisor, will be referred to in this Agreement as a “Franchised Business” or “Cafe.”

1.2 Proprietary Marks

Franchisor uses and owns or has rights to certain trademarks, service marks, logos, trade dress and other elements that are used to identify the Franchise System and a Cafe. Franchisor may, in the future, develop, use and register additional or different trademarks, service marks, logos, trade dress and other elements that it may make available for use by Franchisee. The trademarks, service marks, logos, trade dress and other elements that Franchisor authorizes Franchisee to use now and in the future will be referred to in this Agreement as the “Proprietary Marks.”

1.3 Acknowledgements of Franchisee

Franchisee recognizes the advantages of operating under the Franchise System and Proprietary Marks and desires to obtain the right to operate a Cafe. Franchisee acknowledges that it received Franchisor’s Franchise Disclosure Document at least 14 calendar days before signing this Agreement or paying any consideration to Franchisor. Franchisee acknowledges that it has read and understood this Agreement, the attachments to this Agreement, and the documents relating to this Agreement, if any, and has been given ample time and opportunity to consult with an attorney or other professional advisor about the potential benefits and risks of entering into this Agreement.

Franchisee understands the risks of being involved in a retail Cafe business and is able to bear such risks. Franchisee also acknowledges that the success of the Franchised Business depends primarily on Franchisee's efforts. In addition, other factors beyond the control of Franchisor or Franchisee may affect the success of Franchisee's business, including competition, economic conditions, business trends, costs, market conditions, and other conditions that may be difficult to anticipate, assess or even identify.

Franchisee acknowledges that neither Franchisor nor any of its agents or representatives have made or are authorized to make any oral, written or visual representations or projections of actual or potential sales, earnings, net or gross profits, operational costs or expenses, prospects or chances of success that are not contained in this Agreement, or in Franchisor's Franchise Disclosure Document. Franchisee agrees that it has not relied on, and that Franchisor will not be bound by allegations of any representations as to earnings, sales, profits, costs, expenses, prospects or chances of success that are not contained in this Agreement, or in Franchisor's Franchise Disclosure Document. Franchisee understands and acknowledges that the Franchised Business may lose money or fail.

ARTICLE 2 - GRANT OF FRANCHISE

2.1 Grant of Franchise

Franchisor grants to Franchisee the nonexclusive right to use the Proprietary Marks and the Franchise System in connection with the operation of a single Cafe in accordance with this Agreement and Franchisor's Operations Manual (as defined in Section 8.3). The Franchised Business must be operated at the location designated in Item 1 of Appendix A or at the location designated in accordance with Section 7.1 of this Agreement (the designated location is referred to as the "Location").

2.2 Limitations

The rights granted to Franchisee in this Agreement relate only to the sale of products over-the-counter at the Location, and no exclusive area or other territorial rights are granted to Franchisee, except as specifically provided in Section 2.3 below. Franchisee will have the right to market immediately consumable products consistent with the catering format specified by Franchisor (if applicable), but only in accordance with any of Franchisor's specifications.

2.3 Limited Exclusivity

Except as otherwise provided in this Agreement, as long as this Agreement is in effect and Franchisee is not in default under this Agreement, Franchisor will not operate or authorize any other person to operate a business using the Proprietary Marks or the Franchise System or any other Cafe business that offers the same products as a Cafe in the "Protected Area" as defined herein, without your prior written consent.

(a) If the Location is a freestanding location or located in an open strip shopping center, in-line center or similar location, the "Protected Area" will be the area that is within

three (3) miles from the Location; provided that, Franchisor may operate or authorize any other person to operate a Cafe in another retail store or in a public facility, such as train station, shopping mall/center, bus station, airport, park, amusement park, arena or stadium within the Protected Area, or in any geographic area, if it is located off of a highway exit (a “Non-Traditional Location”). If the Location is in a densely populated area (such as a major downtown area), the “Protected Area” may be an area that is less than a one (1) mile radius and that area will be agreed to by the parties and will be designated by geographical or street boundaries as set forth in Item 2 of Appendix A.

(b) If the Location is in another retail store or in a public facility, such as train station, bus station, airport, park, amusement park, arena or stadium, then the Protected Area will be the same enclosed shopping mall, other retail store, public facility or off highway exit site in or at where the Location is located.

(c) You and any other franchisee may make deliveries into any Protected Area, whether by your own employees or third-party delivery companies (i.e., Grub Hub, Door Dash, etc.), as long as the customer is not further than five (5) miles from the store. Subject to this restriction, there are no other restrictions on you or any franchisee from accepting orders from consumers in the Protected Area of any franchisee. However, you will not be permitted to offer delivery service to any customer located outside of your Protected Area if deliveries cannot be made within a reasonable period of time or if you are unable to maintain the quality of the product delivered in accordance with the System. What constitutes a “reasonable period of time” means the time limits we determine, from time to time, as designated in the Manuals or in other announcements. You will compete with other franchisees which are now, or which may in the future be, located near or adjacent to your Protected Area. We will not pay you any compensation for soliciting or accepting orders in your Protected Area.

Franchisor may operate and authorize others to operate a Cafe that offers the same products as a Cafe in the Protected Area if Franchisor acquires a chain of existing Cafes or franchise rights to a chain of existing Cafes; provided that, Franchisor will not add or authorize any other person to add any additional units of those Cafes in the Protected Area after the acquisition by Franchisor. Franchisee’s limited rights as stated in this Section relate to location only and do not grant Franchisee any exclusivity of marketing or customers. All Cafes may sell their products and services to any customer.

2.4 Reservation of Rights

All rights not expressly granted in this Agreement to Franchisee relating to the Proprietary Marks and Franchise System are reserved to Franchisor, including but not limited to: (a) the right to operate and authorize others to operate businesses using the Proprietary Marks and/or Franchise System at any location other than a location in the Protected Area; (b) the right to use or authorize others to use the Proprietary Marks and/or Franchise System, or any other trademarks or systems, in connection with the manufacture and sale of products at wholesale or retail, through the use of toll free telephone numbers, catalogs, direct mail, the Internet or through any distribution channels (including operations within the Protected Area) other than the operation of a retail Cafe business operated under the Proprietary Marks and Franchise System within the Protected Area; (c) the right to operate or authorize

others to operate any business that does not use the Proprietary Marks or the Franchise System at any location, including locations within the Protected Area, and (d) the right of Franchisor or an Affiliate to sell or products under the Marks to be sold to the public through retail outlets such as grocery stores and national warehouse chains at any location, including locations within the Protected Area. If Franchisor intends to use the Proprietary Marks and/or Franchise System through other distributions channels within the Protected Area, Franchisee will have the right to participate in those channels of distribution in the Protected Area in a reasonable manner as determined by Franchisor.

ARTICLE 3 - TERM AND OPTION

3.1 Term

The term of this Agreement will commence upon the earlier of: (i) the date Franchisee opens the Location for business to the public, or (ii) the designated opening date as provided in Item 3 of Appendix A of this Agreement (“Commencement Date”), and shall continue for ten (10) years from the Commencement Date unless sooner terminated as provided in this Agreement. (the “Term”).

3.2 Option of Franchisee

Franchisee will have the option to remain a Franchisee for two (2) additional periods of five (5) years each if, at the beginning of each option period, all of the following conditions are fulfilled:

(a) Franchisee is not in default of this Agreement or any other agreement between the parties and no affiliate of Franchisee is in default under any agreement between the affiliate and Franchisor.

(b) Franchisee, during the past twelve (12) months, has not received from Franchisor two (2) or more notices of default of the terms of this Agreement or any specification, standard or operating procedure of Franchisor (whether or not such notices related to the same or different violations and whether or not those violations have been remedied by Franchisee).

(c) Franchisee provides written notice of its intent to continue as a franchisee not more than twelve (12) months and not less than six (6) months before the beginning of the option period.

(d) Franchisee is able to maintain possession of the Location and agrees to refurbish the Location in compliance with the then applicable standards of Franchisor for a Cafe, such standards being reasonably and consistently applied, or Franchisee has been able to secure and develop, in compliance with the then applicable standards of Franchisor used in the granting of a franchise, suitable alternative premises for the Franchised Business. Any alternative premises must be acceptable to and approved in advance by Franchisor.

(e) Franchisee, throughout the term of this Agreement, has satisfied all material reporting requirements and all monetary obligations to Franchisor and any affiliates of Franchisor, suppliers and creditors (excepting reasonable disputes that Franchisee is

attempting in good faith to resolve) within the amount of time specified for satisfaction or cure of default with respect to such obligation.

(f) Franchisee has satisfied any additional training requirements for new or existing franchisees of Franchisor.

(g) Franchisee has signed a general release, in a form specified by Franchisor, of any and all claims against Franchisor, its subsidiaries and affiliates, and their respective officers, directors, agents, members and employees.

(h) Franchisee has signed and returned to Franchisor, within thirty (30) days of receipt from Franchisor, the then-current standard franchise agreement in use by Franchisor at the time of Franchisee's notice to Franchisor, together with such other documents as are then customarily used by Franchisor to grant new franchises, all of which will replace this Agreement. The new standard franchise agreement signed by Franchisee may have substantial differences from this Agreement, including, without limitation, different or increased fees.

(i) Franchisee has paid a renewal fee equal to 25% of the initial franchise fee being charged by Franchisor at the time of renewal. This fee must be paid at the time the new standard franchise agreement is delivered to Franchisor.

(j) Franchisor has approved the renewal of the franchise. If all of the other conditions in this Section are met, Franchisor will not withhold approval of renewal except for good cause.

Failure or refusal by Franchisee to sign the franchise agreement and other documents and pay the renewal fee within thirty (30) days after delivery of the franchise agreement and other documents to Franchisee, when Franchisor approves renewal of the franchise, will be deemed an election by Franchisee not to renew the franchise. If Franchisee does not elect to renew its franchise relationship, does not qualify for renewal or does not comply with the requirements for renewal specified above, the franchise relationship between Franchisor and Franchisee will automatically terminate on completion of the term set forth in this Agreement.

ARTICLE 4 - FEES, REPORTS, ACCESS AND AUDIT

4.1 Initial Franchise Fee

Franchisee purchasing an Individual Unit must pay an initial franchise fee in the amount of \$75,000. If Franchisee is a Veteran with an honorable discharge, the initial franchise fee shall be reduced by \$5,000. The initial franchise fee is considered earned at the time of signing of this Agreement and is not refundable. In the event You cannot locate and secure (by lease or purchase agreement) a site acceptable to Us for your Cafe within 180 days from execution of this Agreement, You or we can terminate this Agreement without refund.

4.2 Royalty

Franchisee must pay Franchisor a royalty based upon seven and a half percent (7.5%) of weekly Gross Sales during the term of the franchise. Gross Sales must be reported and royalties must be paid, in the manner specified in Section 4.8 below, by Franchisee on the second business day of each week based on Gross Sales for the preceding business week (currently specified as beginning on Monday and ending on Sunday). Royalty fees are not refundable.

For purposes of this Agreement, “Gross Sales” means the entire amount of all of Franchisee’s revenues from the ownership or operation of the Franchised Business or any business at or about the Location including the proceeds of any business interruption insurance, whether the revenues are evidenced by cash, credit, checks, gift certificates, scrip, food stamps, coupons and premiums (unless exempted by Franchisor), services, property or other means of exchange, excepting only the amount of any sales taxes that are collected and paid to the taxing authority. Cash refunded and credit given to customers and receivables uncollectible from customers will be deducted in computing Gross Sales if the cash, credit or receivables represent amounts previously included in Gross Sales where royalty fees and advertising contributions were paid. Gross Sales are deemed received by the Franchisee at the time the goods, products, merchandise, or services from which they derive are delivered or rendered or at the time the relevant sale takes place, whichever occurs first. Gross Sales consisting of property or services (for example, “bartering” or “trade outs”) are valued at the prices applicable to the products or services exchanged for the Gross Sales at the time the Gross Sales are received.

4.3 Grand Opening Advertising; Local Advertising; Regional Advertising Fund Contributions.

4.3.1 Grand Opening.

Franchisee must spend for grand opening an amount ranging from \$2,000 - \$2,500, to be used for grand opening advertising for the Franchised Business in accordance with Section 9.1 of this Agreement. The specified amount must be paid to vendors before the grand opening period begins or as required by vendors.

4.3.2 Local Advertising.

You must conduct Local Advertising in your Territory by spending at least 1% of your Cafe’s Gross Sales each month for local advertising. We must approve all advertising before You use it. You must provide us with an annual marketing plan by December 1 of every year for the following year and We must approve this plan. You must also send us a monthly update to your marketing plan before the end of every month including an expenditure report to show that You have complied with the Local Advertising requirement. Any advertising that You propose to use that has either not been prepared by us or has not been approved by us in the immediately preceding 6-month period must be submitted to us for our approval before You may use it. We will have 15 days after receipt of all materials to approve or disapprove of the proposed advertising materials. Unless We provide our specific approval of the proposed advertising materials, the materials are deemed not approved. Any materials You submit to us

for our review will become our property, and there will be no restriction on our use or distribution of these materials.

We reserve the right to require You to include certain language in your local advertising, such as “Franchises Available” and our Website address and telephone number.

4.3.3 Advertising Cooperative.

If we determine to create an advertising cooperative, all franchisees and affiliated Cafes will be required to participate but required expenditures for local advertising will be credited to you against any payments to be made to the fund. See Section 9.3.

4.4 Training Fees

Training fees are not charged by Franchisor for the initial training program (see Section 10.1). Additional training requested by Franchisee will be solely at Franchisee’s expense. That expense will include reimbursement for the costs of materials, travel (if any), and a charge not to exceed \$250 per trainer per day to cover Franchisor’s personnel costs. Franchisor may also require Franchisee to attend additional training at Franchisee’s expense.

4.5 Renewal Fee

Franchisee must pay a renewal fee if Franchisee elects to renew its franchise at the end of the initial term of the franchise. The renewal fee is 25% of the initial fee payable at the time of the renewal. See Section 3.2(i).

4.6 Transfer Fee

A transfer fee is payable on a transfer of the Franchised Business. The transfer fee is \$10,000. It will be \$10,000 if the transfer is to an existing franchisee.

4.7 Noncompliance Fee; Late Charge; NSF Fees; Interest

In the event of any breach of this Agreement or the Operations Manual, Franchisor may assess a noncompliance fee of \$500 upon written notification to Franchisee. Franchisee must pay to Franchisor, on demand, a late charge of \$50 for any payments not made to Franchisor within five days of the due date of the payment. In addition, Franchisee must pay on demand a fee equal to any charges Franchisor may incur as a result of checks or debits returned to Franchisor for non-sufficient funds or other similar reasons (“NSF fees”), but not less than \$30.00 for each item returned. Also, Franchisee must pay to Franchisor, on demand, interest on all overdue payments from the date the payment was due until paid equal to the lesser of (i) 1.5% per month or (ii) the maximum rate of interest permitted by law. The assessment of late charges, NSF fees and interest will not be the sole remedies of Franchisor in such circumstances. All fees and charges pursuant to this Section 4.7 shall be paid in the manner set forth by Section 4.8 if not directly paid by Franchisee.

4.8 Manner of Payment

Franchisee must pay royalty, advertising fund contributions and any other periodic payments to Franchisor by electronic or similar funds transfer in the appropriate amounts from Franchisee's primary operating bank account to such accounts, and at such places or in such manner as Franchisor may specify from time to time. Franchisee's primary operating bank account means the account in which all revenue of the Franchised Business is deposited and held to pay amounts owed to Franchisor and other creditors of the Franchised Business. Franchisee must sign and deliver to its bank and to Franchisor those documents necessary to authorize and effectuate the transfers as specified by Franchisor. Franchisee must not terminate this authorization as long as this Agreement is in effect. Franchisee must not close its primary operating bank account without prior written notice to Franchisor and the establishment of a substitute primary operating bank account for the transfers. Franchisee represents and warrants to Franchisor that it will have sufficient funds in its primary operating bank account from time to time to cover payment of all amounts due to Franchisor on a timely basis.

4.9 No Setoff; Application of Payments

Franchisee's obligations for the full and timely payment of the fees described in this Agreement are absolute and unconditional. Franchisee must not delay or withhold the payment of all or part of those fees based on the alleged nonperformance by Franchisor or for any other reason or put the fees in escrow or setoff against any claims Franchisee may allege against Franchisor. Franchisor may apply any payments received first to any accrued late charges or interest and then to any delinquent fees or other amounts outstanding before crediting the payment in the manner specified by Franchisee or to the current amount due.

4.10 Reports and Financial Statements

Franchisee must use the standard reporting system and forms specified by Franchisor. Franchisee must submit to Franchisor a complete statement of Gross Sales and other information specified by Franchisor for the reporting periods and on the forms specified by Franchisor. Franchisee must provide Franchisor with copies of all sales or similar tax returns, annual income tax returns, monthly profit and loss statements, monthly balance sheets, monthly inventory statements and annual financial statements. Copies of monthly statements or reports must be provided within 30 days of the end of each month and copies of annual statements or reports must be provided within 120 days of the end of Franchisee's fiscal year. Franchisor may specify other requirements relating to reporting in the Operations Manual.

Franchisor may receive information directly from suppliers and Franchisee authorizes Franchisee's suppliers to provide information directly to Franchisor. Franchisee agrees to sign separate authorizations or additional documents requested by suppliers or deemed necessary by Franchisor to obtain information directly from suppliers.

The financial records of Franchisee may be disclosed by Franchisor in future Franchise Disclosure Documents without specifically identifying the individual Cafe for which a particular franchisee's financial records relate, and to Franchisor's actual and potential lenders.

4.11 Point of Sale and Computer Equipment and Software; Access to and Use of Information

Franchisee must purchase or lease the point of sale (“POS”) and/or computer systems Franchisor specifies for the Franchised Business from vendors We require. You must also use the specified POS and/or computer systems in the Franchised Business in the manner specified by Franchisor. Also, Franchisee must pay all required support, maintenance, updates and upgrade costs to maintain the specified POS and/or computer systems in the manner specified by Franchisor. Franchisor may develop, acquire, update or endorse a POS and/or computer systems and specifications for certain components of the POS and/or computer systems in the future and may modify such specifications and the components of the POS and/or computer systems in the future. As part of the POS and/or computer systems, Franchisor may require Franchisee to obtain specified computer hardware and/or software including, without limitation, a license to use proprietary software developed by Franchisor or others and/or service agreements. Modification of the specifications for the components of the POS and/or computer systems may require Franchisee to incur costs to purchase, lease and/or license new or modified computer hardware and/or software and to obtain service and support for the POS and/or computer system during the term of this Agreement. Within 90 days after Franchisee receives notice from Franchisor, Franchisee agrees to obtain and have operational the components of the POS and/or computer system that Franchisor specifies.

Franchisor will have the right to independently access the sales information and other data produced by the POS and other computer systems specified by Franchisor and there are no contractual limitations on Franchisor’s right to access and use that information and data. Franchisee must provide Franchisor access to the information on the POS and/or computer systems in the manner specified by Franchisor and must supply Franchisor with any and all security codes necessary to obtain that access. Franchisor may retrieve, analyze, download and use the software and all data on the Franchisee’s POS and/or computer systems at any reasonable times as long as the access does not unreasonably interfere with the operation of the Franchised Business. Franchisor’s rights to use the POS and/or computer systems data includes the right to deliver the data to any third party Franchisor deems appropriate in its sole discretion; provided that the identity and other personal information of the owners of Franchisee are not disclosed.

Computer System PCI Compliance.

The POS computer system must be set up in accordance with the Payment Card Industry Data Security Standards (PCI DSS), and must be EMV and PCI compliant. Upon installation of this system, we may require you to use an independent Approved Scanning Vendor (ASV) to certify that the installation is PCI compliant. We also have the right to require that you conduct certifications on an annual basis and to provide us with a copy of verification that your system is PCI compliant.

We may also require you to offer online ordering for all items in your Franchise. The online ordering credit card payment system and payment gateway must be setup in accordance with the PCI DSS system and comply with all updates and required maintenance prescribed under PCI DSS standards, including purchase of necessary hardware and software. You will be required to report to us any known vulnerability or breach of your POS system and provide proof of compliance upon our request

You must obtain and maintain Internet access or other means of electronic communication, as specified by us. It will be a material default if you do not maintain the equipment, lines and communication methods in operation and accessible to us at all times throughout the term of the Franchise Agreement.

4.12 Records

Franchisee must keep complete and correct books of account, business records and records of Gross Sales, in accordance with the procedures specified by Franchisor and in accordance with generally accepted accounting principles. Franchisee must keep all of its business records for a minimum of seven (7) years.

4.13 Inspection by Franchisor

To determine whether Franchisee is complying with this Agreement, and/or to determine whether Franchisee is complying with all applicable specifications and quality standards in connection with Franchisee's use of the Proprietary Marks and Franchise System, Franchisor or its designated agents have the right, at any reasonable time and without prior notice, to: (a) inspect the Franchised Business; (b) confer with Franchisee and its employees; and (c) inspect equipment, signage, fixtures, furniture, inventory, products and operating methods of Franchisee. Franchisor may require that Franchisee furnish its customers with an evaluation form specified by Franchisor pre-addressed to Franchisor. Also, Franchisor may require that Franchisee maintain a comment box at the Location, which may only be opened by Franchisor. Franchisee must fully cooperate with representatives of Franchisor making any inspection or observing the work of Franchisee or its employees or retrieving information from the comment box.

4.14 Access to Records and Audit by Franchisor

Franchisor or its designated representatives have the right at all reasonable times to examine and copy the books, records and tax returns of Franchisee. Franchisor will also have the right, on five days written notice, to have an audit made of the books of Franchisee. If an audit reveals that any payments to Franchisor have been understated in any report to Franchisor, Franchisee must immediately pay to Franchisor the amount understated on demand, in addition to any interest and late charges required under Section 4.7 of this Agreement from the date originally due to the date paid.

Any audit will be conducted at the expense of Franchisor. However, if an audit is made necessary by Franchisee's failure to furnish reports, financial statements, or tax returns, or discloses an understatement of 3% or more of the Gross Sales of the Franchised Business in any report, then Franchisor has the right to charge Franchisee for the costs of the audit, including, without limitation, any travel expenses, meals, lodging and compensation of Franchisor's employees or agents and reasonable accounting and attorney's fees.

Nothing contained in this Section constitutes Franchisor's agreement to accept any payments after they are due or a commitment by Franchisor to extend credit to or otherwise finance Franchisee's operation of the Franchised Business. The payment of Franchisor's expenses and/or the

assessment of late charges or interest are not the sole remedies of Franchisor in those circumstances and this Agreement may be subject to termination under Article 14.

4.15 Website and Technology Fee

For our website hosting and mobile application services you are required to pay an annual fee of \$1500 upon invoice to you.

4.16 Site Plan Sample

For provision of a sample site plan, you agree to pay us \$1,000 upon delivery of such plans.

ARTICLE 5 - SERVICES PROVIDED TO FRANCHISEE

5.1 Site Selection and Lease Negotiation

Franchisor will assist Franchisee in selecting a suitable location for the Franchised Business. If requested, Franchisor will also assist Franchisee in negotiating a lease for the Location.

5.2 Construction and Improvements

Franchisor will assist Franchisee in the process of construction or improvement of the Location by specifying the standard format for the construction or improvement of the Location and providing sample architectural plans. Franchisee's architectural plans will require our final approval before implementation. We will provide you with a CAD program of standards and specifications for the leasehold improvements, interior design, layout, floor plan, signs, designs, products, inventory, uniforms, equipment, POS System, color and decor of the Cafe and specifying the standard format for the construction or improvement of your Location.

5.3 Equipment, Fixtures, Signs, Inventory and Suppliers

Franchisor will specify and provide sources of supply for the equipment, fixtures, signs and inventory, including the Approved Suppliers List for the equipment, fixtures, signs and inventory necessary for you to develop and begin operation of the Franchised Business. Franchisee must purchase and install all exterior and interior signs, banners and marketing materials required by Franchisor of all franchisees. Franchisor reserves the right to require Franchisee purchase goods and services from Franchisor or an affiliate of Franchisor.

5.4 Operations Manual; Update Specifications

Once created, Franchisor will loan to Franchisee one copy of its Operations Manual for use in the operation of the Franchised Business. Franchisor will provide any updates to Franchisee of the Operations Manual and of Franchisor's specifications for all aspects of the Franchised Business as they become available.

5.5 Training

Franchisor will provide an initial program to train Franchisee to operate the Franchised Business. Franchisor may also provide ongoing training programs from time to time. See Section 10.

5.6 Setup and Opening

If requested by Franchisee, Franchisor will provide without charge a representative for up to five (5) days before and no opening of the Franchised Business. If Franchisee requests the assistance of Franchisor's representative beyond this period, period, Franchisor may provide the representative for an additional period of time, but Franchisee must pay a per diem charge for these additional services in an amount determined by Franchisor.

5.7 Products and Services; Suppliers

Franchisor will designate the products and services to be offered by the Franchised Business and will provide Franchisee with any updates in Franchisor's specifications for the products or services to be offered by the Franchised Business. Franchisor will provide sources of supply for all authorized products and services.

5.8 Operational Assistance

A representative of Franchisor will visit the Franchised Business after opening and will periodically visit the Franchised Business after that at such intervals deemed appropriate by Franchisor throughout the remaining term of this Agreement. During these visits, the representative will evaluate Franchisee's operations and provide any operational advice and assistance deemed necessary by the representative. Franchisor will also provide reasonable operational advice and assistance to Franchisee by telephone or email, including advice on specific services or products, if requested by Franchisee.

5.9 Pricing

Franchisor will provide guidance on the pricing of the products and services of the Franchised Business. To maintain uniformity and pricing viability of our franchise system, we reserve the right to require that your franchise advertise and charge minimum prices and not exceed established maximum prices for your menu items as We may determine in our sole discretion.

5.10 Advertising

When implemented, Franchisor will administer the advertising fund and review for approval, any local advertising proposed by Franchisee. See Article 9.

5.11 Indemnification for Trademark Actions

Franchisor will indemnify Franchisee for certain liabilities arising from use of the Proprietary Marks as provided in Section 6.4.

5.12 Franchisor's Services May be Provided by Independent Agents and Representatives

The services to be provided by Franchisor under this Agreement may be provided by employees of Franchisor or by independent representatives and agents engaged by Franchisor, including but not limited to the Multi-Unit Developer (or its employees or agents) for the area in which the Franchised Business is located, if any.

ARTICLE 6 - USE AND PROTECTION OF FRANCHISE MARKS

6.1 Non-ownership of Proprietary Marks

Nothing in this Agreement gives Franchisee any right, title or interest in or to any of the Proprietary Marks or any goodwill in and to the Proprietary Marks, except a mere privilege and license during the term of this Agreement, to display and use the Proprietary Marks according to the terms and conditions of this Agreement.

6.2 Use of Proprietary Marks

Franchisee must use the Proprietary Marks only in connection with the operation of the Franchised Business pursuant to the Franchise System and only in the manner specified in this Agreement, any future Operations Manual or otherwise by Franchisor. The Franchised Business must be operated under the Proprietary Marks and under no other name or mark. Franchisee must not use the Proprietary Marks in connection with any products or services not specifically authorized by Franchisor in writing or in connection with any products or services that are not produced in accordance with the quality, uniformity and other standards established by Franchisor in and through the Franchise System. Franchisor will have the right at any time to examine the products and services offered by Franchisee, at the Location, to determine compliance with the applicable Franchisor standards. If at any time Franchisor becomes aware that the products or services provided by Franchisee fail to conform to those standards, Franchisor will notify Franchisee. On such notification by Franchisor, Franchisee must promptly cease to use the Proprietary Marks on products that are non-conforming and must not sell any further nonconforming products or services until the standards are met to the satisfaction of Franchisor.

Franchisee must not reproduce or cause to be reproduced any Proprietary Marks in any manner, including reproduction on forms or invoices, in connection with advertising, marketing or promotion, or on the Internet or in an Internet domain name, without the prior written approval of Franchisor. Franchisee must not use the Proprietary Marks in its business, corporate, partnership or limited liability company name. Upon Franchisor's written request, Franchisee shall register to do business under the assumed business name of "MOTW COFFEE & PASTRIES®" with an additional number or designation as determined by Franchisor to distinguish the assumed name from other MOTW COFFEE & PASTRIES Cafes (for example: "MOTW COFFEE & PASTRIES of Troy").

On expiration or termination of this Agreement, Franchisor may, if Franchisee does not do so, sign in Franchisee's name and on Franchisee's behalf, any documents necessary in Franchisor's judgment to end and cause discontinuance of Franchisee's use of the Proprietary Marks and Franchisor is irrevocably appointed and designated as Franchisee's attorney-in-fact for that purpose.

6.3 Use of Other Trademarks

Franchisee must not display the trademark, service mark, trade name, insignia or logotype of any other person, firm or corporation in connection with the operation of the Franchised Business without the prior written consent of Franchisor, which may be withheld in Franchisor's sole subjective discretion.

6.4 Defense of Proprietary Marks

If Franchisee receives notice, or is informed, of any claim, suit or demand by a third party against Franchisee on account of any alleged infringement, unfair competition, or similar matter relating to Franchisee's use of the Proprietary Marks, Franchisee must promptly notify Franchisor of the claim, suit or demand. Franchisor will then take such action as Franchisor deems necessary and appropriate to protect and defend Franchisee against the claim, suit or demand. Franchisee must not settle or compromise any such claim by a third party without the prior written consent of Franchisor. Franchisor will have the sole right to defend, compromise or settle any such claim, in its discretion, using attorneys of its choosing, and Franchisee agrees to cooperate fully with Franchisor in connection with the defense of any such claim. Franchisee may participate at its own expense in such defense or settlement, but Franchisor's decisions with regard to the Proprietary Marks will be final.

6.5 Prosecution of Infringers

If Franchisee receives notice or is informed or learns that any third party, who Franchisee believes is unauthorized to use the Proprietary Marks, is using the Proprietary Marks or any name or mark confusingly similar to the Proprietary Marks, Franchisee must promptly notify Franchisor of the facts relating to such alleged infringing use. Franchisor will then, in its sole discretion, determine whether or not it wishes to take any action against such third person on account of such alleged infringement of the Proprietary Marks. Franchisee will have no right to make any demand against any such alleged infringer or to prosecute any claim of any kind or nature whatsoever against such alleged infringer for or on account of such infringement. If Franchisor chooses to prosecute any violation of the Proprietary Marks, Franchisee must sign all documents and do all acts necessary or incidental to that action as counsel for Franchisor may reasonably request. Any damages awarded or recovered in any prosecution of an infringement claim related to the Proprietary Marks will be the exclusive property of Franchisor.

6.6 Modification or Substitution of Proprietary Marks

Franchisor may change the authorization to use the Proprietary Marks contained in this Agreement, including adding, discontinuing or modifying Proprietary Marks, or substituting different Proprietary Marks, by issuing, in the form of an Addendum, a description of the changes and the products or services to which they relate. Franchisee is required to use and abide by these changes or substitutions. Franchisor may make the changes because of the rejection of any pending registrations or the revocation of any existing registrations of the Proprietary Marks, or due to the rights of senior users, or for other business reasons, except Franchisor must make all such changes in the authorized Proprietary Marks on a uniform basis for all similarly situated Cafes in a particular market.

6.7 Validity and Ownership of Proprietary Marks; Prohibition Against Disputing Franchisor's Rights

Franchisee acknowledges the validity of the Proprietary Marks and that the Proprietary Marks and any and all goodwill in and to the Proprietary Marks are the exclusive property of Franchisor. Franchisee also agrees that any further rights or goodwill that may develop in any of the Proprietary Marks in the future will inure solely to the benefit of Franchisor, including, without limitation, any goodwill caused by or attributable to Franchisee's use of the Proprietary Marks. Franchisee now asserts no claim and will in the future assert no claim to any goodwill, reputation or ownership of the Proprietary Marks by virtue of Franchisee's licensed use of the Proprietary Marks or for any other reason. Franchisee must not, during or after the term of this Agreement, in any way dispute or impugn the validity of the Proprietary Marks, or the rights of Franchisor in the Proprietary Marks, or the rights of Franchisor or other Franchisees of Franchisor to use the Proprietary Marks.

ARTICLE 7 - FRANCHISE LOCATION, LEASE AND OTHER PRE-OPENING OBLIGATIONS

7.1 Location Selection and Approval

The location for the Franchised Business must be approved in advance in writing by Franchisor and Franchisee must always operate its Franchised Business only at a location approved in writing by Franchisor (the location approved in writing by Franchisor will be referred to in this Agreement as the "Location"). If a location for the Franchised Business has been determined and approved before the signing of this Agreement, that location will be designated in Item 1 of Appendix A. If the exact location of the Franchised Business has not been determined before signing of this Agreement, Franchisee must use its best efforts to find a suitable location for the Franchised Business within the area designated in Item 1 of Appendix A, but must obtain a lease for a site within 180 days from signing of this Agreement. Franchisee must submit to Franchisor, in a form acceptable to Franchisor, a description of the proposed site, evidence confirming the Franchisee's prospects for obtaining the site, demographic information, economic terms, use clause and any other materials Franchisor specifies before Franchisor will consider approving the location. Although Franchisor may provide its assistance in obtaining a Location, it is Franchisee's responsibility to obtain and evaluate its commercial value for operation of the Franchised Business. Franchisor's location recommendations and its approval of the Location do not constitute a representation or guaranty of the commercial value or success of the Location.

If the Location initially approved by Franchisor becomes unusable for the Franchised Business, Franchisee must obtain written approval of a new site. If the initial Location became unusable through no fault of Franchisee and a substitute location is not available, this Agreement will terminate on conclusion of operation of the Franchised Business at the initial Location.

7.2 Franchisor's Right to Own or Lease

Franchisor will have the right, at its option, to purchase or lease the Location, or have an affiliate purchase or lease the Location, for lease or sublease to Franchisee. The lease or sublease to Franchisee will be on Franchisor's standard form of lease or sublease. This provision applies even if

Franchisee owns the Location. If Franchisor subleases the Location to Franchisee, Franchisee and the owners of Franchisee must personally guaranty Franchisor's obligations under the prime lease.

7.3 Lease Requirements.

If Franchisee leases the Location from a third party, the terms and form of Franchisee's lease must be approved in writing by Franchisor and the lease must not be terminated, or in any way altered or amended by Franchisee without the prior written consent of Franchisor.

Franchisee's lease with a third party must contain the provisions specified by Franchisor, including provisions: (a) prohibiting the Location from being used for any purpose other than a Cafe; (b) recognizing and allowing Franchisor rights to assignment of the lease in certain situations; (c) recognizing and allowing Franchisor's right to enter the Location to inspect and audit the Franchised Business or to make any modifications necessary to protect the Proprietary Marks; (d) if the Location is located in a strip mall, enclosed mall, shopping center or similar location, prohibiting the landlord from leasing any other space in the mall or center to another business that sells the same products as a Cafe; (e) requiring the landlord to give written notice and an opportunity for Franchisor or a person specified by Franchisor, to cure any default of Franchisee under the lease before landlord exercises any remedy under the lease; (f) requiring landlord and Franchisee to give Franchisor 30 days prior written notice of: (i) the cancellation or termination of the lease prior to the expiration date of the lease; (ii) an assignment or attempted assignment of the lease by the landlord or Franchisee; (iii) the sublease or attempted sublease by Franchisee; and (iv) any modification of the lease; and (g) requiring landlord and Franchisee to provide written notice to Franchisor within 15 days after: (i) Franchisee exercises any option to extend the lease; (ii) landlord and Franchisee renew the lease; and (iii) the landlord institutes any action against Franchisee, including an eviction action. Except in accordance with this Agreement, Franchisee must not assign its lease or let or sublet the Location or any portion of the Location without the prior written consent of Franchisor and shall have Schedule 1, Lease Rider, attached hereto, signed by Landlord and provided to Franchisor simultaneously with the execution of the lease.

7.4 Licenses and Permits

Franchisee must obtain all zoning and other approvals and all permits or licenses required by federal, state or local law for construction and operation of the Franchised Business, including certificates of occupancy.

7.5 Completion of Training

Franchisee must complete the training program specified by Franchisor, to the satisfaction of Franchisor, before beginning operation of the Franchised Business.

7.6 Development of Franchised Business and Location

Franchisee must fully develop the Franchised Business in accordance with Franchisor's specifications. Franchisee must design, construct and/or improve the Location in compliance with

Franchisor's specifications, including but not limited to specifications for build-out, decor, signage, equipment, space, etc. This includes the following responsibilities, which must be diligently performed by the Franchisee:

- (a) Hire an interior designer and food service designer approved by Franchisor to undertake and provide build-out specifications.
- (b) Employ a licensed architect and/or engineer, as required by state and local codes, approved by Franchisor, to prepare sealed construction documents to submit for building permits and health department approval and a final set of construction documents using Franchisor's plans and specifications.
- (c) Furnish Franchisor with the final set of construction documents, including signage, and a summary of build out expenses on a form specified by Franchisor.
- (d) Obtain approval of the plans and specifications from the landlord and local authorities and Franchisor before beginning construction.
- (e) Obtain or require the contractor to obtain payment and performance bonds.
- (f) Obtain all zoning changes, all required utility, health, sanitation and sign permits and any other required permits and approvals.
- (g) Purchase or lease and install equipment, fixtures, furniture, inventory, accessories, supplies and signs needed for the opening of the Franchised Business in accordance with Franchisor's specifications.
- (h) Complete the construction or remodeling of the Location in full and strict compliance with the plans and specifications approved by Franchisor and the landlord and with all applicable ordinances, building codes and permits requirements.
- (i) Complete development of and have the Franchised Business ready to open and commence the conduct of its business by the date described in Section 8.1 of this Agreement.

Franchisee must diligently perform the responsibilities listed above at times reasonably required by Franchisor in order to complete the development of the Franchised Business in a proper and timely manner. Franchisee must report to Franchisor as to the progress of the development of the Franchised Business. Franchisor may, but is not required to, assist the Franchisee in completing the above listed responsibilities. Where Franchisor's action and response is required with respect to any of the Franchisee's obligations listed above, Franchisor will act or respond in a reasonable and timely manner.

7.7 Telephone Numbers; Internet Access; E-mail Addresses

Franchisee must acquire and maintain a minimum of two telephones and one telephone line dedicated solely to the Franchised Business. Franchisor may, at its option, obtain and register in its

name, the telephone lines and numbers to be used at the Franchised Business. Franchisee must pay all costs and charges for the installation, maintenance and use of the telephone lines and numbers, even if those lines and numbers are obtained and registered in the name of Franchisor. Franchisee must acquire and maintain at all times a static IP address and a high speed (T-1, Cable, DSL, Satellite or other high-speed access) Internet access for communication with customers and Franchisor by email and other electronic means, connection to Franchisor's intranet systems (if any) and to allow Franchisor to access Franchisee's POS computer system remotely 24 hours a day and seven days a week. Franchisee must also acquire and maintain an e-mail address so that Franchisor and Franchisee may communicate by e-mail. If specified by Franchisor, Franchisee must participate in the centralized email system maintained by Franchisor. In that case, Franchisee must pay Franchisor a reasonable annual fee to cover Franchisor's time and expenses involved in maintaining and servicing the centralized email system. The annual fee will be payable in advance on January 20th of each year.

ARTICLE 8 - OPERATIONS

8.1 Opening Date; Continuing Operations and Best Efforts

Franchisee must begin operation of the Franchised Business by the date specified in Item 3 of Appendix A, but no later than one (1) year from execution of this Agreement. If operations do not begin by the specified date, Franchisor may terminate this Agreement and retain all fees paid. Franchisee must continually operate the Franchised Business after opening in accordance with the provisions of this Agreement throughout the term of this Agreement. Franchisee must use its best efforts to promote and maximize the sales of the Franchised Business throughout the term of this Agreement. Franchisee must maintain at all times, sufficient equipment, supplies and personnel to operate the Franchised Business at optimal capacity and efficiency as specified by Franchisor.

8.2 Standards of Operation; Operations Manual

Franchisee acknowledges that every component of the Franchise System is important to Franchisor and to the operation of the Franchised Business. Franchisee must, at all times, operate and maintain the Franchised Business in a competent manner and in full compliance with all aspects of the Franchise System specified by Franchisor. In all business dealings with the public, Franchisee must be governed by the highest standards of honesty, integrity, fair dealing and ethical conduct.

Franchisee must comply with all lawful and reasonable policies and procedures specified by Franchisor in connection with the operation of the Franchised Business. These specifications may include standards, techniques and procedures for: (a) the safety, maintenance, cleanliness, sanitation, function, hours of operation and appearance of the Franchised Business and its equipment, fixtures, furniture, decor and signs; (b) qualifications, dress, uniforms, grooming, general appearance, demeanor and training of employees; (c) the products and services required or authorized to be offered and sold by the Franchised Business; (d) type, shelf life, quality, taste, portion control, and uniformity and manner of preparation and sale of all of the products sold by the Franchised Business; (e) methods and procedures relating to receiving, preparing and delivering customer orders; (f) sales, advertising and promotional techniques and programs; (g) construction, maintenance and appearance of the Franchised Business and the Location; (h) payment, credit, accounting and financial reporting policies and procedures; (i) use of Franchisor's intranet (if established) for entering sales and other information,

making schedules, projecting sales, ordering supplies, entering labor and other expenses, receiving reports and other operational requirements as specified by Franchisor; (j) purchase and maintenance of equipment, fixtures and inventory; (k) insurance coverage; (l) use of standard forms; (m) use and protection of the Proprietary Marks and other proprietary rights of Franchisor in accordance with Franchise Mark Usage Guidelines, and any trade secret or information protection programs or other intellectual property policies established from time to time by Franchisor; (n) use and illumination of exterior and interior signs, displays and similar items; (o) atmosphere of the Location, including, without limitation, such things as music and lighting; (p) warranties to customers and the handling of customer complaints and customer communications; (q) identification of the Franchised Business as an independently owned and operated business; (r) attendance by Franchisee and managers at required training programs and meetings; (s) maintenance of a minimum required number of trained staff at all times, based on the business needs of the Franchised Business; (t) using and honoring gift certificates, coupons and other such local and national promotional programs authorized or specified by Franchisor; and (u) other details of the operation of the Franchised Business and the relationship between Franchisor and Franchisee.

The policies and procedures specified by Franchisor may be contained in training, operating and marketing manuals of Franchisor or in memos, bulletins, newsletters, emails, or other written or electronic materials prepared by Franchisor (for the purposes of this Agreement, "Operations Manual" will mean all manuals or other written materials relating to the Franchise System or containing Franchisor's specifications that are provided to Franchisee). Franchisee will be issued a copy of any currently existing and future Operations Manual after the signing of this Agreement or when and if prepared by Franchisor and made available to franchisees. Franchisee will be issued any applicable modifications or additions to the Operations Manual as they become available. The Operations Manual remains the property of Franchisor, must not be duplicated, must never be disclosed to any person or entity and must be returned to Franchisor immediately on request or on expiration or termination of this Agreement.

Franchisee must at all times ensure that its copy of the Operations Manual is kept current and up to date. If there is a dispute as to the contents of the Operations Manual, the terms and dates of the master copy of the Operations Manual maintained by Franchisor at its place of business will be controlling.

Due to the nature of operation of the Franchised Business and the fact that the specifications for the Franchised Business must and do change, Franchisor reserves the right to change the Franchise System after the signing of this Agreement and to change the terms of the Operations Manual after the signing of this Agreement to reflect those changes. Franchisee must comply with all such changes immediately on written notice from Franchisor of the change. The Operations Manual cannot change the terms of this Agreement, but will be in addition to this Agreement and will have the same effect as if set forth in this Agreement. If the Operations Manual is inconsistent with this Agreement, this Agreement will control. Franchisor agrees that it will specify its policies and procedures in a reasonable manner.

8.4 Acquisition of Products and Services

Franchisee must obtain all equipment, fixtures, signs, inventory, food products, packaging materials, paper and plastic products, menus, uniforms and all other products and services specified by Franchisor for development and operation of the Franchised Business.

8.5 Specifications and Designated Suppliers for Products and Services

In order to maintain uniqueness, consistency, uniformity, quality and identity of the products and services offered and sold by Cafes and the group purchasing power of Franchisor, Franchisee must comply with the product and supply requirements set forth in this Section.

Franchisee must purchase all equipment, fixtures, signs, inventory, food products, packaging materials, paper and plastic products, menus, uniforms and all other products and services used in the development and operation of the Franchised Business in accordance with Franchisor's specifications and only from Franchisor or a manufacturer, supplier or distributor designated by Franchisor (which may be an affiliate of Franchisor) (a "Designated Supplier"). Franchisor may add or delete Designated Suppliers from time to time and Franchisee must comply with those changes immediately on written notice from Franchisor. If Franchisor adds a Designated Supplier, Franchisee must immediately, on written notice from Franchisor, take the steps necessary to comply with the credit, purchase and other policies of the Designated Supplier. If the Company deletes a Designated Supplier, Franchisee must cease purchasing products and services from that supplier immediately on written notice from Franchisor.

Franchisor may designate specified architectural and/or contractors to undertake the following work to franchisees for the following goods and services: (a) all millwork and cabinet work associated with build-outs for franchise facilities, all floor, wall and ceiling panels, tile and coverings, tables, chairs, booths and other furnishings, counters and countertops, cabinetry and related accoutrements and lighting fixtures; and (b) all design and installation (on site) of all goods and products.

Franchisor may, from time to time, enter into agreements with Designated Suppliers for and on behalf of all Cafes or all Cafes in a particular region (a "Designated Supplier Contract"). If Franchisor enters into a Designated Supplier Contract with a Designated Supplier, the terms and conditions of Franchisee's relationship with that Designated Supplier will be controlled by that contract to the extent covered by the contract.

The designation by Franchisor of a Designated Supplier does not create any express or implied promise, guaranty or warranty by Franchisor as to the products or services of the Designated Supplier and Franchisor will not have any liability to Franchisee for any claims, damages or losses suffered by Franchisee as a result of or arising from the products or services provided by the Designated Supplier or the acts or omissions of the Designated Supplier. Franchisor and its affiliates will have the right to receive rebates or other fees from Designated Suppliers based on sales of products or services to Cafes. Franchisor may use those rebates and fees for any purpose in Franchisor's discretion. Franchisee must cooperate with Franchisor and its affiliates in the collection

of those rebates and fees. Any products or services sold by or through Franchisor or its affiliates will be sold in accordance with the terms set forth in memos, bulletins, emails, franchisee meetings or otherwise in writing by Franchisor, its affiliate or by the manufacturer of the products. These terms may be modified on written notice from Franchisor, its affiliate or the manufacturer of the products.

8.6 Products and Services Offered by the Franchised Business; Pricing; Promotional Programs

Franchisee must sell all products and provide all services that Franchisor specifies for sale for the Franchised Business. Franchisee must not sell any food, alcohol or products, or provide any services or engage in any business at the Franchised Business or Location other than those specified by Franchisor without written authorization from Franchisor. Franchisor may add or delete required or authorized products or services to be provided by the Franchised Business. If any products or services are added, Franchisee must be qualified to provide the products and services before Franchisor will authorize Franchisee to offer those products and services. If a product or service is deleted, Franchisee must cease offering that product or service immediately on written notice from Franchisor. Franchisor will make all changes in the required products and services for good faith marketing reasons and on a uniform basis for all similarly situated franchisees in a particular market, except when test marketing products or services.

Franchisor will provide guidance on the pricing of the products and services sold by Franchisee. Franchisee must follow any minimum and maximum pricing guidelines specified by Franchisor, subject to applicable law.

Franchisee agrees to participate in any gifts cards, electronic gift or money cards (E-cards), frequency cards or other programs specified by Franchisor and to honor all such cards issued by Franchisor or by other franchisees in accordance with Franchisor's policies. Franchisee acknowledges and agrees that Franchisee's participation in those programs is integral to the Franchise System and to the success of those programs. Franchisor or a person designated by Franchisor will administer any gift and E-card or other such programs specified by Franchisor. Franchisee agrees that Franchisor may charge an administrative fee for administering those programs. Franchisee also agrees to honor and/or participate in discount coupons or similar promotional materials, drives, prizes, giveaways, contests and other programs, local, regional or national, related to sales promotions, specified by Franchisor to the extent that participation does not violate federal or state law.

8.7 Maintenance; Refurbishing; Alterations

Franchisee must maintain the Location, equipment, fixtures and signs for the Franchised Business in a clean, attractive and safe condition and in good maintenance and repair and in compliance with the standards specified by Franchisor. If at any time, in Franchisor's reasonable judgment, the general state of repair, appearance or cleanliness of the Location or its equipment, fixtures or signs do not meet Franchisor's standards, Franchisor may notify Franchisee in writing, specifying the action to be taken by Franchisee to correct the deficiency. Franchisee must initiate the specified action within 30 days after receipt of the notice and diligently proceed to complete the specified action. If Franchisee fails to do so, then Franchisor will have the right, in addition to its other rights under this Agreement,

but will not be obligated to, enter the Location and cause the specified action to be taken on behalf of Franchisee and Franchisee must pay the entire cost to Franchisor on demand.

In addition to regular maintenance obligations, after written notice from Franchisor, not more than once during the franchise term, Franchisee must refurbish the Location to maintain or improve the appearance and efficient operation of the Franchised Business to increase its sales potential and to comply with Franchisor's then current standards and identity. Franchisee will not be required to spend for refurbishing more than \$75,000 during the term of this Agreement. This limit on refurbishing will not apply at the time of renewal of the Franchise Agreement. The requirement to refurbish the Location will be imposed uniformly on all Franchisees presently acquiring a franchise, but the expenses incurred in fulfilling the requirement will vary depending on such factors as the condition of the Location and local costs of construction. Any required refurbishing must be completed within 45 days from notice by Franchisor.

Franchisee must make no material alterations to the leasehold improvements or appearance of the Location and must not make any material alterations to the equipment, fixtures or signs of the Franchised Business without prior written approval of Franchisor.

8.8 Designated Owners; Managers

The individual or at least one of the individuals designated in Item 4 on Appendix A (a "Designated Owner"), must: (a) devote his or her full time and effort to the day-to-day active management and operation of the Franchised Business; (b) personally exercise his or her best efforts to market the Franchised Business and maximize customer satisfaction; (c) preserve and exercise ultimate authority and responsibility with respect to the management and operation of the Franchised Business; and (d) represent and act on behalf of Franchisee in all dealings with Franchisor. Each Designated Owner must have an ownership interest in Franchisee. If all of the Designated Owners resign, die or become incapacitated, it will be considered a transfer under the provisions of Article 13 of this Agreement. If Franchisee desires to have a manager, other than a Designated Owner, devote full time and effort to the day-to-day active management and operation of the Franchised Business in place of a Designated Owner, the manager must successfully complete the training program designated by Franchisor and must be approved, in writing, by Franchisor. Franchisor must also approve, in writing, any change in such management personnel. Franchisee must require all of its managers to sign an agreement relating to confidentiality in the form specified by Franchisor as a condition of employment of the manager.

8.9 Employees

Franchisee must implement a training program for employees in compliance with Franchisor's standards. Franchisee must maintain at all times a staff of trained employees sufficient to operate the Franchised Business in compliance with Franchisor's standards. Franchisee must require its employees and agents to sign an agreement relating to confidentiality in the form specified by Franchisor as a condition of employment of the employee.

Franchisor may impose a reasonable per diem charge for any training provided to Franchisee, its managers or employees, beyond the initial training program described in Section 10.1.

Any such fees will be uniform as to all persons attending training at that time and will be based on Franchisor's out-of-pocket expenses plus the per diem rate of the training personnel involved. These fees are not refundable. All employees shall be required to wear shirts, pants, hats or other uniform items as required by Franchisor, which items shall be designated by the any future Operations Manual which may be revised from time to time.

Franchisee acknowledges and agrees that, except as otherwise provided in this Agreement, Franchisor does not have authority to exercise control over the means or manner in which Franchisee operates the Cafe. All Cafe operations will be determined by Franchisee in its own judgment, subject only to legal requirements, the terms of this Agreement, and the standard, procedures and policies Franchisor prescribes for the preservation of the goodwill associated with the Marks. Franchisee shall maintain a competent and conscientious staff who have been trained in product preparation and general business operations in accordance with the procedures set forth in any future Operations Manual, and who meet required governmental health and employment standards. Franchisee shall take such steps as are necessary to ensure that its employees do not violate Franchisor's policies relating to the use of any electronic medium, including, but not limited to, prohibiting employees from posting any information relating to Franchisor, the Franchise System, or the Marks without Franchisor's prior written approval. Franchisee is exclusively responsible for decisions related to all employees of your franchise, including but not limited to establishing the terms, conditions, and benefits of employment for all employees, including without limitation, hiring, firing, scheduling, employee discipline, employee performance evaluations, awards, promotions, demotions, work assignments, wages, benefits, vacation time, and sick time policies, the compensation rates for all employees, and for ensuring that all employees are properly trained in the operation of your franchise consistently with any future Operations Manual. You acknowledge that we do not have direct or indirect control, including through the implementation of our System, of your employment decisions.

8.10 Insurance

Franchisee must obtain from a Designated Vendor and provide Franchisor with evidence of insurance in the amounts and with the coverages specified by Franchisor. Evidence of this insurance must be initially provided at least fourteen days before beginning operation of the Franchised Business. Certificates of renewal must be provided no later than fourteen days before the expiration date of each policy. If Franchisee does not provide Franchisor with evidence of any required insurance policies at any due date, Franchisor may (but is not obligated to) purchase that insurance at Franchisee's expense. Franchisee must immediately pay for any insurance obtained by Franchisor.

Each required insurance policy must meet the following requirements: (a) the policy must name Franchisor (and any affiliates of Franchisor that Franchisor may reasonably specify), as an additional insured; (b) the policy must not be subject to cancellation, modification or amendment except after 30 days written notice to Franchisor; (c) the insurance must be placed with an approved vendor and an insurance carrier with an AM Best's Rating of not less than A; (d) the policy must provide that failure by Franchisee to comply with any term, condition or provision of the insurance contract, or other conduct by Franchisee, will not void or otherwise affect the coverage afforded Franchisor or its affiliates (e.g. Franchisor, although named as an insured, will nevertheless be entitled to recover under such policies on any loss occasioned to Franchisor or its agents or employees by reason of the negligence of Franchisee or Franchisee's agents or employees); (e) the policy must contain a waiver of subrogation in favor of Franchisor for casualty losses.

8.11 Compliance with Laws and Other Obligations

Franchisee must obtain and keep in force every registration, charter, license or permit required for the Franchised Business. Franchisee must comply with all federal, state, county, municipal or other statutes, laws, ordinances, regulations, rules or orders applicable to the Franchised Business. Franchisee must pay, when due, all taxes of every kind applicable to the Franchised Business or the income of the Franchised Business, including all local, state or federal taxes. Franchisee must immediately notify Franchisor if any governmental department or agency begins an investigation of the Franchised Business, schedules a review, inspection or audit of the Franchised Business or takes any action against the Franchised Business.

8.12 Separate Identification of Franchised Business.

Franchisee must identify the Franchised Business as a separate business by filing an assumed name certificate as appropriate in the state and/or county of location of the Franchised Business. Also, Franchisee must display signs, notices or plaques specified by Franchisor to identify the separate ownership of the Franchised Business.

8.13 Indemnification

Franchisee is responsible for all losses or damages from contractual liabilities to third persons from the possession, ownership and operation of the Franchised Business and all claims or demands for damages to property or for injury, illness or death of persons, directly or indirectly, arising out of, or in connection with, possession, ownership or operation of the Franchised Business or the actions or omissions of Franchisee. Franchisee must defend, indemnify and hold harmless Franchisor and its affiliates, subsidiaries and parent companies and their agents, employees, attorneys and other franchisees, their agents, employees and attorneys, against any and all claims, suits, demands, losses, damages or liabilities and all related expenses, including reasonable attorney's fees and court costs, which arise out of, in connection with, or as a result of possession, ownership or operation of the Franchised Business or the acts or omissions of Franchisee. This indemnity obligation will continue in full effect even after the expiration, transfer or termination of this Agreement. Franchisor will notify Franchisee of any claims against Franchisor subject to this Section. Franchisor may defend the action in the manner it deems appropriate and Franchisee must pay Franchisor for all costs, including reasonable attorneys' fees, incurred by Franchisor in defending the action, in addition to any sum which Franchisor may pay by reason of any settlement or judgment against Franchisor in the action. Franchisor's right to indemnity under this Agreement will arise and be valid notwithstanding that joint or concurrent liability may be imposed on Franchisor by statute, ordinance, regulation or other law.

8.14 Participation in Franchisee Advisory and other Committees

Franchisor may establish committees of franchisees to advise Franchisor on various matters involving the Franchise System. Franchisee will be eligible to participate on such committees, in accordance with the rules established by Franchisor and each committee, but only if Franchisee is a Franchisee in good standing. In order to be a Franchisee in good standing, Franchisee must be: (a)

current in all obligations to Franchisor and (b) operating in accordance with all requirements of the Franchise System, including requirements relating to quality, cleanliness and service.

8.15 Notices to Franchisor

Franchisee must notify Franchisor in writing of the details of any of the following events, within one business day of the occurrence of the event:

- (a) The start of any civil or criminal action, suit, countersuit or other proceeding against Franchisee or any Designated Owner.
- (b) Franchisee, or any Designated Owner, receives a notice of noncompliance with any law, rule or regulation.
- (c) The issuance of any order, writ, injunction, award or decree of any court, any agency or other governmental organization against Franchisee or any Designated Owner.
- (d) Any complaints, inspections, reports, warnings, certificates or ratings of Franchisee or the Franchised Business, communicated, issued, performed, or scheduled by any governmental agency.

Franchisee must provide Franchisor with any additional information Franchisor requests, within five days of request, about the status, progress or outcome of any of the events listed in this Section.

ARTICLE 9 – ADVERTISING

9.1 Grand Opening Advertising

Franchisee will expend, as required in Section 4.3, an amount to be used for grand opening advertising for the Franchised Business (“Franchisee’s Grand Opening Advertising Payment”). This amount will be used for advertising for the Franchised Business for the thirty (30) day period after the opening of the Franchised Business or as otherwise agreed by Franchisor and Franchisee. Franchisor and Franchisee will work together to develop a grand opening advertising plan, which must be approved by Franchisor. Franchisee will be responsible for implementing the plan. At Franchisee’s option: (a) expenses incurred in connection with the grand opening advertising plan may be submitted to Franchisor for direct payment from Franchisee’s Grand Opening Advertising Payment; or (b) Franchisee may request that Franchisor reimburse Franchisee, up to the amount of Franchisee’s Grand Opening Advertising Payment, for amounts actually paid by Franchisee in connection with the grand opening advertising plan.

If Franchisee does not spend an amount equal to Franchisee’s Grand Opening Advertising Payment within the prescribed time frame, the balance of Franchisee’s Grand Opening Advertising Payment will either be spent by Franchisor on Franchisee’s behalf to execute a grand opening promotion for Franchisee’s Cafe or be placed in the advertising fund.

If Franchisor determines in its sole discretion that you need assistance with opening and operations, you must pay Franchisor one-thousand dollars (\$1,000) each day that Franchisor’s employees provide such assistance.

9.2 Local Advertising

You must spend at least 1% of your Cafe's Gross Sales each month for local advertising through newspapers, magazines and other periodicals; radio/television; outdoor advertising (e.g., billboards or signs); transit advertising and direct mail; social media and other forms of media to which we consent.

You must receive our approval of all advertising before you use it. You must provide us with an annual marketing plan by December 1 of every year for the following year and we must approve this plan. You must also send us a monthly update to your marketing plan before the end of every month including an expenditure report to show that you have complied with the Local Advertising requirements. Any advertising that you propose to use that has either not been prepared by us or has not been approved by us in the immediately preceding 6- month period must be submitted to us for our approval before you may use it as specified below.

We reserve the right to require you to include certain language in your local advertising, such as "Franchises Available" and our Website address and telephone number.

9.4 Advertising Cooperatives

Franchisor may designate an advertising area that includes a group of Cafes. If the Franchised Business is within a designated advertising area, Franchisor may require Franchisee to join, maintain a membership in and abide by the governing instrument of an advertising cooperative for that area. The structure of the cooperative and the original governing instrument of the cooperative and any changes to that instrument must be approved by Franchisor. The cooperative cannot modify the terms of this Agreement, but may require Franchisee to make contributions to the cooperative in addition to any advertising fund contributions the Franchisee is required to make. Each Cafe in the cooperative will have one vote on matters before the cooperative. Decisions will be made as provided in the governing instrument of the cooperative, or if not otherwise specified, based on a majority of the votes entitled to be cast by the members of the cooperative. Any franchisee holding an officer, management, executive or committee position with the cooperative must be a franchisee in good standing as defined in Section 8.14. Each cooperative will work with Franchisor or an agency designated by Franchisor in coordinating and placing regional and local advertising for the members of the cooperative. The costs and expenses of each cooperative must be paid by that cooperative.

9.5 Additional Advertising; Approval of Advertising Materials; Coupons

All advertising by Franchisee in any medium, including signage and banners, must be factual and dignified, must conform to the standards and specifications of Franchisor, and to the highest standards of ethical advertising practice, and must be approved by Franchisor in writing before it is used. No handwritten signs or otherwise non-conforming sign designs are allowed. No computer generated signs are allowed unless they have been provided by Franchisor or approved in writing by Franchisor. Franchisee must submit to Franchisor for approval all marketing and promotion materials, including signage, prepared by Franchisee for the Franchised Business and not prepared by or previously approved by Franchisor. These materials must be submitted at least 14

days before use. Franchisee agrees to refrain from any business or advertising that may be injurious to the business of Franchisor and the goodwill associated with the Proprietary Marks and Franchise System and other Cafes.

Franchisee must participate in all promotions, specials and advertising programs created by Franchisor. In the event Franchisee determines to offer special discounts or coupons to induce customers to patronize its Franchised Business, such discounts or coupons must state the following legend: "THIS COUPON IS VALID ONLY AT (YOUR ADDRESS). OTHER MOTW COFFEE & PASTRIES LOCATIONS MAY BE INDEPENDENTLY OWNED AND OPERATED AND ARE UNDER NO OBLIGATION TO ACCEPT THIS COUPON."

If Franchisee's coupons are accepted by other franchisees or Company owned locations, upon Franchisor's request, Franchisee must reimburse the coupon-accepting location the difference between its regular menu price and the price obtained pursuant to the coupon(s) it accepted.

9.6 Use of Websites, Internet, Social Media or Toll-Free Telephone Numbers

Franchisee must not use the Internet, social media (i.e., Facebook, twitter, etc.), toll-free telephone numbers or similar methods with potential local, regional, national or worldwide scope in connection with the Franchised Business, except with the written consent of Franchisor and then only in accordance with the policies and procedures specified by Franchisor. Franchisor may, in its discretion, maintain an Internet site or toll-free telephone numbers for the Franchise System and allow Franchisee to participate in business generated by those methods under guidelines specified by Franchisor.

Franchisee shall, at its expense, participate in our website on the internet, our intranet system or other online communication as we may require from time to time as implemented by us, including through any future Operations Manuals. You may not maintain a World Wide Web site or otherwise maintain a presence on the internet other than as we provide through our website. You may not separately register any domain name containing any of the Proprietary Marks nor participate in any web site that markets goods and services similar to MOTW COFFEE & PASTRIES. We alone may establish, maintain, modify or discontinue all internet, worldwide web and electronic commerce activities pertaining to the System. We may establish one or more websites accessible through one or more uniform resource locators ("URLs") and if we do, we may design and provide for the benefit of your franchise a "click through" sub-page at each such website for the promotion of your business. If we establish one or more such website or other modes of electronic commerce and if we provide a "click through" sub-page at each such website for the promotion of your franchise, you agree to routinely provide us with updated copy, photographs and news stories about your franchise suitable for posting on your "click through" sub-page, the content, frequency and procedure of which will be specified by us, including in any future Operations Manuals. Any websites or other modes of electronic commerce that we establish or maintain may, in addition to advertising and promoting the products and services of the System, also offer and promote franchises for sale. We retain all rights relating to our web site and may alter or terminate our web site at any time.

In addition to these activities, we may also establish an intranet through which downloads of operations and marketing materials, exchanges of franchisee e-mail, System discussion forums and system-wide communications (among other activities) can be effected. Your conduct on our web site and intranet system or other online communications and specifically your use of the Trademarks or any advertising is subject to the provisions of this Agreement. Your right to participate in our web site and intranet system or otherwise use the Trademarks or System on the intranet, or other online communication, will terminate when this Agreement expires or terminates.

ARTICLE 10 – TRAINING

10.1 Initial Training

Franchisor or its designated representative will make available an initial program to train Franchisee to operate the Franchised Business. Franchisee must not begin operating the Franchised Business unless a Designated Owner has attended and completed to Franchisor's satisfaction, the initial training program. The training program will be conducted for up to two (2) persons (Designated Owners and managers), without charge to Franchisee.

If requested by Franchisee, Franchisor may, in its discretion, allow additional persons to attend the initial training program, but may, in that case, charge a reasonable per diem fee for the training. Also, Franchisee will be responsible for paying its and its employees' salaries, expenses for travel, food and lodging incurred during the training program. The persons attending the initial training program must sign an agreement relating to confidentiality in the form specified by Franchisor before beginning the training program.

10.2 Franchisee's Training Program

After beginning operation of the Franchised Business, Franchisee must establish and maintain a continual program of training for management and staff personnel in accordance with Franchisor's specifications. Each employee of the Franchised Business must complete each part of the specified training program and Franchisee must not employ anyone who refuses or fails to complete each part of the specified training program.

10.3 Additional Training, Sales Programs and Meetings

A Designated Owner (or, if authorized by Franchisor, a manager) must, solely at Franchisee's expense, attend additional training, sales programs and meetings reasonably specified by Franchisor, including monthly franchise meetings if specified by Franchisor. Franchisor will give reasonable notice of any additional specified training, sales programs or meetings. Franchisor may impose a reasonable charge on the Franchisee for any training provided to Franchisee, its managers or employees beyond the initial training program. Any such fees will be uniform as to all persons attending additional training at that time and will be based on Franchisor's out-of-pocket expenses plus a per diem rate for the training personnel. Franchisor may require Franchisee to complete additional training before offering new products or services from the Franchised Business.

ARTICLE 11 - CONFIDENTIAL INFORMATION

11.1 Ownership and Use of Confidential Information

Franchisee acknowledges that Franchisor owns the Confidential Information and agrees that Franchisee will not acquire any interest in the Confidential Information, other than the right to use it as Franchisor specifies solely for the purpose of establishing and operating the Franchised Business during the term of this Agreement. Franchisee acknowledges and agrees that the Confidential Information is proprietary to Franchisor and is disclosed to Franchisee in confidence only on the condition that Franchisee and its shareholders, officers, directors, partners, members, owners, investors, employees and agents agree that they will:

(a) Not use the Confidential Information in any business or capacity other than in the Franchised Business as authorized by this Agreement, both during the term of this Agreement and after expiration or termination of this Agreement for as long as the Confidential Information is not generally known in the industry;

(b) Keep each item deemed to be part of Confidential Information absolutely confidential, both during the term of this Agreement and after expiration or termination of this Agreement for as long as the item is not generally known in the industry;

(c) Not make unauthorized copies of any Confidential Information disclosed via electronic medium or in written or other tangible form and not remove any Confidential Information from the Location;

(d) Not to directly or indirectly attempt to test, analyze or reverse engineer any proprietary materials, including, without limitation, recipes and ingredients;

(e) Adopt and implement procedures to prevent unauthorized use or disclosure of Confidential Information, including, without limitation, restricting its disclosure to Franchisee's employees; and

(f) Require Franchisee's employees and agents to sign an agreement relating to confidentiality in the form specified by Franchisor before revealing any aspect of the Confidential Information to the employee or agent. Franchisor has the right to be a third party beneficiary of those agreements with independent enforcement rights.

11.2 Development of New Proprietary or Confidential Information

All ideas, concepts, techniques, improvements or materials that relate to or enhance the Franchised Business or the Franchise System, whether or not protectable intellectual property and whether created by or for Franchisor or by or for Franchisee, must be promptly disclosed to Franchisor and will be Franchisor's sole and exclusive property, part of the Franchise System, and works made-for-hire for Franchisor. Franchisee hereby assigns ownership of the intellectual

property, and all related rights to it, to Franchisor to the extent that any intellectual property does not qualify as a “work made-for-hire” for Franchisor. Franchisee agrees to take whatever action (including signing an assignment or other documents) that Franchisor requests to evidence Franchisor’s ownership in the intellectual property.

11.3 Expiration, Termination or Transfer of this Agreement

Franchisee agrees that when this Agreement expires, is terminated, or on the transfer of the Franchised Business, Franchisee will immediately cease using any and all of the Confidential Information in any business or otherwise, and return to Franchisor all copies of all Confidential Information that Franchisee has in its possession. Franchisee will be liable to Franchisor for any use of the Confidential Information not authorized by this Agreement.

ARTICLE 12 – RESTRICTIONS ON COMPETITION

12.1 Covenant Not to Compete During Term

Franchisee, its shareholders, officers, directors, partners, members, owners, investors, consultants and spouses must not, during the term of this Agreement, have any interest in, as an owner (except ownership of no more than 1% of a publicly traded entity), director, officer, manager, employee, consultant, representative or agent, or in any other capacity, or otherwise engage in, any “Competing Business” (defined in Section 12.3), (except other Cafes operated under franchise agreements entered into with Franchisor), or in any business or entity that franchises, licenses, or otherwise grants to others the right to operate a Competing Business, unless otherwise agreed in writing by Franchisor.

12.2 Other Restrictions During Term

Franchisee, its shareholders, officers, directors, partners, owners, investors, consultants and spouses must not, during the term of this Agreement: (a) divert or attempt to divert any business or customer of the Franchised Business or any other Cafe to any Competing Business by direct or indirect inducements or otherwise; (b) employ or seek to employ any person who was, at the time, employed by Franchisor or its affiliates or by another Cafe, or directly or indirectly induce any person to leave their employment with Franchisor or its affiliates or with another Cafe; or (c) sponsor, appoint or encourage or influence or promote friends, relatives or associates to operate a Competing Business.

12.3 Definition of Competing Business

For purposes of this Agreement, a “Competing Business” includes any business that is the same or similar to a Cafe, including but not limited to a business that sells coffee, tea, pastries and related items for sit down or carry out that may be offered by MOTW COFFEE & PASTRIES Cafes now or in the future.

12.4 Acknowledgements and Agreements Relating to Restrictions on Competition

Franchisee acknowledges and agrees that the restrictions contained in this Article are fair and reasonable. The parties have attempted to limit Franchisee's right to compete only to the extent necessary to protect the reasonable competitive business interests of Franchisor and its franchisees. If the above restrictions or any part of these restrictions are invalid, this Article will be considered as imposing the maximum restrictions allowed under the applicable state law in place of the invalid restriction or part of the restriction. In addition, Franchisor reserves the right to reduce the scope of these provisions without Franchisee's consent, at any time, effective immediately on notice to Franchisee.

12.5 Covenant Not to Compete After Termination or Expiration of Franchise Term.

For two (2) years following the termination or expiration of this Agreement, whether by lapse of time or by other cause, sale and/or assignment of the franchise granted under this Agreement or the Franchised Business or by purchase by Franchisor of all or substantially all of the assets of Franchisee pursuant to this Agreement, Franchisee shall not, directly or indirectly, either as a shareholder, officer, director, partner, member, owner, investor, consultant or spouse, engage in any other Cafe that is a Competing Business or is similar to, the business of the nature and type described under this Agreement within twenty-five (25) miles of Franchisee's former licensed location and any MOTW COFFEE & PASTRIES franchised, corporate or affiliated operated business.

ARTICLE 13 – TRANSFERABILITY

13.1 General Rule

This Agreement is personal to Franchisee or to the owners of Franchisee if Franchisee is a corporation, partnership, limited liability company or other entity. Accordingly, neither Franchisee nor any person owning any direct or indirect ownership or equity interest in Franchisee, may, without Franchisor's prior written consent, directly or indirectly or contingently, whether voluntarily or by operation of law, sell, assign, transfer, convey, give away, pledge, mortgage or otherwise encumber any interest in: (a) this Agreement; (b) the Franchised Business or any of the assets of the Franchised Business; (c) the Location; or (d) any equity or voting interest in Franchisee. Any such act or event described above in this Section or any other act defined as a transfer elsewhere in this Agreement will be referred to as a "Transfer." Any permitted Transfer must only be made in accordance with the provisions of this Article 13. Franchisee does not have the right to sublicense any of the rights granted by this Agreement. Any attempted Transfer not in accordance with this Agreement will have no effect and will constitute a breach of this Agreement.

13.2 Conditions of Franchisor's Consent to Transfer; Right of First Refusal

Before any Transfer, Franchisee or any person owning an interest in Franchisee, or another appropriate person, must give written notice of the proposed Transfer to Franchisor, setting forth in detail the nature of the items to be transferred, the name, address and background of the proposed transferee, the consideration for the Transfer and any other information that Franchisor may reasonably require. This notice must also include a copy of any agreements relating to the proposed Transfer. After reviewing the information, Franchisor will determine, in accordance with the

provisions of this Agreement and any procedures specified by Franchisor, including in any future Operations Manual, whether to grant its consent to the Transfer. If these conditions are met, Franchisor will not unreasonably withhold its consent to a proposed Transfer of the type permitted by this Agreement.

Before Franchisor consents to a proposed Transfer, the following conditions must be fulfilled:

(a) The proposed transferee must follow the same application procedures as a new franchisee and must meet the same standards of character, business experience, financial strength, credit standing, health, reputation, business ability, experience, etc. as Franchisor has set for any new franchisee.

(b) The terms of the proposed transfer must not place unreasonable burdens on the proposed transferee.

(c) Franchisee must be in full compliance with all provisions of this Agreement and must pay Franchisor all monies owing and must sign at the time of Transfer an agreement terminating or transferring this Agreement (at Franchisor's option) and releasing Franchisor and its affiliates and their owners, directors, members, employees and agents from any claims.

(d) The proposed transferee must satisfactorily complete Franchisor's initial training program. Franchisor may impose a reasonable charge for this training program.

(e) The proposed transferee must, at Franchisor's option: (i) sign with Franchisor a Franchise Agreement on the standard form in use by Franchisor at the time of Transfer, which agreement would have a term equal to the term remaining under this Agreement, or (ii) sign, with Franchisee, an assignment and assumption satisfactory to Franchisor, whereby the proposed transferee would be entitled to all of Franchisee's rights under this Agreement and assume all of Franchisee's obligations under this Agreement.

(f) The proposed transferee must pay Franchisor a transfer fee in an amount equal to 25% of the initial franchise fee being charged by Franchisor at the time of the transfer, which would be due at the time of execution of a consent by Franchisor to the proposed Transfer. This fee is not refundable.

(g) The proposed transferee must agree that, within 90 days of the transfer, it will take any action specified by Franchisor to make the Franchised Business comply with current appearance, equipment and signage requirements.

(h) Franchisee and the proposed transferee must comply with any other standard procedures specified by Franchisor.

(i) Franchisee acknowledges that the conditions listed above are necessary for protection of the Proprietary Marks and Franchise System and do not impose unreasonable restrictions on a Transfer.

In addition to the above, if Franchisee desires to sell the franchise to a bona fide buyer and assign this Agreement, it shall serve upon Franchisor a written notice setting forth all of the terms and conditions of the proposed sale and assignment and all available information concerning the proposed buyer. Franchisor shall have a right of first refusal (“Right of First Refusal”) to purchase the franchise for itself or its nominee upon the same terms and conditions specified in Franchisee’s notice, except that, in Franchisor’s discretion, it may substitute cash for any deferred payment included in the buyer’s offer and the purchase price shall be reduced by any unpaid debts, liabilities, or obligations of the Franchisee owing to Franchisor. To exercise its right of first refusal, Franchisor must give Franchisee written notice of its election by no later than thirty (30) days following its receipt of Franchisee’s notice. If Franchisor either fails to give timely notice, or gives notice that it declines to exercise its right, Franchisee may thereafter sell the business to the proposed buyer, but not at a lower price nor on terms which materially vary from those offered to Franchisee and provided, further, that all of the conditions to such sale set forth in this Section 13.2 are satisfied, including Franchisor’s approval of the proposed buyer’s qualifications. If Franchisor’s consent to the proposed sale is granted, but the franchise is not sold to the buyer within six (6) months from the date it is first offered to Franchisor, then Franchisee must re-offer to sell it to Franchisor prior to a sale to any third party.

13.3 Transfer on Death or Incapacity

If Franchisee or the last surviving owner of Franchisee (if Franchisee is a corporation, partnership, limited liability company or other entity) dies or becomes incapacitated, Franchisee’s or its owner’s rights under this Agreement will pass to the estate, heirs, devisees or legal representatives of Franchisee or its owner (collectively referred to in this Agreement as the “estate”). The estate may continue operation of the Franchised Business if: (a) the Franchised Business is not closed for more than 7 business days and is thereafter operated in accordance with applicable law; (b) the estate provides a qualified individual acceptable to Franchisor to manage and operate the Franchised Business on a full time basis; (c) the manager attends and successfully completes Franchisor’s training program at the estate’s expense; and (d) the manager assumes full time operation of the Franchised Business within 90 days of the date Franchisee or its owner dies or becomes incapacitated. If the estate fails to designate an acceptable manager or the designated manager fails to attend and satisfactorily complete the training program and to assume the full-time operation of the Franchised Business within 90 days of the death or incapacity, then the estate must sell the estate’s interest in the Franchised Business or in this Agreement within 180 days of the date of death or incapacity. Any sale will require Franchisor’s consent under Section 13.2

After the date of death or incapacity, until a trained manager assumes full time operational control of the Franchised Business or until the estate’s interest in the Franchised Business or in this Agreement is sold, Franchisor may, at its option, assume control of and operate the Franchised Business. During any period that Franchisor operates the Franchised Business, Franchisor may deduct its expenses for payroll, travel, lodging, meals and all other expenses and fees from the Franchised Business’s revenues. Any remaining revenues of the Franchised Business, after paying all other operational expenses of the Franchised Business will be paid to the estate. Any deficiency in amounts due to Franchisor under this Section or any deficiencies from operation of the Franchised Business must be paid by the estate within 10 days of a notice of deficiency from Franchisor. Franchisor is not obligated to operate the Franchised Business. If Franchisor does operate the

Franchised Business, Franchisor will not be responsible for any operational losses of the Franchised Business, nor will Franchisor be obligated to continue operation of the Franchised Business.

13.4 Transfers to Controlled Entities

If Franchisee is in full compliance with this Agreement, the Agreement may be assigned to a corporation, partnership or other entity in which Franchisee owns and will continue to own a majority of the issued and outstanding stock, partnership interest, or other ownership interests and in which Franchisee will act as its principal executive officer or manager (“Controlled Entity”), provided that:

- (a) All owners of the Controlled Entity execute this Agreement and agree to be personally bound, jointly and severally, by all of the provisions of this Agreement;
- (b) The Controlled Entity agrees to be bound by all the provisions of this Agreement and to assume and discharge all of Franchisee’s obligations under this Agreement; and
- (c) The Controlled Entity will have no right to engage in a Transfer except in accordance with the provisions of Article 13 of this Agreement.

13.5 Assignment by Franchisor

This Agreement is fully assignable by Franchisor and will inure to the benefit of any assignee or other legal successor to the interests of Franchisor. Franchisor may sell, assign, discount or otherwise transfer any rights under this Agreement or any other assets of Franchisor or its owners, without notice to or approval of Franchisee or any other Franchisee, at any time. However, Franchisor will remain liable for the performance of its obligations under this Agreement or will make provision for the performance of those obligations by the assignee, to the extent required by applicable law.

ARTICLE 14 – DEFAULT AND TERMINATION

14.1 Default by Franchisor; Termination by Franchisee

Franchisor will be considered in default of this Agreement if Franchisor breaches any material obligations of Franchisor under this Agreement. Franchisee may terminate this Agreement only if: (a) Franchisee is in full compliance with all terms of this Agreement; (b) Franchisee provides written notice to Franchisor specifying a material default of this Agreement by Franchisor and the proposed date of termination; and (c) Franchisor has committed the default and has not cured the default within 30 days of written notice from Franchisee of the default. Written notice from Franchisee of the default must specify in writing with particularity the nature of the default and the steps Franchisee requests that Franchisor take to cure the default. Franchisor will have not less than 30 days to cure the default. Failure of Franchisee to comply with the provisions of this Section will result in any attempt to terminate being deemed null and void and without legal effect.

14.2 Default by Franchisee; Termination by Franchisor

Franchisee will be considered in default of this Agreement on the occurrence of any of the events listed in Sections 14.3 and 14.4 or elsewhere in this Agreement. Franchisor has the right to terminate this Agreement before its expiration only for good cause and only in accordance with the requirements of Sections 14.3 or 14.4 below. Good cause for termination by Franchisor includes any default of this Agreement by Franchisee.

14.3 Events of Default by Franchisee; No Right to Cure

Any of the following events will constitute a default by Franchisee and good cause for termination of this Agreement by Franchisor. The Wisconsin Fair Dealership Law Title XIV-A Ch. 135, Section 135.01-135.07 may affect the termination provision of the Franchise Agreement.

On the happening of any of these events, Franchisor may, at its option, terminate this Agreement effective on delivery of written notice to Franchisee without affording Franchisee an opportunity to cure (except as may be required by applicable law).

(a) Franchisee fails to: (i) enter into a lease or sublease for a Location, or (ii) open the Location within the time frame required by this Agreement.

(b) Franchisor determines that Franchisee cannot, will not or has not completed Franchisor's pre-opening training programs to the satisfaction of Franchisor, or fails to demonstrate the qualities and abilities that Franchisor deems necessary for the successful operation of the Franchised Business.

(c) Franchisee is unable to obtain, without extraordinary administrative proceedings or litigation, any permit or license necessary to develop and open the Franchised Business.

(d) Franchisee has made any material misrepresentation, or engaged in dishonesty or fraud to or against Franchisor or its agents or affiliates, or suppliers or customers of the Franchised Business.

(e) A substantial number of material complaints from customers have been received relating to products or services provided by Franchisee or the acts or omissions of Franchisee.

(f) Any assignment or transfer of this Agreement or the Franchised Business without complying with Article 13 of this Agreement.

(g) The conviction of, or plea of guilty or no contest by Franchisee or a Designated Owner to: (i) a crime, offense or misconduct for which the minimum penalty includes imprisonment for more than one year; or (ii) any crime, offense or misconduct for which the minimum penalty includes imprisonment for one-year or less that involves fraud or dishonesty or is in any other way relevant to the operation of the Franchised Business.

(h) Franchisee has received three or more prior notices of default and/or to terminate, whether or not for the same or similar default, during any consecutive 12-month period.

(i) Franchisee has failed to attend two or more required monthly meetings within any consecutive 12-month period.

(j) Any abandonment by Franchisee of the Franchised Business. Abandonment will be conclusively presumed if Franchisee fails to open the Franchised Business for business for a period of three (3) consecutive business days without the prior written consent of Franchisor or fails to open the Franchised Business for business for a total of five (5) business days within a 90 day period.

(k) Franchisee operates the Franchised Business in a manner that presents a health or safety hazard to its customers, employees, or the public, and the same cannot by its nature be cured within a reasonable time period.

(l) Intoxication, illegal drug use or other substance abuse by Franchisee or a Designated Owner that interferes with the operation of the Franchised Business.

(m) Any conduct by Franchisee that reflects materially and adversely on the operation or reputation of the Proprietary Marks or Franchise System.

(n) Adjudication of bankruptcy of Franchisee, the insolvency of the Franchised Business, appointment of a receiver or trustee to take charge of the Franchised Business by a court of competent jurisdiction or the general assignment by Franchisee for the benefit of creditors.

14.4 Events of Default by Franchisee; Right to Cure

Any of the following events will constitute a default by Franchisee and good cause for termination of this Agreement by Franchisor. On the happening of any of these events, Franchisor may, at its option, terminate this Agreement effective on written notice to Franchisee and Franchisee's failure to cure the defaults during a cure period set forth below:

(a) Failure of Franchisee to promptly pay its obligations to Franchisor, an affiliate of Franchisor or third party suppliers as they become due, or the occurrence of any other default under a lease or finance agreement for the real or personal property involved in the Franchised Business.

(b) Failure of Franchisee to operate in accordance with the uniform standards of Franchisor, failure of Franchisee to meet current minimum performance standards according to the provisions of any current or future Operations Manual or failure to permit store evaluations and inspections by Franchisor's representatives.

(c) Failure of Franchisee to purchase products and services for use in the Franchised Business from Designated Suppliers.

(d) If Franchisee is an entity other than a natural person, any dispute, disagreement or controversy among the stockholders, members, partners, directors, officers or managers of Franchisee, which materially and adversely affects the ownership, operation, management or business of the Franchised Business.

(e) Any other material breach of this Agreement by Franchisee or a material breach by Franchisee or any corporation, partnership, limited liability company or other entity controlling, controlled by or under common control with Franchisee or any of the owners of Franchisee, of any of the terms of any other agreements entered into with Franchisor or its affiliates.

(f) The cancellation of any guaranty of the obligations of this Agreement by any owner of Franchisee.

Written notice of termination from Franchisor under this Section 14.4 must specify any defaults under this Agreement or other reasons for termination and the date the termination will be effective. The effective date of termination must be: (i) at least 15 days from the date of notice for defaults involving the payment of money to Franchisor or its affiliates; and (ii) at least 30 days from the date of notice in all other instances. Termination will be automatically effective without further action by Franchisor on the date specified in the notice as the effective date of termination unless Franchisee completely cures, before the date specified in the notice as the effective date of termination, all the defaults or other reasons for termination specified by Franchisor in the notice.

14.5 Right to Withhold Products and Support Services on Certain Defaults by Franchisee

If Franchisee commits any of the defaults listed below, Franchisor will have the right to refuse to sell products to Franchisee and to cause Designated Suppliers to refuse to sell products to Franchisee and to withhold support services from Franchisee. The defaults giving rise to this remedy include: (a) a payment due to Franchisor from Franchisee is more than 30 days past due; (b) Franchisee owes Franchisor's suppliers \$10,000 or more in past due payments; or (c) any other default under this Agreement that has not been cured within 30 days of written notice. The remedies set forth in this Section will not be the sole remedies of Franchisor for such defaults and Franchisor may exercise any other remedies, including but not limited to, termination of this Agreement.

ARTICLE 15 - EFFECT OF TERMINATION OR EXPIRATION

15.1 Obligations of Franchisee

On expiration or termination of this Agreement for any reason (including termination on a transfer), Franchisee's rights to use the Proprietary Marks and the Franchise System and all other rights associated with being an authorized franchisee of Franchisor will cease and Franchisee must do the following:

(a) Franchisee must immediately and permanently discontinue the use of the Proprietary Marks, the Franchise System and any marks and names and logos confusingly similar to the Proprietary Marks, and any other materials that may, in any way, indicate that Franchisee is or was a franchisee of Franchisor, or in any way associated with Franchisor.

(b) Franchisee must immediately discontinue all advertising placed or ordered. Franchisee must remove and deliver to Franchisor all sign faces, advertising and promotional material, stationery, letterhead, forms and any other items bearing the Proprietary Marks. Franchisee must bear the cost of sign and other identification removal and the cost of shipping signs and other materials to Franchisor. If Franchisee remains in possession of the Location, Franchisee must alter the premises to distinguish the premises from the appearance of a Cafe.

(c) Franchisee must cease using any and all Operations Manuals and all proprietary business information provided by Franchisor and must return to Franchisor all copies of the Operations Manual and other materials received from Franchisor containing information about the Franchised Business.

(d) Franchisee must immediately and permanently cease to use all telephone and fax numbers, email addresses, websites, domain names and other comparable electronic identifiers that have been used in the Franchised Business and if requested by Franchisor, must assign all such telephone and fax numbers, email addresses, website addresses, domain names and other comparable electronic identifiers to Franchisor. Franchisee acknowledges that as between Franchisor and Franchisee, Franchisor has the sole rights to all telephone and fax numbers, email addresses, website addresses, domain names and other comparable electronic identifiers used in the Franchised Business and all written and online directory listings associated with the Cafe. Franchisee authorizes Franchisor, and appoints Franchisor and any officer of Franchisor as its attorney-in-fact, to direct the applicable service providers and all listing agencies to transfer those items to Franchisor or its agent or assignee if Franchisee fails or refuses to do so. The applicable service providers and all listing agencies may accept the direction in this Agreement as conclusive evidence of the exclusive rights of Franchisor in such telephone and fax numbers, email addresses, website addresses, domain names, other comparable electronic identifiers and directory listings and its authority to direct their transfer.

(e) Franchisee must cease using any business name containing any of the Proprietary Marks and must file an abandonment or discontinuance of the name with the appropriate local, county or state agency.

(f) Franchisee must immediately pay all sums and debts owing to Franchisor and its subsidiaries and affiliates, whether such sums and debts owing to Franchisor and its subsidiaries and affiliates are evidenced by promissory note, invoice, bill or other writing, and notwithstanding the fact that such sums and debts may not at that time be fully due and payable, such debts being accelerated automatically without further notice to Franchisee.

(g) Franchisee must sell to Franchisor all or part of Franchisee's inventory or products on hand as of the date of termination or expiration that are uniquely identified with

Franchisor, if any, as Franchisor may request in writing before or within 30 days after the date of termination or expiration. The sales price will be the current published prices then being charged by the manufacturer or supplier to authorized franchisees of Franchisor, not including any costs of storage or transportation paid by Franchisee to bring the goods initially to the Franchised Business, minus all costs incurred or to be incurred by Franchisor to restore the goods or the packaging of the goods to a saleable condition and minus a reasonable allowance for physical deterioration, obsolescence or damage to the extent not restored.

15.2 Termination of Lease; Option to Assume Lease

On expiration or termination of this Agreement, Franchisor may terminate any lease or sublease entered into with Franchisee for the Location.

If this Agreement terminates or expires for any reason, other than a termination by Franchisee for cause, Franchisor will have the right to assume Franchisee's lease for the Location. If Franchisor exercises this right, Franchisor must assume and hold Franchisee harmless from all liability under the lease arising after the assumption by Franchisor. If the Location is owned by Franchisee and this Agreement terminates or expires for any reason other than a termination by Franchisee for cause, Franchisor will have the option to lease the Location on substantially the same terms and conditions contained in Franchisee's lease for the Location, or, if no lease exists, then on terms and conditions that are commercially reasonable. The options granted in this Section must be exercised by Franchisor within 30 days of the date of expiration or termination of this Agreement.

15.3 Option to Purchase Assets

If this Agreement expires or terminates for any reason, except termination by Franchisee for cause, Franchisor will have the option, but not the obligation to purchase the assets of the Franchised Business. The purchase price will be the fair value of the assets as agreed by the parties or in the absence of an agreement, as determined by an independent qualified appraiser selected by Franchisor and Franchisee. If Franchisor and Franchisee cannot agree on an independent appraiser, each will select an independent appraiser qualified or certified to make the appraisal. The independent appraisers chosen will then select a third independent appraiser. The third independent appraiser will determine the fair value of the assets and his or her determination will be binding on the parties. The purchase price will be reduced by any unpaid debts, obligations, and current and long-term liabilities of the Franchised Business that Franchisor agrees to assume and any amounts owing to Franchisor by Franchisee. Franchisor must exercise the option granted in this Section within 45 days following the determination of a price for the assets. Closing of the sale must take place within 45 days after Franchisor exercises its option to purchase the assets or a later date, if agreed to by the parties, as necessary to comply with applicable bulk sales or other similar laws.

15.4 Surviving Obligations

Termination or expiration of this Agreement will not affect Franchisee's obligations or liability to Franchisor for amounts owed to Franchisor under this Agreement or for Franchisor's damages attributable to the loss of bargain resulting from termination of this Agreement before its expiration (as set forth in Section 15.5). Also, termination of this Agreement will not affect

Franchisee's obligations under Article 6 relating to the Proprietary Marks, Section 8.13 relating to indemnification, Article 11 relating to confidentiality, Section 15.3 relating to Franchisor's option to purchase the assets of the Franchised Business, Article 16 relating to dispute resolution and other obligations in this Agreement or any other agreements between Franchisor and third parties, which, by their terms or intent, survive termination or expiration of this Agreement.

15.5 Damages for Loss of Bargain

In addition to any other remedies available to Franchisor, if this Agreement is terminated before its expiration (other than termination by Franchisee for cause), Franchisor will be entitled to recover from Franchisee damages attributable to the loss of bargain resulting from that termination. The parties stipulate and agree that the damages for Franchisor's loss of bargain will be the present value of the royalty fees that would have been payable to Franchisor for the lesser of: (i) the balance of the term of this Agreement if this Agreement had not been terminated; or (ii) 104 weeks. The parties agree that the total amount of royalty fees that would have been payable will be calculated utilizing annual Gross Sales equal to the average annual Gross Sales of the Franchised Business for the two-year period [or such lesser period if Franchisee was not in operation for a full two year period] immediately preceding the date of termination. For the purposes of this Section, Gross Sales will be calculated based on Gross Sales reported by Franchisee or as actually determined by an audit of Franchisee's business. If Franchisee has failed or refused to report Gross Sales for any part of its operation before termination, Franchisor may reasonably estimate those Gross Sales.

The parties acknowledge and agree that the actual damages that would be sustained by Franchisor if this Agreement is terminated before its expiration are incapable of calculation

15.6 Remedies

Termination or expiration of this Agreement and/or enforcement of the provisions of this Article will not affect or prejudice any other rights or remedies of Franchisor for breach of this Agreement by Franchisee whether those rights and remedies are contained in this Agreement or otherwise provided by law or equity.

ARTICLE 16 – DISPUTE RESOLUTION; LAW AND JURISDICTION; INJUNCTIVE RELIEF; COSTS OF ENFORCEMENT; JURY WAIVER; LIMITATIONS OF CLAIMS

16.1 Negotiation

Except for actions described in Section 16.7, the parties will try to resolve all disputes by having the Franchisee or a Designated Owner negotiate with an executive officer of Franchisor to resolve the dispute, including at least one face-to-face meeting. The parties agree to conduct these negotiations in good faith and to use their best efforts to resolve any such disputes. If the parties have not resolved the dispute within 30 days after beginning these negotiations, then either party may demand arbitration of the dispute in accordance with Sections 16.2 and 16.3.

16.2 Binding Arbitration

Except for actions described in Section 16.6, all controversies, disputes or claims between: (a) Franchisor and/or its officers, directors, members, managers, employees, agents or representatives, and (b) Franchisee, and/or its officers, directors, members, managers, employees, agents or representatives, arising out of or related to this Agreement or any other agreement between Franchisor and Franchisee or any provision of such agreement, or Franchisor's relationship with Franchisee, or any other dispute between Franchisor and Franchisee, must be submitted for binding arbitration in accordance with the provisions of this Article 16 on the demand of either party. A party may demand arbitration for a dispute only after complying with the duty to negotiate contained in Section 16.1. Except as otherwise provided in this Article 16, such arbitration proceeding must be conducted in accordance with the commercial arbitration rules (the "Rules") of the American Arbitration Association ("AAA"). The Federal Arbitration Act (9 U.S.C. §§ 1 et seq.) (the "Act") and not any state arbitration law will govern all matters relating to arbitration. The parties stipulate that venue for the arbitration must be in Hamilton County, Indiana.

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

16.3 Arbitration Procedures

Any matter will be adjudicated before one (1) arbitrator unless Franchisor elects for the dispute to be decided before a panel of three (3) arbitrators. The arbitration will be administrated and conducted in the office of the AAA in or closest to Southfield, Indiana. The parties desire that at least one of the arbitrators be an attorney experienced in the practice of franchise laws. The arbitrator will follow the Rules except as otherwise provided in this Section. The arbitrator will comply with the Federal Rules of Evidence and will grant limited discovery consisting of requests for production of documents eliciting only relevant evidence; will provide for the exchange of witness lists and exhibit copies; and will conduct a pretrial and rule on dispositive motions. Each party will have the right to request the arbitrator to make findings of specific factual issues.

Franchisor and Franchisee agree to be bound by the provisions of any limitation on the period of time in which claims must be brought under applicable law or this Agreement, whichever expires earlier. Franchisor and Franchisee further agree that, in connection with any such arbitration proceeding, each must submit or file any claim that would constitute a compulsory counterclaim (as defined by Rule 13 of the Federal Rules of Civil Procedure) within the same proceeding as the claim to which it relates. Any such claim that is not submitted or filed as described above will be forever barred.

Franchisor and Franchisee agree that arbitration will be conducted on an individual, not a class-wide, basis, and that an arbitration proceeding between the parties, will not be consolidated with any other arbitration proceeding between them and any other person, corporation, limited liability company, partnership or other entity.

16.4 Decision of Arbitrator

The arbitrator will have the right to award or include in the award any relief that the arbitrator deems proper under the circumstances, including, without limitation, money damages (with interest on unpaid amounts from the date due), specific performance, injunctive relief and attorney's fees and costs, provided that the arbitrator will not have the right to award special, exemplary or punitive damages. The decision of the arbitrator will be final and binding on the parties, subject only to appeal rights under the Act, and a judgment by a court of competent jurisdiction may be entered in accordance with the decision.

16.5 Applicable Law

This Agreement takes effect on its acceptance and execution by Franchisor in Indiana, and, except for the applicability of the Federal Arbitration Act, will be interpreted and construed under the laws of Indiana. In the event of any conflict of law, the laws of Indiana will prevail, without regard to the application of Indiana conflict-of-law rules. If, any provision of this Agreement would not be enforceable under the laws of Indiana, and if Franchisee's business is located outside of Indiana and such provision would be enforceable under the laws of the state in which Franchisee's business is located, then such provision will be interpreted and construed under the laws of that state.

16.6 Injunctive Relief

Notwithstanding Sections 16.1 and 16.2, Franchisor will have the right, without the posting of any bond or security and without the need to prove irreparable injury, to obtain specific enforcement of the terms of this Agreement from a court of competent jurisdiction, by temporary or permanent injunctions or other equitable relief. Franchisor will have the right, without limitation, to obtain injunctive relief to prevent Franchisee from engaging in the following acts, which Franchisee acknowledges would cause irreparable harm to Franchisor: (a) using any of the rights franchised by this Agreement, including use of the Proprietary Marks, in any manner not authorized in this Agreement or prohibited by law; (b) engaging in operations in violation of the in-term restrictions on competition set forth in Article 12; (c) disclosing to any person or using the trade secrets or confidential information of Franchisor in violation of the terms of this Agreement; (d) transferring or assigning this Agreement or the assets of the Franchised Business without complying with this Agreement; (e) engaging in acts or practices in violation of applicable laws and regulations or that are fraudulent, dishonest or create health or other hazards to the public; or (f) significantly impairing the goodwill associated with Franchisor. Franchisor's rights to obtain injunctive relief are in addition to all other remedies available to Franchisor under applicable law. Furthermore, Franchisor shall be entitled to all profits directly or indirectly realized by Franchise (and any other party to this Agreement, which includes the Confidentiality and Non-Solicitation Agreement) by reason of breach of this Agreement.

16.7 Costs of Enforcement

If any arbitration or legal action or other proceeding is begun for the enforcement of this Agreement, or for an alleged dispute, breach, default or misrepresentation under any term of this Agreement, then Franchisor, if Franchisor is the prevailing party, is entitled to recover reasonable

pre-institution and post-institution attorney's fees, court costs, and all expenses even if not taxable as court costs (including all fees and expenses incident to appellate, bankruptcy and post-judgment proceedings), incurred in the action or proceeding in addition to all other relief to which Franchisor is entitled. Attorney's fees include paralegal fees, administrative costs, investigative costs, costs of expert witnesses, court reporter fees, sales and use taxes, if any, and all other charges billed by the attorney to the prevailing party. If Franchisor engages legal counsel because of Franchisee's failure to pay when due any monies under this Agreement or submit when due any reports, information or supporting records, or for any failure to otherwise comply with this Agreement, Franchisee must reimburse Franchisor on demand for all of the above listed expenses Franchisor incurs.

16.8 Jury Waiver; Time Period for Bringing Claims; Limitation of Damages

FRANCHISOR AND FRANCHISEE IRREVOCABLY WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, BROUGHT BY EITHER OF THEM AGAINST THE OTHER, WHETHER OR NOT THERE ARE OTHER PARTIES IN SUCH ACTION OR PROCEEDING.

WITH EXCEPTION OF ANY CLAIM FOR EQUITABLE RELIEF BY FRANCHISOR, ALL CLAIMS ARISING UNDER THIS AGREEMENT OR FROM THE RELATIONSHIP BETWEEN THE PARTIES ARE BARRED UNLESS AN ACTION IS FILED AND TIMELY SERVED ON THE OPPOSING PARTY WITHIN ONE (1) YEAR FROM THE DATE THE PARTY KNEW OR SHOULD HAVE KNOWN OF THE FACTS CREATING THE CLAIM, EXCEPT TO THE EXTENT ANY APPLICABLE LAW OR STATUTE PROVIDES FOR A SHORTER PERIOD OF TIME TO BRING A CLAIM OR AS OTHERWISE REQUIRED BY LAW.

FRANCHISEE WAIVES IN ANY JUDICIAL ACTION, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY RIGHT TO OR CLAIM OF ANY SPECIAL, PUNITIVE OR EXEMPLARY DAMAGES AGAINST Franchisor AND AGREES THAT IN THE EVENT OF A DISPUTE, FRANCHISEE WILL BE LIMITED TO THE RECOVERY OF ANY ACTUAL DAMAGES SUSTAINED BY FRANCHISEE.

16.9 Survival

The provisions of this Article 16 will continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement.

ARTICLE 17 – ADDITIONAL PROVISIONS

17.1 Independent Contractor

Franchisee is and will be considered an independent contractor with control and direction of its business and operations limited only by the conditions set forth in this Agreement or otherwise specified by Franchisor. No agency, employment, partnership or joint venture is created by this Agreement and neither party has the right to act on behalf of the other. The parties acknowledge that this Agreement does not create a fiduciary relationship between the parties.

17.2 Waivers.

The failure or delay of any party at any time to require performance by another party of any provision of this Agreement, even if known, will not affect the right of that party to require performance of that provision or to exercise any right under this Agreement. The failure or delay of Franchisor to require performance by another franchisee of any provision of its franchise agreement, even if known, will not affect the right of Franchisor to require performance of that provision in this Agreement or to exercise any right under this Agreement. Any waiver by any party of any breach of any provision of this Agreement is not a waiver of any continuing or later breach of that provision, a waiver of the provision itself, or a waiver of any right under this Agreement. No notice to or demand on any party in any case, of itself, entitles that party to any other notice or demand in similar or other circumstances.

No Waiver or Disclaimer of Reliance in Certain States.

The following provision applies only to franchisees and franchises that are subject to state franchise registration/disclosure laws in California, Hawaii, Illinois, Indiana, Maryland, Indiana, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, or Wisconsin:

No statement, questionnaire, or acknowledgment signed or agreed to by you 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 us, any franchise seller, or any other person acting on behalf of us. This provision supersedes any other term of any document executed in connection with the franchise.

17.3 Consents, Approvals and Satisfaction

Whenever Franchisor's consent or approval is required under this Agreement, consent or approval will not be unreasonably withheld or delayed unless specifically stated in this Agreement to the contrary. All consents or approvals required of Franchisor are not binding on Franchisor unless the consent or approval is in writing and signed by the CEP or a managing member of Franchisor. Franchisor's consent or approval, whenever required, may be withheld if Franchisee is in default under this Agreement. Where the satisfaction of Franchisor is required under this Agreement, unless the Agreement expressly states otherwise, the satisfaction is determined in Franchisor's sole discretion. Franchisor will not be liable to Franchisee in any manner for providing or failing to provide or for any delay in providing any waiver, approval, assistance, consent or suggestion to Franchisee. Franchisee waives any claims against Franchisor for such liability.

17.4 Third Parties

Except as provided in this Agreement to the contrary for any affiliates or franchisees of Franchisor, nothing in this Agreement, whether expressed or implied, is intended to confer any rights under this Agreement on any person other than the parties and their respective personal representatives, other legal representatives, heirs, successors and permitted assigns.

17.5 Cumulative Remedies.

All remedies, either under this Agreement or by law or otherwise afforded, will be cumulative and not alternative.

17.6 Notices.

Notices under this Agreement must be in writing signed by the party serving the same and must be sent by: (a) registered or certified mail, return receipt requested, postage pre-paid, in which case the notice will be complete two days after mailing; (b) overnight courier service, in which case the notice will be complete one day after delivery to the overnight courier; or (c) electronic mail with proof of completion, in which case the notice will be complete one day after proof of completion. The notice must be sent to the address or email address set forth below or at such address or email address as designated by notice pursuant to this Section.

If to Franchisor: MOTW COFFEE & PASTRIES FRANCHISING, LLC
Mr. Sajjad Shah
8235 E 116th St, Suite 215
Fishers, IN 46038

WITH A COPY TO: Taft, Stettinius, & Hollister LLP
ATTN: JOSHUA F. BROWN
One Indiana Square
Suite 3500
Indianapolis, IN 46204

to Franchisee: See Item 5 of Appendix A.

17.7 Unavoidable Contingencies

Neither party will be responsible for any contingency or performance that is unavoidable or beyond its control, such as strike, flood, pandemic, war, rebellion, governmental limitation or Act of God (including infectious diseases). However, any financial obligations of Franchisee during such period shall continue and are independent of any Force Majeure matters.

17.8 Entire Agreement; Modifications

This Agreement and all appendices and other documents attached to this Agreement which are incorporated in this Agreement, will constitute the entire agreement between the parties. This Agreement supersedes and replaces any and all previous or contemporaneous written and oral agreements or understandings, promises, representations or dealings between the parties. This Agreement may not be amended or modified except in a writing signed by both parties, except that Franchisor may unilaterally modify the Franchise System and its specifications as provided in this Agreement. This Agreement may be executed in several counterparts, each of which will be deemed

an original, but all of which will constitute one and the same. For purposes of this Agreement, a facsimile or electronic signature shall be deemed the same as an original. At the request of any party hereto or to any such agreement or instrument, each other party hereto or thereto shall re-execute original forms thereof and deliver them to all other parties. No party hereto or to any such agreement or instrument shall raise the use of a facsimile machine or “pdf” to deliver a signature or the fact that any signature or agreement or instrument was transmitted or communicated through the use of a facsimile machine or as a “pdf” as a defense to the formation or enforceability of a contract and each such party forever waives any such defense.

17.9 Severability

Each Section, part or provision of this Agreement will be considered severable. If any Section, part or provision is found unenforceable by a court of competent jurisdiction, that determination will not impair the operation or affect the validity of the remainder of this Agreement.

17.10 Uniformity

Franchisee acknowledges that some franchisees may operate under different forms of franchise agreements and that consequently, Franchisor’s obligations and rights with respect to its various franchisees may differ materially in different circumstances.

17.11 Obligations Joint and Several

If there is more than one individual or entity signing this Agreement as Franchisee, all such persons are jointly and individually liable for Franchisee’s obligations under this Agreement.

17.12 Signing by Franchisor

The submission of this Agreement is not an offer by Franchisor and Franchisor is not bound in any way until this Agreement is signed by an executive officer or an authorized representative of Franchisor.

17.13 Ownership of Franchisee

The owners and percentage of ownership of Franchisee are listed on Appendix B.

17.14 Headings

Article and Section headings are for convenience of reference only and do not limit or affect the provisions of this Agreement.

17.15 No Class Action or Consolidation

Each party hereto agrees that any mediation, arbitration or litigation will only be conducted on an individual, not a class-wide basis, and that an arbitration or litigation proceeding between the Franchisor and Franchisee may not be consolidated with any other litigation or arbitration

proceeding between the parties and any other person, corporation, limited liability company, partnership or other entity. The parties waive, to the fullest extent allowed by law, any right to pursue or participate as a lead plaintiff, petitioner or class representative in any claim on a class or consolidated basis.

17.16 No Reliance

Except as expressly provided to the contrary in this Agreement, Franchisor makes no representations, warranties or guaranties upon which Franchisee may rely. Franchisor does not assume any liability or obligation to Franchisee by providing any waiver, approval, consent or suggestion to Franchisee in connection with this Agreement, or by reason of any neglect, delay, or denial of any request therefor unless such conduct would otherwise constitute a breach of an express obligation of Franchisor under this Agreement.

ARTICLE 18 - ANTI-TERRORISM LAW COMPLIANCE

FRANCHISEE AND ITS EQUITY OWNERS AGREE TO COMPLY WITH, AND TO ASSIST Franchisor, TO THE FULLEST EXTENT POSSIBLE IN FRANCHISOR'S EFFORTS TO COMPLY WITH ANTI-TERRORISM LAWS OF THE UNITED STATES. IN CONNECTION WITH THAT COMPLIANCE, FRANCHISEE, AND ITS OWNERS CERTIFY, WARRANT AND REPRESENT THAT NONE OF FRANCHISEE'S, OR IT'S EQUITY OWNER'S PROPERTY, OR INTERESTS, ARE SUBJECT TO BEING BLOCKED UNDER ANY ANTI-TERRORISM LAWS, AND THAT FRANCHISEE AND ITS OWNERS OTHERWISE ARE NOT IN VIOLATION OF ANY ANTI-TERRORISM LAWS. "ANTITERRORISM LAWS" MEANS EXECUTIVE ORDER 1324 ISSUED BY THE PRESIDENT OF THE UNITED STATES, THE USA PATRIOT ACT, AND ALL OTHER PRESENT AND FUTURE FEDERAL, STATE AND LOCAL LAWS, ORDINANCES, REGULATIONS, POLICIES, LISTS AND OTHER REQUIREMENTS OF ANY GOVERNMENTAL AUTHORITY ADDRESSING OR IN ANY WAY RELATING TO TERRORIST ACTS AND ACTS OF WAR. FRANCHISEE SHALL IMMEDIATELY NOTIFY FRANCHISOR OF ANY MISREPRESENTATION OR BREACH OF THIS REQUIREMENT. FRANCHISOR MAY TERMINATE THIS AGREEMENT WITHOUT ANY OPPORTUNITY FOR FRANCHISEE TO CURE UNDER THIS AGREEMENT UPON ANY MISREPRESENTATION OR BREACH BY FRANCHISEE OF THIS SECTION 18.

SIGNATURES TO APPEAR ON FOLLOWING PAGE.

Franchisor and Franchisee have signed this Agreement on the dates set forth beside their signatures to be effective as of the date set forth at the beginning of this Agreement.

MOTW COFFEE & PASTRIES FRANCHISING,
LLC

By: _____

Its: _____

Dated:

FRANCHISEE

By: _____

Its: _____

Dated: March 29, 2024

(Individual Franchisee(s))

Dated:

APPENDIX A - SPECIFICS

ITEM 1: The location of the Franchised Business as referred to in Sections 2.1 and 7.1 (“Franchise Location”) or the area in which the Franchised Business will be located is:

ITEM 2: The Protected Area under Section 2.3 is:

ITEM 3: The designated opening date of the Franchised Business, under Section 8.1 is _____, 20 .

ITEM 4: The Designated Owners under Section 8.8 is/are:

ITEM 5: Franchisee’s address and email address for purposes of notice under Section 17.6 are:

**APPENDIX B—OBLIGATIONS AND REPRESENTATIONS OF INDIVIDUALS
INVOLVED IN THE FRANCHISE BUSINESS**

Each of the individuals signing below are directly or indirectly beneficially interested in the Franchised Business and join in and agree to be jointly and severally and personally bound by all the terms and provisions of this Agreement, other than those requiring the payment of money by Franchisee, to the same extent and in the same manner as Franchisee is bound. This paragraph will not impair any separate instrument of guaranty or subordination that any of the individuals signing below have executed or may execute in the future.

Each of the individuals signing below represent that the following is correct and true:

Legal Name of Franchisee: _____

Type of Entity and State of Organization (sole proprietorship, corporation, partnership, limited liability company, etc.): _____

d/b/a (if applicable): _____

Address of Franchisee:

Business Telephone: _____

Name, Address, Phone No., Title and % of Ownership of each Owner of an interest in Franchisee or the Franchised Business:

Name
Address
Telephone
Title _____ % Ownership _____

Name
Address
Telephone
Title _____ % Ownership _____

(Attach additional sheets if necessary)

Dated: _____

Dated: _____

SCHEDULE 1 TO THE FRANCHISE AGREEMENT
LEASE RIDER

CONDITIONAL ASSIGNMENT OF LEASE

THIS AGREEMENT is made and entered into between **MOTW COFFEE & PASTRIES Franchising, LLC**, an Indiana limited liability company ("MOTW COFFEE & PASTRIES"), located at 8235 E 116th Street, Suite 215, Fishers, IN 46038 and Coffee Bros, LLC ("Franchisee") located at 164 Willowood Drive, Oswego, IL 60543.

WHEREAS, MOTW COFFEE & PASTRIES and Franchisee have executed a Franchise Agreement on March 29, 2024 ("Franchise Agreement") for the establishment of a MOTW COFFEE & PASTRIES to be operated pursuant to MOTW COFFEE & PASTRIES Trademarks and System as those terms are defined in the Franchise Agreement ("Franchised Business");

WHEREAS, the Franchise Agreement requires the execution of this Conditional Assignment of Lease Rider if the real estate for the establishment of the Franchised Business is leased by the Franchisee;

WHEREAS, Franchisee proposes to enter into a real estate lease for the premises of the Franchised Business with _____ ("Landlord"), which lease is dated the day of _____, a copy of which is hereto attached as Exhibit A and which is incorporated herein by reference ("Real Estate Lease").

NOW THEREFORE, it is hereby agreed as follows:

1. Conditional Assignment. Franchisee hereby assigns to MOTW COFFEE & PASTRIES

all of Franchisee's right, title, and interest in and to the Real Estate Lease, including any and all rights or options of Franchisee to extend, renew, or purchase the leased property through a right of first refusal or otherwise upon the occurrence of any of the following:

A. Termination of Franchise Agreement. Upon termination or expiration without renewal of the Franchise Agreement, MOTW COFFEE & PASTRIES shall have the option to accept the assignment of the Real Estate Lease pursuant to this Conditional Assignment of Lease by giving the notice prescribed by this Conditional Assignment of Lease, in which case it is agreed the Real Estate Lease shall remain in effect as to MOTW COFFEE & PASTRIES.

B. Termination of Real Estate Lease. Upon termination of the Real Estate Lease as to Franchisee or termination of Franchisee's possession rights under the Real Estate Lease, whether by Franchisee's default under Real Estate Lease or otherwise, MOTW COFFEE & PASTRIES shall have the option to accept the assignment of the Real Estate Lease pursuant to this Conditional Assignment of Lease by giving the notice prescribed by this Conditional Assignment of Lease, in which case it is agreed the Real Estate Lease shall remain in effect as to MOTW COFFEE & PASTRIES.

C. Franchisee Right to Assign. At Franchisee's discretion, Franchisee may assign Real Estate Lease to MOTW COFFEE & PASTRIES, and MOTW COFFEE & PASTRIES may accept such assignment, at any time.

2. Effect of Assignment. Upon MOTW COFFEE & PASTRIES exercise of its option to take the above-described assignment:

A. Franchisee shall remain liable under the provisions of the Real Estate Lease, including without limitation, that Franchisee shall remain liable for any amounts owing, or any other default occurring, prior to the effective date of assignment.

B. MOTW COFFEE & PASTRIES shall succeed to all of Franchisee's rights, options, and obligations under the Real Estate Lease commencing with the effective date of the assignment so long as Franchisor satisfies Franchisee's obligations under the Lease which includes, and is not limited to payment for any amounts owing by Franchisee, and curing any non-monetary default. Thereafter Franchisor shall have the right to transfer or assign the Real Estate Lease to another MOTW COFFEE & PASTRIES franchisee without the need to seek consent from the Landlord. MOTW COFFEE & PASTRIES transfer to another MOTW COFFEE & PASTRIES franchisee relieves MOTW COFFEE & PASTRIES from any further liability under the Real Estate Lease so long as said new franchisee has the same or greater net worth than Tenant as of the date of this Lease.

3. Notice of Franchisee's Default.

A. Landlord's Notice. Landlord shall provide MOTW COFFEE & PASTRIES notice of any default under the Real Estate Lease. MOTW COFFEE & PASTRIES shall have the option (but not obligation) to cure any default should Franchisee fail to cure the default within the period in which Franchisee has to cure the default. At the expiration of Franchisee's period within which Franchisee has to cure any default, MOTW COFFEE & PASTRIES shall then have 10 days in which to make its decision to cure. MOTW COFFEE & PASTRIES may cure Franchisee's default without exercising its option to accept assignment of the Real Estate Lease and, in such event, Landlord agrees to accept MOTW COFFEE & PASTRIES cure as if made timely by Franchisee. MOTW COFFEE & PASTRIES shall have 30 days after written notice from Landlord to exercise this option to accept assignment of the Real Estate Lease. MOTW COFFEE & PASTRIES may exercise its option to accept assignment of the Real Estate Lease by written notice to the Landlord, and the assignment shall be effective on the date of written notice to the Landlord from MOTW COFFEE & PASTRIES accepting assignment of the Real Estate Lease and all obligations of Franchisee under the Lease. It is hereby agreed that Landlord may rely solely upon the written notice received from MOTW COFFEE & PASTRIES as MOTW COFFEE & PASTRIES acceptance of this assignment of the Real Estate Lease, and Franchisee hereby releases the Landlord from any liability for relying upon such notice and shall hold the Landlord harmless and indemnify Landlord from any and all liability to Lessee for any action Landlord may take in such reliance.

B. MOTW COFFEE & PASTRIES Notice. MOTW COFFEE & PASTRIES shall give Landlord copies of any or all notices of termination given to Franchisee pursuant to the Franchise Agreement, and if MOTW COFFEE & PASTRIES desires to exercise its option to accept the assignment of the Lease in the event of Franchisee's failure to cure the default of the Franchise Agreement, MOTW COFFEE & PASTRIES shall provide Landlord with a written notice on or before the date of termination of the Franchise Agreement. It is hereby agreed that Landlord may rely solely upon the written notice received from MOTW COFFEE & PASTRIES as to the termination or expiration without renewal of the Franchise Agreement, and Franchisee hereby releases the Landlord from any liability for relying upon such notice and shall hold the Landlord harmless from any and all liability to Lessee for any action Landlord may take in such reliance.

4. Notice. Notice required by this Agreement shall be sent by overnight, certified or registered mail to MOTW COFFEE & PASTRIES at the following address:

MOTW COFFEE & PASTRIES
Franchising, LLC
Attn: Sajjad Shah
8235 E 116th Street, Suite 215

Fishers, IN 46038

with a copy to (which shall not be deemed notice):

Taft, Stettinius, & Hollister LLP
ATTN: Joshua F. Brown
One Indiana Square
Suite 3500
Indianapolis, Indiana 46204

Notice required by this Agreement shall be sent to Franchisee at the following address:

See Appendix A

Notice required by this Agreement shall be sent to Landlord at the following address:

Notice shall be deemed effective on the date received, and regardless of whether the notice is signed for by the recipient, notice shall be deemed received 2 business days after mailing. Parties may change the notice address by providing written notice to the other parties of a change in such notice address.

5. Entry. Landlord and Franchisee hereby acknowledge that Franchisee has agreed under the Franchise Agreement that Franchisor and its personnel or agents shall have the right to enter the premises for certain purposes. Landlord hereby agrees not to interfere with or prevent such entry by Franchisor, its personnel or agents. Landlord and Franchisee hereby further acknowledge that in the event the Franchise Agreement expires (without execution of a successor franchise agreement) or is terminated; Franchisee is obligated to take certain steps under the Franchise Agreement to de-identify the location as a MOTW COFFEE & PASTRIES Cafe. Landlord agrees to permit Franchisor, its personnel or agents, to enter the premises and remove signs, decor and materials displaying any marks, designs or logos owned by Franchisor, provided Franchisor shall bear the expense of repairing any damage to the premises as a result thereof.

6. Execution of the Documents. Franchisee hereby agrees to execute any and all documents requested by MOTW COFFEE & PASTRIES in order to fully exercise any of the rights under the Real Estate Lease or this Conditional Assignment of Lease. If Franchisee shall not have executed any such document within the 3 days after having been so requested by MOTW COFFEE & PASTRIES , Franchisee hereby appoints any member or officer of MOTW COFFEE & PASTRIES as its attorney-in-fact with the full right and power to execute any and all such documents. This power, coupled with an

interest, is given as security for the rights and privileges given to Franchisee under this Agreement and the Franchise Agreement.

7. Renewal, Extension or Amendment. Any renewal or extension of the Real Estate Lease, or any amendment to this Agreement or the Real Estate Lease of any type, can only be made by a writing executed by all three parties to this Agreement.

8. Indemnification. Franchisee shall indemnify and hold MOTW COFFEE & PASTRIES harmless from any and all liability that MOTW COFFEE & PASTRIES may incur after the effective date of the assignment of the Real Estate Lease arising under the terms of that Real Estate Lease from Franchisee's acts or omissions occurring prior to the effective date of the assignment, excluding only any liability prior to the assignment that MOTW COFFEE & PASTRIES agrees in writing to assume and from which MOTW COFFEE & PASTRIES agrees to hold Franchisee harmless.

0. Miscellaneous.

A. Use of Real Estate. Landlord hereby agrees to and acknowledges Franchisee's right to use and display MOTW COFFEE & PASTRIES Trademarks as that term is used in the Franchise Agreement, subject only to any limitations imposed by MOTW COFFEE & PASTRIES and any local, state or federal law. Landlord agrees that it will not limit Franchisee's right to use MOTW COFFEE & PASTRIES Trademarks.

B. Applicable Law. This Agreement shall be construed according to the laws of the state in which the premises are located. If any provision, or portion of a provision, of this Agreement is or shall become in conflict with any applicable law, then the applicable law shall govern and such provision or portion of a provision shall be automatically deleted and shall not be effective to the extent that it is not in accordance with applicable law. However, the remaining terms and conditions of this Agreement shall remain in full force and effect and no provision shall be deemed dependent upon any other provision unless otherwise expressed in this Agreement.

C. Entire Agreement. This Agreement contains all of the terms and conditions agreed upon by the parties, except for: (i) the provisions of the Real Estate Lease which are incorporated herein, and (ii) as between MOTW COFFEE & PASTRIES and Franchisee, the provisions of the Franchise Agreement and related agreements. The parties agree that all representations which have been made by other parties that in any way are to be given effect herein are set forth in this Agreement and the above-referenced documents.

D. Option to Purchase. In the event Franchisee purchases the real estate, Franchisee agrees to execute the Real Estate Option to Purchase in the form then prescribed by MOTW COFFEE & PASTRIES

E. Consent. Landlord's consent and agreement to the foregoing Lease Rider-Conditional Assignment of Lease between MOTW COFFEE & PASTRIES and Franchisee is evidenced by its signature on the following page.

This Conditional Assignment of Lease is executed this ____ day of _____ ,

20 ____ .

SIGNATURES TO APPEAR ON FOLLOWING PAGE

LANDLORD:

FRANCHISEE:

By: _____

Name: _____

Title: _____

MOTW COFFEE & PASTRIES FRANCHISING, LLC

By: Sajjad Shah
Its: President

**STATE ADDENDUMS TO THE FRANCHISE AGREEMENT
OF MOTW COFFEE & PASTRIES FRANCHISING, LLC**

CALIFORNIA APPENDIX

The registration of this franchise offering by the California Department of Financial Protection and Innovation does not constitute approval, recommendation, or endorsement by the commissioner.

The financial performance representation does not reflect the operating expenses or other costs or expenses that must be deducted from the gross revenue or gross sales figures to obtain your net income or profit. You should conduct an independent investigation of the costs and expenses you will in operating your franchise. Franchisees or former franchisees, listed in the Disclosure Document, may be one source of this information.

1. California Business and Professions Code Sections 20000 through 20043 provide rights to you concerning termination, transfer or non-renewal of a franchise. If the Franchise Agreement or Multi-Unit Operator Agreement contains provisions that are inconsistent with the law, the law will control.

2. The Franchise Agreement and Multi-Unit Operator Agreement provide for termination upon bankruptcy. This provision may not be enforceable under Federal Bankruptcy Law (11 U.S.C.A. Sec. 101 et seq.).

3. The Franchise Agreement and Multi-Unit Operator Agreement contain covenants not to compete which extend beyond the termination of the agreements. These provisions may not be enforceable under California law.

4. Section 31125 of the California Corporation Code requires the franchisor to provide you with a disclosure document before asking you to agree to a material modification of an existing franchise.

5. Neither the franchisor, any person or franchise broker in Item 2 of the Disclosure Document is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 79a et seq., suspending or expelling such persons from membership in such association or exchange.

6. The Franchise Agreement and Multi-Unit Operator Agreement require binding arbitration. The arbitration will occur at Indiana with the costs being borne equally by the parties. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section

ii

20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California.

7. The Franchise Agreement and Multi-Unit Operator Agreement require application of the laws of Indiana. This provision may not be enforceable under California law.

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

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

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

11. The provision in Section 7 of the Franchise Agreement prohibiting franchisees from employing or soliciting for employment any current or former employee of Franchisor or its affiliates is stricken and not enforceable under California law.

12. The Franchise Agreement and Multi-Unit Operator Agreement contain a provision requiring you to waive your right to punitive or exemplary damages against the franchisor or any of its representatives, limiting your recover to actual damages. Under California Corporations Code section 31512, these provisions are not enforceable in California for any claims you may have under the California Franchise Investment Law.

13. 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.

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

(Signatures on Next Page)

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this Addendum dated _____ .

MOTW COFFEE & PASTRIES FRANCHISING, LLC

By: _____

Name: _____

Title: _____

FRANCHISEE:

By: _____

Name: _____

Title: _____

ADDENDUM REQUIRED BY THE STATE OF ILLINOIS

1. The following item must be included within the Disclosure Document and shall replace the language that is in the Disclosure Document itself:

Section 4, Jurisdiction and Venue, of the Illinois Franchise Disclosure Act of 1987 (“Act”) states that “any provision in the franchise agreement which designates jurisdiction or venue in a forum outside of this State is void with respect to any cause of action which otherwise is enforceable in this State, provided that a franchise agreement may provide for arbitration in a forum outside of this State.” This Section of the Act replaces any contradictory language contained in the Franchise Agreement and Multi-Unit Operator Agreement.

2. Illinois law governs the Franchise Agreement and Multi-Unit Operator Agreement.

3. Any releases and/or waivers that we request you to sign must conform with Section 41, Waivers Void, of the Illinois Franchise Disclosure Act of 1987 which states that “any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of this Act or any other law of this State is void. This Section shall not prevent any person from entering into a settlement agreement or executing a general release regarding potential or actual lawsuit filed under any of the provisions of this Act, nor shall it prevent the arbitration of any claim pursuant to the provisions of Title 9 of the United States Code.”

4. The Franchise Agreement and Multi-Unit Operator Agreement are amended to comply with Section 27, Periods of Limitation, of the Act to allow any and all claims and actions arising out of or relating to these Agreements, the relationship of Franchisor and Franchisee and/or Multi-Unit Operator, or your operation of the Franchise brought by you against us shall be commenced within 3 years from the occurrence of the facts giving rise to such claim or action, within 1 year after you become aware of the facts or circumstances indicating you may have a claim for relief, or 90 days after delivery to you of a written notice disclosing the violation, or such claim or action will be barred.

5. Item 17(g) of the Disclosure Document, Article 14 of the Franchise Agreement and Section 7 of the Multi-Unit Operator Agreement are amended by changing the time frame to cure defaults, excluding defaults for safety or security issues, to 30 days.

6. In recognition of the requirements of the Illinois Franchise Disclosure Act, the Franchise Agreement for MOTW COFFEE & PASTRIES FRANCHISING, LLC is amended as follows:

A. The conditions under which you can be terminated and your rights on non-renewal may be affected by Illinois law, 815 ILCS 705/19 and 705/20.

B. The Illinois law will govern any franchise agreement if: (a) it applies to a franchise located in Illinois; or (b) a franchisee who resides in Illinois.

C. The franchise agreement will become effective on its acceptance and signing by us. The franchise agreement will be interpreted and construed under the Illinois Franchise Disclosure Act (“Act”) or the

United States Trademark Act of 1946 (Lanham Act, 15 U.S.C., Sections 1051 et seq.). Under Illinois law, a franchise agreement may not provide for a choice of law of any state other

than Illinois. Accordingly, Items 17(v) and (w) are amended to state “Illinois choice of law and forum.”

D. Any releases and/or waivers that the Franchisor requests the Franchisee to sign must conform with Section 41 of the Act.

E. Section 17.8 is amended as follows: “Notwithstanding the foregoing, nothing in the franchise agreement is intended to disclaim the express representations made in the Franchise Disclosure Document.”.

Any condition, stipulation, or provision purporting to bind any person acquiring a franchise to waive compliance with any provision of the Illinois Franchise Disclosure Act or any other law of Illinois is void. 815 ILCS 705/41 (West 2010).

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this Addendum dated .

MOTW COFFEE & PASTRIES FRANCHISING,
LLC

By: _____
Name: _____
Title: _____

FRANCHISEE:

By: _____
Name: _____
Title: _____

ADDENDUM REQUIRED BY THE STATE OF INDIANA

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

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

2. Item 17 of the Disclosure Document is amended to reflect the requirement under Indiana Code 23-2-2.7-1 (9), which states that any post term non-compete covenant must not extend beyond the franchisee’s designated territory.

3. Item 17 is amended to state that this is subject to Indiana Code 23-2-2.7-1 (10).

4. Under Indiana Code 23-2-2.7-1 (10), jurisdiction and venue must be in Indiana if the franchisee so requests. This amends Article 17 of the Franchise Agreement and Section 19 of the Multi-Unit Operator Agreement.

5. Under Indiana Code 23-2-2.7-1 (10), franchisee may not agree to waive any claims or rights.

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this Addendum dated _____ .

MOTW COFFEE & PASTRIES FRANCHISING,
LLC

By: _____
Name: _____
Title: _____

FRANCHISEE:

By: _____
Name: _____
Title: _____

ADDENDUM REQUIRED BY THE STATE OF MARYLAND

This will serve as the State Addendum for the State of Maryland for MOTW COFFEE & PASTRIES FRANCHISING, LLC's Franchise Disclosure Document and for its Franchise and Multi- Unit Operator Agreements. The amendments to the Franchise and Multi-Unit Operator Agreements included in this addendum have been agreed to by the parties.

1. Item 17 of the Disclosure Document is amended to state that the general release required as a condition of renewal, sale and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

2. Item 17 of the Disclosure Document is amended to state that a franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

3. Item 17 of the Disclosure Document is amended to state that any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within three years after the grant of the franchise.

4. Item 17 of the Disclosure Document is amended to state that the provisions in the Franchise Agreement and Multi-Unit Operator Agreement which provide for termination upon bankruptcy of the franchisee may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101 et seq.).

5. The appropriate sections of the Franchise Agreement and Multi-Unit Operator Agreement are amended to permit a franchisee to bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

6. The appropriate sections of the Franchise Agreement and Multi-Unit Operator Agreement are amended to state that any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within three years after the grant of the franchise.

7. The appropriate sections of the Franchise Agreement and Multi-Unit Operator Agreement are amended to state that the general release required as a condition of refund, renewal, sale and/or assignment/ transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

8. The Franchise Agreement, Multi-Unit Operator Agreement and Franchisee Disclosure Acknowledgment Statement are amended to include the following statement: "All representations requiring prospective franchisees to assent to a release, estoppel or waiver of liability 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."

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this Addendum dated .

MOTW COFFEE & PASTRIES FRANCHISING,
LLC

By: _____
Name: _____
Title: _____

FRANCHISEE:

By: _____
Name: _____
Title: _____

DISCLOSURE REQUIRED BY THE STATE OF INDIANA

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

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

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

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

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

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

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

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

If the franchisor's most recent financial statements are unaudited and show a net worth of less than \$100,000, franchisee has the right to request an escrow arrangement.

Any questions regarding this notice should be directed to:

Consumer Protection Division
Attn: Marilyn McEwen
525 W. Ottawa Street, 6th Floor
Lansing, Indiana 48933
(517) 373-7117

ADDENDUM REQUIRED BY THE STATE OF MINNESOTA

This addendum to effectively amends and revises the Disclosure Document and Franchise Agreement and Multi-Unit Operator Agreement as follows:

1. Item 13 of the Disclosure Document and Article 6 of the Franchise Agreement are amended by the addition of the following language to the original language that appears therein:

“In accordance with applicable requirements of Minnesota law, Franchisor shall protect Franchisee’s right to use the trademarks, service marks, trade names, logotypes or other commercial symbols and/or shall indemnify Franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding such use.”

2. Item 17 of the Disclosure Document and Articles 12 and 14 of the Franchise Agreement are amended by the addition of the following language to the original language that appears therein:

“With respect to franchises governed by Minnesota law, the franchisor will comply with Minnesota Statutes Sec. 80C.14, Subds.3, 4 and 5, which require (except in certain specified cases) that a franchisee be given 90 days’ notice of termination (with 60 days to cure) and 180 days’ notice for non-renewal of the franchise agreement and that consent to the transfer of the franchise will not be unreasonably withheld.”

3. Item 17 of the Disclosure Document, Article 16 of the Franchise Agreement and Section 12 of the Multi-Unit Operator Agreement are amended by the addition of the following language to amend the Governing Law, Jurisdiction and Venue, and Choice of Forum sections:

“Minn. Stat. Sec. 80C.21 and Rule 2860.4400(J) prohibit the franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or agreements can abrogate or reduce any of the franchisee’s rights as provided for in Minnesota Statutes, Chapter 80C, or franchisee’s rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.”

4. Item 17 of the Disclosure Document, Articles 12 and 13 of the Franchise Agreement and Section 11 of the Multi-Unit Operator Agreement are amended by the addition of the following language to the original language that appears therein:

“Minn. Rule 2860.4400D prohibits us from requiring you to assent to a general release.”

5. Any reference to liquidated damages in the Franchise Agreement is hereby deleted in accordance with Minn. Rule 2860.4400J which prohibits requiring you to consent to liquidated damages.

Article 16 of the Franchise Agreement and Section 12 of the Multi-Unit Operator Agreement hereby amended to comply with Minn. Rule 2860.4400J which prohibits waiver of a jury trial.

6. Article 16 of the Franchise Agreement and Section 12 of the Multi-Unit Operator Agreement regarding Limitations of Claims is hereby amended to comply with Minn. Stat. §80C.17, Subd. 5.

7. Item 6, Insufficient Fund Fees: NSF fees are governed by Minnesota Statute 604.113; which puts a cap of \$30 on an NSF check. This applies to everyone in Minnesota who accepts checks except banks.

8. Under Minn. Rule 2860.440J, the franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. A court will determine if a bond is required. The appropriate sections of the Franchise Agreement and Multi-Unit Operator Agreement are hereby amended accordingly.

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this Addendum dated _____.

MOTW COFFEE & PASTRIES FRANCHISING,
LLC

By: _____
Name: _____ Title: _____

FRANCHISEE:

By: _____
Name: _____
Title: _____

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

The following Items are required to be included within the Disclosure Document and shall be deemed to supersede the language in the Disclosure Document itself:

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

INFORMATION COMPARING FranchisorS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR SOURCES OF INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THE FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND NEW YORK STATE DEPARTMENT OF LAW, BUREAU OF INVESTOR PROTECTION AND SECURITIES, 120 BROADWAY, 23RD FLOOR, NEW YORK, NEW YORK 10271. THE Franchisor MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE Franchisor CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

However, no assignment will be made except to an assignee who in good faith and judgment of the franchisor, is willing and financially able to assume the franchisor’s obligations under the Franchise Agreement.

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

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

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this

Addendum dated _____ .

MOTW COFFEE & PASTRIES FRANCHISING,
LLC

By: _____

Name: _____

Title: _____

FRANCHISEE:

By: _____

Name: _____

Title: _____

ADDENDUM REQUIRED BY THE STATE OF NORTH DAKOTA

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

1. Item 17(c) of the Disclosure Document, Article 3 and 13 of the Franchise Agreement and Section 11 of the Multi-Unit Operator Agreement are hereby amended to indicate that a franchisee shall not be required to sign a general release.

2. Covenants not to compete are generally considered unenforceable in the State of North Dakota, in accordance with Section 51-19-09 of the North Dakota Franchise Investment Law. Item 17(r) of the Disclosure Document, Article 12 of the Franchise Agreement and of the Multi-Unit Operator Agreement are amended accordingly.

3. Item 6 and Item 17(i) of the Disclosure Document and Article 15 of the Franchise Agreement requires the franchisee to consent to termination or liquidated damages. Since the Commissioner has determined this to be unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law, these provisions are hereby deleted in each place they appear in the Disclosure Document and Franchise Agreement used in North Dakota.

4. Item 17(u) of the Disclosure Document, Article 16 of the Franchise Agreement and Section 12 of the Multi-Unit Operator Agreement are amended to provide that arbitration shall be held at a site that is agreeable to all parties.

5. Item 17(v) of the Disclosure Document and the provisions of Article 16 of the Franchise Agreement and Section 12 of the Multi-Unit Operator Agreement and which require jurisdiction of courts in Indiana are deleted.

6. Item 17(w) of the Disclosure Document, Article 17 of the Franchise Agreement and Section 12 of the Multi-Unit Operator Agreement are amended to indicate that the agreements are to be construed according to the laws of the State of North Dakota.

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

8. The provisions of Article 12 of the Franchise Agreement and Section 17 of the Multi-Unit Operator Agreement which require a franchisee to consent to (1) a waiver of trial by jury and (2) a waiver of exemplary and punitive damages is contrary to Section 51-19-09 of the North Dakota Franchise Investment Law and are hereby deleted.

9. The provisions of Article 17 of the Franchise Agreement and Section 17 of the Multi-Unit Operator Agreement which require a franchisee to consent to a limitation of claims are hereby amended to state that the statute of limitations under North Dakota law applies.

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this Addendum dated _____ .

MOTW COFFEE & PASTRIES FRANCHISING,
LLC

By: _____

Name: _____

Title: _____

FRANCHISEE:

By: _____

Name: _____

Title: _____

ADDENDUM REQUIRED BY THE STATE OF RHODE ISLAND

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

Section 19-28.1-14 of the Rhode Island Franchise Investment Act provides that:

“A provision in a franchise agreement restricting jurisdiction or venue to a forum outside of this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act.”

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this
Addendum dated _____ .

MOTW COFFEE & PASTRIES FRANCHISING,
LLC

By: _____
Name: _____
Title: _____

FRANCHISEE:

By: _____
Name: _____
Title: _____

ADDENDUM REQUIRED BY THE COMMONWEALTH OF VIRGINIA

In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, the Franchise Disclosure Document for MOTW COFFEE & PASTRIES FRANCHISING, LLC for use in the Commonwealth of Virginia shall be amended as follows:

1. Additional Disclosure: The following statements are added to Item 17.h:

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

Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to use undue influence to induce a franchisee to surrender any right given to him under the franchise. If any provision of the Franchise Agreement involves the use of undue influence by the franchisor to induce a franchisee to surrender any rights given to him under the franchise, that provision may not be enforceable.

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this

Addendum dated _____ .

MOTW COFFEE & PASTRIES FRANCHISING,
LLC

By: _____

Name: _____

Title: _____

FRANCHISEE:

By: _____

Name: _____

Title: _____

**WASHINGTON ADDENDUM TO THE FRANCHISE AGREEMENT,
FRANCHISEE DISCLOSURE ACKNOWLEDGMENT STATEMENT AND RELATED
AGREEMENTS**

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

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

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

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

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

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

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

EXHIBIT C

JOINT AND SEVERAL UNCONDITIONAL GUARANTY

This Joint and Several Unconditional Guaranty (this “Guaranty”) dated as of _____, 20____, is made by _____, an individual residing in the State of _____ and _____, an individual residing in the State of _____ (and each additional individual whose signature appears at the end of this Guaranty under the heading “Guarantors”) (collectively referred to herein as the “Guarantors”), in favor of MOTW COFFEE & PASTRIES FRANCHISING LLC, a Indiana limited liability (“MOTW COFFEE & PASTRIES ” or “Franchisor”), and is executed with respect to that certain MOTW COFFEE & PASTRIES Franchise Agreement (the “Franchise Agreement”) of even date herewith between Franchisor and FRANCHISEE, having a business address of _____ (referred to herein as “Franchisee”).

RECITALS:

A. Franchisee and MOTW COFFEE & PASTRIES are prepared to execute the Franchise Agreement, and, as an inducement to MOTW COFFEE & PASTRIES to enter into the Franchise Agreement, each of the Guarantors has agreed to guarantee the performance of all obligations of Franchisee and to abide by the terms set forth by the Franchise Agreement and any other agreements (the “Other Agreements”) executed between Franchisee and MOTW COFFEE & PASTRIES now or in the future (collectively, the “Obligations”) and to execute this Guaranty; and

B. Each Guarantor, individually, will directly benefit from the agreement by MOTW COFFEE & PASTRIES to enter into the Franchise Agreement and any Other Agreements with Franchisee.

NOW, THEREFORE, in consideration of the foregoing, the execution of the Franchise Agreement and Other Agreements and other good and valuable consideration, the receipt and sufficiency of which are acknowledged, and intending to be legally bound, the Guarantors, and each of them, agree as follows:

Section 1: Statement of Guaranty. The Guarantors, and each of them, jointly and severally, unconditionally, absolutely and irrevocably guarantee prompt and satisfactory performance of the Obligations provided by the Franchise Agreement and Other Agreements in accordance with all its terms and conditions, and all renewals, extensions, modifications and amendments of the Franchise Agreement. If Franchisee defaults in performance of its Obligations under the Franchise Agreement according to its terms and conditions, the Guarantors, and each of them, jointly and severally, irrevocably and unconditionally agree that they are each liable to MOTW COFFEE & PASTRIES as primary obligors for the full payment and performance of the

Obligations and all damages, costs, and expenses that MOTW COFFEE & PASTRIES is entitled to recover from Franchisee by reason of such default.

Section 2: Payment. The Guarantors, and each of them, jointly and severally, agree that, if any of the Obligations requiring payment to MOTW COFFEE & PASTRIES of sums of money are not punctually paid to MOTW COFFEE & PASTRIES when such amounts are due according to

the terms of the Franchise Agreement and/or the Other Agreements, the Guarantors, and each of them, shall, immediately upon demand by MOTW COFFEE & PASTRIES and without any other notice whatsoever, pay the amount due to MOTW COFFEE & PASTRIES at the address listed in the Franchise Agreement or at such other address as MOTW COFFEE & PASTRIES may notify the Guarantors in writing. It shall not be necessary for MOTW COFFEE & PASTRIES, and MOTW COFFEE & PASTRIES shall not be required in order to enforce such payment by any of the Guarantors, first to institute suit or exhaust its remedies against Franchisee or others liable for such amount. MOTW COFFEE & PASTRIES shall not be required to mitigate damages or take any other action to reduce, collect or enforce the Obligations. No setoff, counterclaim, reduction or diminution of any Obligation, or any defense of any kind or nature that any of the Guarantors has or may have against Franchisee or MOTW COFFEE & PASTRIES shall be available under this Guaranty to such Guarantor. No payment by any of the Guarantors shall discharge the liability of such Guarantor hereunder until all Obligations have been satisfied in full.

Section 3: Duration and Requirement to Keep Contact Information Current. This Guaranty shall continue in force until all Obligations under the Franchise Agreement and the Other Agreements have been satisfied or until Franchisee's liability to MOTW COFFEE & PASTRIES under the Franchise Agreement has been completely discharged, whichever occurs first. The Guarantors, and each of them, agree to provide written updated contact information to MOTW COFFEE & PASTRIES within thirty (30) days of any change. The Guarantors, and each of them, shall not be discharged from liability under the Guaranty as long as any claim by MOTW COFFEE & PASTRIES against Franchisee remains outstanding.

Section 4: Joint and Several Liability. The Guarantors, and each of them, shall be jointly and severally liable for all Obligations under this Guaranty. This Guaranty may be enforced against any of the Guarantors separately or against all Guarantors jointly.

Section 5: Waivers and Consents. The Guarantors, and each of them, hereby: (a) assent to all terms and agreements made by Franchisee with MOTW COFFEE & PASTRIES either before or after the date of this Guaranty; and (b) consent that MOTW COFFEE & PASTRIES may without in any manner impairing its rights or the obligations of the Guarantors hereunder: (1) waive or delay the exercise of its rights or remedies against Franchisee or any other person or entity, including, without limitation, any of the Guarantors; (2) release Franchisee or any other person or entity, including, without limitation, any of the Guarantors; (3) make, grant or give any adjustment, indulgence, forbearance or compromise to Franchisee or to any of the Guarantors; (4) renew, extend or modify the terms of, or increase, any of the Obligations or any agreement

evidencing the same; and (5) apply payments by Franchisee, the Guarantors, or any other person or entity to any of the Obligations.

Section 6: Notices. The Guarantors, and each of them, hereby waive all notices whatsoever with respect to this Guaranty or with respect to the Obligations, including, but without limitation, notice of: (a) MOTW COFFEE & PASTRIES 's acceptance of this Guaranty or its intention to act, or its action, in reliance hereon; (b) the present existence or future incurring of any of the Obligations or any terms or amounts of the Obligations or any change therein; (c) any default by Franchisee or any surety, pledgor, grantor of security, or guarantor, including, without limitation, any of the

Guarantors; and (d) the obtaining or release of any guaranty or surety agreement (in addition to this Guaranty), pledge, assignment, or other security for all or any part of the Obligations.

Section 7: Benefit. This Guaranty shall inure to the benefit of MOTW COFFEE & PASTRIES , its successors and assigns, and to any person to whom MOTW COFFEE & PASTRIES may grant an interest in any of the Obligations, and shall be binding upon the Guarantors and their respective successors, assigns, heirs, executors, administrators and legal representatives.

Section 8: Jurisdiction and Venue. Each Guarantor, (a) agrees that any action, suit or proceeding by such party seeking any relief whatsoever arising out of, relating to and/or in connection with this Agreement and any dispute(s) by and between the parties shall be brought, prosecuted and enforced solely in the Hamilton County Circuit Court, except for those claims or actions which must be filed, prosecuted and/or enforced in a federal court and in such event any such action must be filed, prosecuted and enforced solely and exclusively in the U.S. District Court having jurisdiction over Hamilton County, Indiana, (b) agrees to submit to the sole and exclusive jurisdiction of such courts for purposes of all actions, suits and/or proceedings arising out of, relating to and/or in connection with this Agreement, and/or any disputes(s) by and between the parties, (c) waives and agrees not to assert any objection that it may now or hereafter have to the venue of any such action, suit and/or proceeding brought in such a court or any claim that any such action, suit or proceeding brought in such a court has been brought in an inconvenient forum, (d) waives any right to transfer or remove and agrees not to transfer or remove any action, suit or proceeding originally brought in the Hamilton County Circuit Court to the U.S. District Court having jurisdiction over Hamilton County, Indiana and/or to any other federal or state court regardless of where located; and further waives any right to transfer and agrees not to transfer or seek to transfer any suit, proceeding or action from the U.S. District Court having jurisdiction over Hamilton County, Indiana to any other federal court, (e) agrees that a final judgment in any such action, suit or proceeding shall be final and conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by applicable Law, and (f) agrees that service of process in any such action shall be in accordance with the laws of the State of Indiana or by registered mail, return receipt requested. Notwithstanding the foregoing, Franchisor, in its sole and absolute discretion, may file any action that includes a claim for injunctive relief in or near the location where Franchise is located.

IN WITNESS WHEREOF, the Guarantors, and each of them, intending to be jointly and severally legally bound hereby, have caused this Guaranty to be executed as of the date and year first above written.

(Signature) _____

Name Printed _____

Address: _____

Telephone: _____

Primary Email: _____

(Signature)

Name Printed: _____

Address: _____

Telephone: _____

EXHIBIT D
CONFIDENTIALITY & NON-DISCLOSURE AGREEMENT

(MANAGERS, OFFICERS/DIRECTORS/MEMBERS/SHAREHOLDERS)

This Confidentiality, Non-Solicitation and Non-Competition Agreement (referred to as “Confidentiality Agreement”) is made and entered into this _____ day of _____, 20____, by and among MOTW COFFEE & PASTRIES FRANCHISING, LLC, an Indiana limited liability company (“Franchisor” or “MOTW COFFEE & PASTRIES”), and (“Individual”), and _____, an _____ entity with its principal _____ place of _____ business located at _____ (hereinafter, “Franchisee”).

RECITALS:

A) Franchisor and Franchisee have entered into that certain MOTW COFFEE & PASTRIES Franchise Agreement dated and incorporated herein by this reference to that Agreement (the “Franchise Agreement”).

B) Individual, in the course of performance of his or her responsibilities to Franchisee, or as a result of his or her business or official relationship with or for Franchisee, will be provided confidential and proprietary information of or relating to Franchisor, operation of a quick service coffee Cafe offering both in-Cafe seating and carry-out of created at an Indiana based coffee beanery and roaster including various coffee blends, espresso, teas, pastries and related items grown coffee blends, espresso, teas and pastries and related items, operating under the MOTW COFFEE & PASTRIES name and service marks (collectively, the “MOTW COFFEE & PASTRIES System”).

C) Individual and Franchisee acknowledge the need for confidentiality of the confidential and proprietary information and the MOTW COFFEE & PASTRIES System and agree that full compliance with the terms of this Confidentiality Agreement is necessary to protect such confidentiality.

D) The Franchise Agreement provides that the officers, directors, members and shareholders of Franchisee shall be required to sign a confidentiality agreement with Franchisor, in form satisfactory to Franchisor.

E) Individual will receive benefits by virtue of the grant of the franchise by Franchisor to Franchisee.

AGREEMENT

Now therefore, in consideration of the covenants herein contained, it is agreed:

1. Capitalized Terms. All capitalized terms not otherwise defined herein shall have the meaning ascribed to such terms in the Franchise Agreement.

2.. Confidential and Proprietary Information. Individual shall not, during the term of this Confidentiality Agreement or the Franchise Agreement, or any time after the expiration or termination of the Franchise Agreement or this Confidentiality Agreement use, except in its MOTW COFFEE & PASTRIES business licensed under the Franchise Agreement; or communicate, divulge, or use for the benefit of any other person, any Confidential Information (as defined below), knowledge, or know-how concerning the MOTW COFFEE & PASTRIES System or the methods of operation under the MOTW COFFEE & PASTRIES System which may be communicated to Individual, or of which Individual may be apprised, by virtue of Individual's position in Franchisee's business operations.

"Confidential Information" means all of Franchisor's financial, technical, operational, business, management and other information disclosed to Individual under the Franchise Agreement or as part of MOTW COFFEE & PASTRIES System.

Notwithstanding anything contained herein, Confidential Information shall not include any information:

(a) which, at the date of disclosure to the recipient or its authorized representative, is in the public domain or which, after such disclosure, comes within the public domain through no fault of the party to which it is disclosed or its authorized representative;

(b) which was known to the party to which it was disclosed under this Confidentiality Agreement, before the effectiveness of the Franchise Agreement or any other agreement with Franchisor;

(c) the disclosure of which is required by law or by any competent regulatory authority; or

(d) which at any time comes independently and lawfully into the possession of the recipient, either from its own resources or from any third party.

3. Individual Work Product. Individual hereby grants to Franchisor a nonexclusive royalty-free license to use in its MOTW COFFEE & PASTRIES franchise and to sublicense the right to use in its Franchisee's MOTW COFFEE & PASTRIES franchise business and any and all inventions, enhancements, processes, methods, designs and other creations (hereinafter, "Developments") that, during the term of this Confidentiality Agreement, Individual may develop, invent, discover, conceive or originate, alone or in conjunction with any other person, which Developments relate in any way to Individual's involvement in the operation of Franchisee's MOTW COFFEE & PASTRIES business.

4. Remedies for Breach of Agreement. In the event of the breach or threatened breach of this Confidentiality Agreement by Individual, each of Franchisee and Franchisor shall be entitled

to injunctions, both preliminary and final, enjoining and restraining such breach or threatened breach and to recover for the benefit of Franchisor, by means of an accounting, any profits Individual may obtain in violation of this Confidentiality Agreement. Such remedies shall be in addition to all of the remedies available at law or in equity. The prevailing party shall also be entitled to recover its attorneys' fees and expenses in any successful action to enforce this Confidentiality Agreement.

1. Covenant Not to Solicit Customers. Individual acknowledges that Franchisor has a proprietary interest in the goodwill established by Individual's contacts with Franchisee's clients and accounts. Therefore, Individual specifically agrees that, during the period of his or her relationship with Franchisee and for a period of twenty-four (24) months following the termination of such relationship with Franchisee for any reason, Individual shall not directly or indirectly, on behalf of himself or herself or any competing organization, as to the same or similar competing products or services, solicit any of Franchisee's clients for whom Individual performed services while an officer, director, member or shareholder of Franchisee or which Individual solicited on behalf of Franchisee.

Individual acknowledges that the restricted period of time and customer limitation specified herein are reasonable in view of the nature of the business in which Franchisee and Franchisor are engaged and Individual's knowledge of Franchisee's and Franchisor's operations. If the scope of any stated restriction is too broad to permit enforcement of such restriction to its full extent, then such restriction shall be enforced to the maximum extent permitted by law.

This covenant shall not affect any non-competition provision set forth in the franchise agreement or any other agreement with Franchisor, but shall be in addition to the terms of such covenant.

2. Injunctive Relief. Individual understands and agrees that the damages which Franchisee or Franchisor may suffer from Individual's violation of any of Individual's obligations pursuant to this Confidentiality Agreement would be difficult or impossible to measure and that either Franchisee or Franchisor, or both, is entitled to injunctive relief for any violation, plus damages in an amount equal to the profits of Individual gained by or from such violation.

3. Binding Effect. This Confidentiality Agreement shall be binding upon the parties to this Confidentiality Agreement and upon their respective executors, administrators, legal representatives, successors and assigns.

4. Applicable Law; Venue. This Confidentiality Agreement shall be governed by and construed under the internal laws of the State of Indiana, without application of its conflicts of laws provisions. If any provision of this Confidentiality Agreement is declared void, such provision shall be deemed severed from this Confidentiality Agreement, which shall otherwise remain in full force and effect. The parties stipulate that venue of any dispute shall be in Hamilton

County Circuit Court or the Federal District Court having jurisdiction over Hamilton County, Indiana.

5. Entire Agreement. This Confidentiality Agreement constitutes the entire agreement between the parties with respect to the subject matter of this Confidentiality Agreement, and no modifications or revisions of this Confidentiality Agreement shall have any force and effect, unless the same are in writing and executed by the parties to this Confidentiality Agreement.

6. Notices. Any notices required or permitted to be given under this Confidentiality Agreement shall be in writing, and sent by certified mail to the last known residential address in the case of Individual, or to its principal office in the case of Franchisee or Franchisor.

7. Construction of Agreement. The parties hereby confirm and agree that this Confidentiality Agreement is the result of negotiation and compromise, and that in interpreting this Confidentiality Agreement neither party shall be considered to be the drafter of this Confidentiality Agreement, and that the language should not be strictly construed against either party, but rather this Confidentiality Agreement shall be interpreted consistent with the ordinary and reasonable meaning of the words used herein.

IN WITNESS WHEREOF, the parties to this Confidentiality Agreement have executed this Confidentiality Agreement as of the day and year first above written.

Franchisor:

MOTW COFFEE & PASTRIES FRANCHISING, LLC.

By: _____

Name Printed: _____

Title: _____

INDIVIDUAL:

_____, Individually
(Please Print Name)

FRANCHISEE: _____

By: _____

Name Printed: _____

Title: _____

EXHIBIT E

ASSIGNMENT OF TELEPHONE AND WEBSITES/INTERNET AGREEMENT

Date: _____

This assignment is effective as of the date of termination or expiration of the MOTW COFFEE & PASTRIES Franchise Agreement (the “Franchise Agreement”) entered into between MOTW COFFEE &

& PASTRIES FRANCHISING, LLC. (“MOTW COFFEE & PASTRIES ”) and _____ (“Franchisee”). Franchisee irrevocably assigns to MOTW COFFEE & PASTRIES or its designee the (i) telephone number or numbers and listings, including cell phone numbers issued (or issued in the future) to Franchisee with respect to each and all of Franchisee’s MOTW COFFEE & PASTRIES businesses (“Telephone Numbers”), and (ii) all internet sites, URL’s, websites and social media listings (“Social Media”). This assignment is for collateral purposes only, and MOTW COFFEE & PASTRIES has no liability or obligation of any kind whatsoever arising from this assignment, unless MOTW COFFEE & PASTRIES desires to take possession and control over the Telephone Numbers and Social Media.

MOTW COFFEE & PASTRIES is authorized and empowered upon termination or expiration of the Franchise Agreement and without any further notice to Franchisee to notify (i) the telephone company, as well as any other company that publishes telephone directories (“Telephone Companies”), to transfer the Telephone Numbers to MOTW COFFEE & PASTRIES or such other person or entity as MOTW COFFEE & PASTRIES designates, and (ii) all web providers, internet and social media hosting/listing companies. Franchisee grants to MOTW COFFEE & PASTRIES an irrevocable power of attorney and appoints MOTW COFFEE & PASTRIES as Franchisee’s attorney-in-fact to take any necessary actions to assign the Telephone Numbers and Social Media, including but not limited to, executing any forms that the Telephone Companies and Social Media entities may require to effectuate the assignment. This assignment is also for the benefit of the Telephone Companies and Social Media entities, both of which may accept this assignment and MOTW COFFEE & PASTRIES instructions as conclusive evidence of MOTW COFFEE & PASTRIES rights in the Telephone Numbers and Social Media, and its authority to direct the amendment, termination or transfer of the Telephone Numbers and Social Media, as if they had originally been issued to MOTW COFFEE & PASTRIES . In addition, Franchisee agrees to hold the Telephone Companies and Social Media entities harmless from any and all claims against them arising out of any actions or instructions by MOTW COFFEE & PASTRIES regarding this Agreement.

FRANCHISEE:

Franchisor:

**MOTW COFFEE & PASTRIES
FRANCHISING, LLC.**

By: _____ By: _____

Its: _____ Its: _____

EXHIBIT F

AUTHORIZATION FOR ELECTRONIC FUNDS TRANSFER

Franchisee: _____
Territory: _____
Date: _____

NEW	CHANGE

Attention: Bookkeeping Department

The undersigned hereby authorizes MOTW COFFEE & PASTRIES FRANCHISING, LLC, or any affiliated entity (collectively, "MOTW COFFEE & PASTRIES ") to initiate weekly ACH debit entries against the account of the undersigned with Franchisee in payment of amounts for Royalty Fees, Advertising Fees, product purchases or other applicable fees or amounts that become payable by the undersigned to MOTW COFFEE & PASTRIES . The dollar amount to be debited per payment will vary.

Subject to the provisions of this letter of authorization, you are hereby directed to honor any such ACH debit entry initiated by MOTW COFFEE & PASTRIES .

This authorization is binding and will remain in full force and effect until 90 days prior written notice has been given to you by the undersigned. The undersigned is responsible for, and must pay on demand, all costs or charges relating to the handling of ACH debit entries pursuant to this letter of authorization.

Please honor ACH debit entries initiated in accordance with the terms of this letter of authorization, subject to there being sufficient funds in the undersigned's account to cover such ACH debit entries.

Name on Account: _____

Bank Name: _____

Street Address

Bank Street Address

City State Zip Code

City State Zip Code

(Signature)

Bank Telephone Number

Account Number

By _____

Routing Number

Print Name: _____

Date _____

***** ATTACH VOIDED CHECK *****

EXHIBIT G

**AUTHORIZATION AND INSTRUCTIONS
REGARDING CREDIT AND BACKGROUND CHECKS**

TO WHOM IT MAY CONCERN:

I, the undersigned individual, have: (i) made, or am considering making, an application to become a MOTW COFFEE & PASTRIES franchisee under the MOTW COFFEE & PASTRIES franchise system administered by MOTW COFFEE & PASTRIES FRANCHISING, LLC, a Indiana limited liability company, (hereinafter referred to as "MOTW COFFEE & PASTRIES "); (ii) entered into a Franchise Agreement with MOTW COFFEE & PASTRIES or (iii) agreed to act as guarantor for such an applicant/franchisee.

I hereby authorize MOTW COFFEE & PASTRIES (a) to make credit and background checks on me by, among other means, obtaining consumer reports from consumer reporting agencies, and by making direct inquiries of businesses where I have accounts and where I worked, and other sources, and (b) to report concerning any performance with MOTW COFFEE & PASTRIES to consumer reporting agencies and others who may properly receive such information.

I hereby instruct any individual or entity, whether or not a consumer reporting agency, to provide any and all pertinent information they may have regarding me to MOTW COFFEE & PASTRIES in response to any inquiry or request from MOTW COFFEE & PASTRIES pursuant to the foregoing authorization. In that regard, this document shall constitute and be deemed to be my "written instructions" pursuant to Section 604(a) (2) of the Fair Credit Reporting Act.

It is my intention that the authorizations and instructions contained herein shall continuously remain in full force and effect so long as I have any application pending with or obligation owing to MOTW COFFEE & PASTRIES .

A xerographic or other copy of this authorization and instruction shall be valid, and shall have the same force and effect as one originally signed by me provided that it has been certified as a true and correct copy by an authorized officer, employee or agent of MOTW COFFEE & PASTRIES .

Applicant

Co-Applicant or Guarantor

Signature

Signature

Name Printed

Name Printed

Street Address

Street Address

City/State/Postal Code

City/State/Postal Code

Date: _____

Date: _____

Social Security #: xxx-xx-_____

Social Security #: xxx-xx-_____

Date of Birth: _____

Date of Birth: _____

Home Phone #: _____

Home Phone #: _____

Driver's License #: _____

Driver's License #: _____

I hereby certify that this is a true and correct copy of the authorization and instruction signed by _____ on the ____ day of _____, 20__.

Authorized officer, employee or agent of
MOTW COFFEE HOUSE FRANCHISING LLC

EXHIBIT H
ACKNOWLEDGMENT ADDENDUM
(Acknowledgment Addendum to the
MOTW COFFEE & PASTRIES FRANCHISING, LLC Franchise
Agreement)

As you know, you and we are entering into a Franchise Agreement for the operation of a MOTW COFFEE & PASTRIES franchise. The purpose of this Acknowledgment Addendum is to determine whether any statements or promises were made to you that we have not authorized or that may be untrue, inaccurate or misleading, and to be certain that you understand the limitations on claims that may be made by you by reason of the offer and sale of the franchise and operation of your business. Please review each of the following questions carefully and provide honest responses to each question.

Acknowledgments and Representations.

1. Did you receive a copy of our Franchise Disclosure Document (and all exhibits and attachments) at least fourteen calendar days prior to signing the Franchise Agreement?

Check one: Yes No. If no, please comment: _____

2. Did you read our Franchise Disclosure Document and Franchise Agreement?

Check one: Yes No. If no, please comment: _____

3. Do you understand that the franchise granted is for the right to operate a MOTW COFFEE & PASTRIES Franchise business in the Franchised Area only and that we have the right, subject only to the limited rights granted to you under the Franchise Agreement, to issue franchises or operate competing businesses for or at locations, as determined by us, near your Franchised Area?

Check one: Yes No. If no, please comment: _____

4. Do you understand that the Franchise Agreement contains the entire agreement between you and us concerning your MOTW COFFEE & PASTRIES business, meaning that any prior oral or written statements not set out in the Franchise Agreement will not be binding? Check one: () Yes () No. If no, please comment:

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.

NOTE*: IF THE RECIPIENT IS A CORPORATION, PARTNERSHIP, LIMITED LIABILITY COMPANY OR OTHER ENTITY, EACH OF ITS PRINCIPAL OWNER AND MINORITY OWNERS MUST EXECUTE THIS ACKNOWLEDGMENT.

*Such representations are not intended to, nor shall they act as a release, estoppel or waiver of any liability incurred under any state franchise law or regulation precluding such liability.

FRANCHISEE:

Franchisor:

Date: _____

Signed: _____

Print Name: _____

Its: _____

**APPROVED ON BEHALF OF
MOTW COFFEE & PASTRIES
FRANCHISING, LLC**

Signed: _____

Print Name: _____

Its:

Date: _____

EXHIBIT I

MUTUAL RELEASE OF ALL CLAIMS (FOR EXECUTION UPON RENEWAL OR TRANSFER OF FRANCHISE)

This Mutual Release (this "Mutual Release") is effective on _____, 20 . As a precondition of and in consideration for the willingness on the part of MOTW COFFEE & PASTRIES FRANCHISING, LLC, an Indiana limited liability company ("Franchisor"), to renew or consent to the transfer to another

franchisee of Franchisor the Franchise Agreement, dated _____, 20 (the "Franchise Agreement") between Franchisor and _____ ("Franchisee"), each of Franchisor and Franchisee desires to grant a release to the other party of any and all claims that it has against the other party. In consideration of the foregoing, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, each of Franchisor and Franchisee agree as follows:

Franchisee, individually and for its parent, affiliates, successors, assigns, personal representatives, executor, and trustees, as applicable, unconditionally RELEASES and DISCHARGES Franchisor, any person acting by, though, under or on behalf of Franchisor, and the past and present members, shareholders, officers, directors, employees, successors, assigns, agents, parent and affiliates of Franchisor (collectively, "Franchisor Group") from any and all liabilities, claims, damages, demands, costs, indebtedness, expenses, debts, indemnities, compensation, suits, controversies, covenants, contracts, actions and causes of action of any kind whatsoever, whether developed or undeveloped, known or unknown, fixed or contingent, regarding or arising out of the Franchise Agreement, any prior or existing franchise agreement, or any other agreement or document executed by Franchisee and Franchisor (or any affiliate of Franchisor), the franchise relationship, or any other prior or existing business relationship between Franchisee and Franchisor (or any affiliate of Franchisor) which Franchisee has asserted, may have asserted or could have asserted against any of Franchisor Group at any time up to the date of this Mutual Release, including specifically, without limitation, claims under the Sherman and Clayton Acts and the anti-trust laws or regulations of the United States, and claims arising from contract, written or oral communications, alleged misstatements of fact, indebtedness of any kind or nature, and acts of negligence whether active or passive.

Franchisor, individually and for its parent, affiliates, successors, assigns, and trustees, as applicable, unconditionally RELEASES and DISCHARGES Franchisee, any person acting by, though, under or on behalf of Franchisee, and the past and present members, shareholders, officers, directors, employees, successors, assigns, agents, parent and affiliates of Franchisee (collectively, the "Franchisee Group") from any and all liabilities, claims, damages, demands, costs, indebtedness, expenses, debts, indemnities, compensation, suits, controversies, covenants, contracts, actions and causes of action of any kind whatsoever, whether developed or undeveloped, known or unknown, fixed or contingent, regarding or arising out of the Franchise Agreement, any prior or existing franchise agreement, or any other agreement or document executed by Franchisee and Franchisor (or any affiliate of Franchisor), the franchise relationship, or any other prior or existing business relationship between Franchisee and Franchisor (or any affiliate of Franchisor) which Franchisor has asserted, may have asserted or could have asserted against any of the Franchisee Group at any time up to the date of this Mutual Release, including specifically, without limitation, claims under the Sherman and Clayton Acts and the anti-trust laws or regulations of the United States, and claims arising from contract, written or oral communications, alleged misstatements of fact, indebtedness of any kind or nature, and acts of negligence whether active or passive.

This Mutual Release shall survive the assignment, expiration or termination of any of the franchise agreements or other agreements entered into by and between Franchisor (and any affiliate of Franchisor) and Franchisee. This Mutual Release is not intended as a waiver of those rights of the parties which cannot be waived under applicable state franchise laws. Franchisee acknowledges and agrees that certain of its

post-termination obligations as provided in the Franchise Agreement, in addition to those other obligations of the undersigned which specifically or by their nature survive termination of the Franchise Agreement, shall continue after the transfer, expiration or termination of the Franchise Agreement.

IN WITNESS WHEREOF, the parties to this Agreement have duly executed this Agreement as of the Effective Date.

FRANCHISOR:
MOTW COFFEE & PASTRIES
FRANCHISING, LLC

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

FRANCHISEE:

Printed Name: _____
Title: _____
Date: _____

EXHIBIT J

OPERATIONS MANUAL TABLE OF CONTENTS

NOT APPLICABLE

EXHIBIT K

LIST OF MOTW COFFEE & PASTRIES FRANCHISING, LLC COMPANY/FRANCHISED UNITS

Franchised Locations (there are no franchises as of the date of this disclosure document):

Store Name	Address	Telephone Number	Owners

Affiliated Cafes:

Store Name	Address	Telephone Number	Owners
MOTW COFFEE & PASTRIES LLC	4873 W 38 th Street Indianapolis, IN 46254	317-602-8259	Sajjad Shah
MOTW COFFEE & PASTRIES LLC	8235 E 116 th Street, Suite 215	317-588-9031	Sajjad Shah
MOTW COFFEE & PASTRIES LLC	6706 E 82 nd Street Indianapolis, IN 46250	317-288-4291	Sajjad Shah
MOTW COFFEE & PASTRIES LLC	12761 Old Meridian St Carmel, IN 46032	317-343-2187	Sajjad Shah

EXHIBIT L
LIST OF STATE ADMINISTRATORS

The following is a list of state administrators responsible for registration and review of franchises for these states. We may register in one or more of these states.

<p><u>California</u></p> <p>Department of Business Oversight One Sansome Street, Suite 600 San Francisco, California 94104</p> <p>Department of Business Oversight 320 W. 4th Street, Suite 750 Los Angeles, California 90013</p> <p>Department of Business Oversight 1515 K. Street, Suite 200 Sacramento, California 95814 (866) 275-2677 Toll Free</p>	<p><u>Nebraska</u></p> <p>Nebraska Department of Banking and Finance Commerce Court 1230 O Street, Suite 400 Lincoln, Nebraska 68509</p>
<p><u>Connecticut</u></p> <p>Connecticut Banking Commissioner Department of Banking Securities & Business Investments Division 260 Constitution Plaza Hartford, Connecticut 06103</p>	<p><u>New York</u></p> <p>NYS Department of Law Investor Protection Bureau 28 Liberty St., 21st Floor New York, New York 10005 212-416-8285</p>
<p><u>Florida</u></p> <p>Division of Consumer Services Attn: Business Opportunities 2005 Apalachee Parkway Tallahassee, Florida 32399-6500</p>	<p><u>North Carolina</u></p> <p>Secretary of State Securities Division 300 North Salisbury Street, Suite 100 Raleigh, North Carolina 27603-5909</p>
<p><u>Hawaii</u></p> <p>Commissioner of Securities Department of Commerce & Consumer Affairs 335 Merchant Street, Room 203 Honolulu, Hawaii 96813 (808) 586-2722</p>	<p><u>North Dakota</u></p> <p>North Dakota Securities Department 600 East Boulevard Avenue State Capitol – 5th Floor Department 414 Bismarck, North Dakota 58505-0510 (701) 328-4712</p>

<p><u>Illinois</u></p> <p>Illinois Attorney General 500 South Second Street Springfield, Illinois 62706 (217) 782-4465</p>	<p><u>Rhode Island</u></p> <p>Department of Business Regulation JOHN O. PASTORE COMPLEX 1511 Pontiac Avenue Bldg. 69, First Floor Cranston, Rhode Island 02920</p>
<p><u>Indiana</u></p> <p>Indiana Secretary of State Securities Division 302 West Washington Street, Room E-111 Indianapolis, Indiana 46204</p>	<p><u>South Carolina</u></p> <p>Office of the Secretary of State 1205 Pendleton Street Edgar Brown Building, Suite 525 Columbia, South Carolina 29201</p>
<p><u>Kentucky</u></p> <p>Office of the Attorney General Consumer Protection Division Attn: Business Opportunity 1024 Capital Center Drive Frankfort, Kentucky 40601-8204</p>	<p><u>South Dakota</u></p> <p>Department of Labor and Regulation Division of Securities 124 Euclid, Suite 104 Pierre, South Dakota 57501</p>
<p><u>Maine</u></p> <p>Department of Professional and Financial Regulations Bureau of Banking Securities Division 121 Statehouse Station Augusta, Maine 04333</p>	<p><u>Texas</u></p> <p>Office of the Secretary of State Statutory Document Section 1019 Brazos Street Austin, Texas 78701</p>
<p><u>Maryland</u></p> <p>Office of the Attorney General Securities Division 200 St. Paul Place Baltimore, Maryland 21202</p>	<p><u>Utah</u></p> <p>Utah Department of Commerce Division of Consumer Protection 160 East Three Hundred South P.O. Box 146704 Salt Lake City, Utah 84114</p>

<p><u>Michigan</u></p> <p>Department of the Attorney General Consumer Protection Division, Franchise Section 525 Ottawa Street G. Mennen Williams Building, 1st Floor Lansing, Michigan 48933</p>	<p><u>Virginia</u></p> <p>State Corporation Commission Division of Securities and Retail Franchising Tyler Building, 9th Floor 1300 East Main Street Richmond, Virginia 23219</p>
<p><u>Minnesota</u></p> <p>Minnesota Department of Commerce Commissioner of Commerce 85 7th Place East, Suite 600 St. Paul, Minnesota 55101</p>	<p><u>Washington</u></p> <p>Department of Financial Institutions Securities Division 150 Israel Road Southwest Olympia, Washington 98501</p>
	<p><u>Wisconsin</u></p> <p>Division of Securities Department of Financial Institutions 345 West Washington Avenue Madison, Wisconsin 53703</p>

EXHIBIT M

LIST OF AGENTS FOR SERVICE OF PROCESS

The following state agencies are designated as our agent for service of process in accordance with the applicable state laws. We may register in one or more of these states.

<p><u>California</u></p> <p>Department of Business Oversight One Sansome Street, Suite 600 San Francisco, California 94104</p> <p>Department of Business Oversight 320 W. 4th Street, Suite 750 Los Angeles, California 90013</p> <p>Department of Business Oversight 1515 K St., Suite 200 Sacramento, California 95814 (866) 275-2677</p>	<p><u>Minnesota</u></p> <p>Minnesota Department of Commerce Commissioner of Commerce 85 7th Place East, Suite 600 St. Paul, Minnesota 55101</p>
<p><u>Connecticut</u></p> <p>Connecticut Banking Commissioner Department of Banking Securities & Business Investments Division 260 Constitution Plaza Hartford, Connecticut 06103</p>	<p><u>New York</u></p> <p>Secretary of the State of New York 41 State Street Albany, New York 12231</p>
<p><u>Hawaii</u></p> <p>Commissioner of Securities Department of Commerce and Consumer Affairs 335 Merchant Street, Room 203 Honolulu, Hawaii 96813</p>	<p><u>North Dakota</u></p> <p>North Dakota Securities Department State Capitol – 5th Floor 600 East Boulevard Bismarck, North Dakota 58505-0510</p>
<p><u>Illinois</u></p> <p>Illinois Attorney General 500 South Second Street Springfield, Illinois 62706</p>	<p><u>Rhode Island</u></p> <p>Department of Business Regulation JOHN O. PASTORE COMPLEX 1511 Pontiac Avenue Bldg. 69, First Floor Cranston, Rhode Island 02920</p>

<p><u>Indiana</u></p> <p>Indiana Secretary of State Securities Division 302 West Washington Street, Room E-111 Indianapolis, Indiana 46204</p>	<p><u>South Dakota</u></p> <p>Department of Labor and Regulation Division of Securities 124 Euclid, Suite 104 Pierre, South Dakota 57501</p>
<p><u>Maryland</u></p> <p>Maryland Securities Commissioner Office of Attorney General Securities Division 200 St. Paul Place Baltimore, Maryland 21202</p>	<p><u>Virginia</u></p> <p>Clerk, State Corporation Commission Tyler Building, 1st Floor 1300 East Main Street Richmond, Virginia 23219 (804) 371-9733</p>
<p><u>Michigan</u></p> <p>Michigan Department of Commerce Corporations and Securities Bureau P.O. Box 30054 6546 Mercantile Way Lansing, Michigan 48909</p>	<p><u>Washington</u></p> <p>Director, Department of Financial Institutions Securities Division 150 Israel Road Southwest Olympia, Washington 98501</p>
	<p><u>Wisconsin</u></p> <p>Commissioner of Securities 345 West Washington Street, 4th Floor Madison, Wisconsin 53703</p>

EXHIBIT N
STATE LAW ADDENDA

General

These states have statutes which may supersede the franchise agreement in your relationship with Us including the areas of termination and renewal of your franchise: ARKANSAS [Stat. Section 70-807], CALIFORNIA [Bus. & Prof. Code Sections 20000-20043], CONNECTICUT [Gen. Stat. Section 42-133e *et seq.*], DELAWARE [Code, Tit. 6, Chap. 25, Section 2551 *et seq.*], HAWAII [Rev. Stat. Section 482E-1], ILLINOIS [ILCS 705/1-44], INDIANA [Stat. Section 23-2-2.7], IOWA [Code Sections 523H.1 – 523H.17], INDIANA [Stat. Section 19.854(27)], MINNESOTA [Stat. Section 80C.14], MISSISSIPPI [Code Section 75-24-51], MISSOURI [Stat. Section 407.400], NEBRASKA [Rev. Stat. Section 87-401], NEW JERSEY [Stat. Section 56:101], SOUTH DAKOTA [Codified Laws Section 37-5A-51], VIRGINIA [Code 13.1-557-574-13.1564], WASHINGTON [Code Section 19.100.180], WISCONSIN [Stat. Section 135.03]. These and other states may have court decisions that may supersede the franchise agreement in your relationship with Us including the areas of termination and renewal of your franchise.

Some states have statutes that limit Our ability to restrict your activity after the franchise agreement has ended. Other states have court decisions limiting Our ability to restrict your activity after the franchise agreement has ended.

A provision in the franchise agreement that terminates the franchise upon your bankruptcy may not be enforceable under Title 11, United States Code.

California Addendum

(Applies only to California franchisees)

California Business and Professions Code Sections 20000 through 20043 provide rights to the franchisee concerning termination and non-renewal of a franchise. If the Franchise Agreement contains a provision that is inconsistent with the law, the law will control.

SECTION 31125 OF THE CALIFORNIA CORPORATIONS CODE REQUIRES US TO GIVE YOU A DISCLOSURE DOCUMENT APPROVED BY THE COMMISSIONER, BEFORE WE ASK YOU TO CONSIDER A MATERIAL MODIFICATION OF YOUR FRANCHISE AGREEMENT. THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE FRANCHISE DISCLOSURE DOCUMENT.

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

YOU MUST SIGN A GENERAL RELEASE OF CLAIMS IF YOU TRANSFER YOUR FRANCHISE. CALIFORNIA CORPORATIONS CODE §31512 VOIDS A WAIVER BY THE PERSON ACQUIRING A FRANCHISE OF CERTAIN RIGHTS UNDER THE FRANCHISE INVESTMENT LAW (CALIFORNIA CORPORATIONS CODE §§31000 THROUGH 31516). BUSINESS AND PROFESSIONS CODE §20010 VOIDS A WAIVER OF CERTAIN RIGHTS UNDER THE FRANCHISE RELATIONS ACT (BUSINESS AND PROFESSIONS CODE §§20000 THROUGH 20043).

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

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

The franchise contains a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.

You must resolve disputes through binding arbitration. The arbitration will occur in Birmingham, Indiana with the costs of arbitration being borne equally by the parties. Each party will bear its own expenses, including attorney's fees. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California.

The Antitrust Law Section of the Office of the California Attorney General views maximum price agreements as *per se* violations of the Cartwright Act. As long as this represents the law of the State of California, We will not interpret the Franchise Agreement as permitting or requiring maximum price limits.

Hawaii Addendum

(Applies only to Hawaii franchisees)

If your Business will be in Hawaii, You will not pay your Initial Fee to Us until your business is open and we have completed all of Our material pre-opening obligations to you. Item 5 of the Franchise Disclosure Document and Article 2 of the Franchise Agreement are amended accordingly. Please review Item 11 for our pre-opening obligations. You must have your bank verify that you have sufficient funds available at the time We sign the Agreement. The only condition on your obligation to pay the Initial Fee is that We must complete all of Our material pre-opening obligations to you.

Illinois Addendum

(Applies only to Illinois franchisees)

The Illinois Franchise Disclosure Act, Section 4, prohibits any agreement that specifies jurisdiction or venue of any lawsuit in a place outside of the state of Illinois. The Act does permit agreements to require you to arbitrate outside the state of Illinois. The Act prohibits choice of law provisions that would require the application of any laws except the laws of the state of Illinois (Section 41). You cannot waive any of your rights given to you by the Illinois Franchise Disclosure Act (Section 41). You may have other rights under the Illinois Franchise Disclosure Act or other laws of the state of Illinois. To the extent that the Franchise Agreement is inconsistent with Illinois law, the inconsistent terms of the Franchise Agreement will not be enforced and the terms of the applicable Illinois law shall apply.

The conditions under which you can be terminated and your rights on non-renewal may be affected by Illinois law, 815 ILCS 705/19 and 705/20. The termination and nonrenewal conditions

and rights for Illinois franchises are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act of 1987. 815 ILCS 705/19, 20 (West 2010).

The Illinois Franchise Disclosure Act will govern any franchise agreement if: (a) it applies to a franchise located in Illinois; or (b) a franchisee who resides in Illinois

The franchise agreement will be interpreted and construed under the substantive laws of Indiana, except to the extent governed by the Illinois Franchise Disclosure Act or the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C., Sections 1051 et seq.).

Franchisor will defer franchisee's payment of initial franchise fees until Franchisor has satisfied all of its pre-opening initial obligations to Franchisee and Franchisee has commenced doing business. The Office of the Illinois Attorney General has imposed this deferral requirement due to the Franchisor's current financial condition.

Any provision in a franchise agreement that designates jurisdiction or venue in a forum outside of Illinois is void. 815 ILCS 705/4 (West 2010). However, a franchise agreement may provide for arbitration in a venue outside of Illinois. 815 ILCS 705/41 (West 2012).

Any condition, stipulation, or provision purporting to bind any person acquiring a franchise to waive compliance with any provision of the Illinois Franchise Disclosure Act or any other law of Illinois is void. 815 ILCS 705/41 (West 2010).

Indiana Addendum

(Applies only to Indiana franchisees)

Indiana law prohibits requiring you to prospectively agree to a release or waiver which purports to relieve any person from liability imposed by the Indiana Franchise Practices Act (IC 23-2-2.7(5)). The Franchise Agreement shall be deemed amended to the extent necessary to comply with IC 232-2.7(5).

Indiana law limits the party's agreement to resolve disputes in any jurisdiction outside of Indiana (IC 23-2-2.7(10)). Subject to the Federal Arbitration Act, the Franchise Agreement shall be deemed amended and the forum for any court proceedings shall be in Indiana.

Maryland Addendum

(Applies only to Maryland franchisees)

The Maryland Franchise Registration and Disclosure Law, COMAR 02.02.08.16L, provides that, as a condition of the sale of a franchise. We may not require you to agree to a release, assignment, innovation, waiver, or estoppel that would relieve a person from liability under the Franchise Registration and Disclosure Law. Item 17 of the Franchise Disclosure Document is amended by adding: any general release required as a condition of sale and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

The Franchise Agreement and Franchise Disclosure Document shall be deemed amended so that no release, assignment, novation, waiver or estoppel is required if it would violate the Maryland Franchise Registration and Disclosure Law. Nothing in the franchise agreement,

including any acknowledgments or representations, shall be deemed a release or waiver of any right or obligation under the Maryland Franchise Registration and Disclosure Law.

Item 17 of the Franchise Disclosure Document is amended by adding the following: The provision in the Franchise Agreement that provides for termination upon bankruptcy of the franchisee may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101, et. seq.).

If you are a resident of Maryland or your Business will be in Maryland, You will not pay your Initial Fee or any other money to Us until your business is open and we have completed all of Our material pre-opening obligations to you. Item 5 of the Franchise Disclosure Document and Article 6 of the Franchise Agreement are amended accordingly. Please review Item 11 for our pre-opening obligations. You must have your bank verify that you have sufficient funds available at the time We sign the Agreement. The only condition on your obligation to pay the Initial Fee is that We must complete all of Our material pre-opening obligations to you.

Item 17 of the Franchise Disclosure Document and Article 16 of the Franchise Agreement are amended by adding: any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

Article 16 of the Franchise Agreement is amended to provide as follows: Any lawsuit permitted under this Article shall be brought in the federal or state courts located in the State of Maryland. Item 17 is hereby amended by adding the identical language in the “summary” column of line v.

Minnesota Addendum

(Applies only to Minnesota franchisees)

Minn. Stat. §80C.21 and Minn. Rule 2860.4400J prohibit us from requiring litigation to be conducted outside Minnesota. In addition, nothing in the Franchise Disclosure Document or agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

With respect to franchises governed by Minnesota law, the franchisor will comply with Minn. Stat. §80C.214, Subds. 3, 4, and 5 which require, except in certain specified cases, that We give you 90 days’ notice of termination (with 60 days to cure) and 180 days’ notice of non-renewal of the franchise agreement.

We will protect your right to use the trademarks, service marks, trade names, logotypes or other commercial symbols or indemnify you from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the name, to the extent required by Minn. Stat. §80C.12, Subd. 1(g).

To the extent governed by Minn. Rule 2860.4400J, you shall not be deemed to have waived any rights under Minnesota law. You shall not be deemed to have consented to Us obtaining injunctive relief, although We may seek injunctive relief. A Court or the arbitrators shall determine whether to require a bond as a condition of injunctive relief.

If your Business will be in Minnesota, You will not pay your Initial Fee to Us until your business is open and we have completed all of Our material pre-opening obligations to you. Item 5 of the Franchise Disclosure Document and Article 6 of the Franchise Agreement are amended accordingly. Please review Item 11 for our pre-opening obligations. You must have your bank verify that you have sufficient funds available at the time We sign the Agreement. The only

condition on your obligation to pay the Initial Fee is that We must complete all of Our material pre-opening obligations to you.

Section 16 of the Franchise Agreement, Limitations of Claims, is amended to comply with Minn. Stat. 80C.17, Subd.5.

New York Addendum

(Applies only to New York franchisees)

Item 3 is amended to read as follows:

Neither We nor any person identified in Item 2 above have any administrative, criminal or material civil action (or a significant number of civil actions irrespective of materiality) pending against us alleging a violation of any franchise law, antitrust or securities law, fraud, embezzlement, fraudulent conversion, restraint of trade, unfair or deceptive practices, misappropriation of property or comparable allegations.

Neither We nor any person identified in Item 2 above have been convicted of a felony or pleaded *nobo contendere* to any felony charge or during the 10 year period immediately preceding the date of this Franchise Disclosure Document, been convicted of or pleaded *nolo contendere* to a misdemeanor charge been held liable in any other civil action by final judgment or been the subject of any other material complaint or other legal proceeding where such felony, misdemeanor civil action, complaint or other legal proceeding involved violation of any franchise law, antifraud or securities law, fraud, embezzlement, fraudulent conversion, restraint of trade, unfair or deceptive practices, misappropriation of property or comparable allegations.

Neither We nor any person identified in Item 2 above is subject to any currently effective injunctive or restrictive order or decree relating to the franchise or under any federal, state or Canadian franchise, securities, antitrust, trade regulation or trade practice law as a result of 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 by 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.

Item 4 is amended to read as follows:

During the 10 year period immediately preceding the date of the Franchise Disclosure Document neither We nor any predecessor, affiliate, current officer or general partner of Us has been the subject of a bankruptcy proceeding, been adjudged bankrupt or reorganized due to insolvency or been a principal officer of a company or a general partner of a partnership at or within one year of the time that such company or partnership became the subject of a bankruptcy proceeding or was adjudged bankrupt or reorganized due to insolvency or is subject to any such pending bankruptcy or reorganization proceeding.

Item 5 is amended by adding the following: We will use the Initial Fee for the purposes of covering the costs of selling the franchise and other franchises, for your initial training, for general overhead and for profit.

Item 12 is amended by adding the following: Although We will consider many factors in determining the boundaries of your Marketing Area, it will contain a population of not less than 25,000 people.

Item 17 is amended by changing the caption and preliminary statement to read as follows:

Item 17: RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION THIS TABLE LISTS CERTAIN IMPORTANT PROVISIONS OF THE FRANCHISE AND RELATED AGREEMENTS PERTAINING TO RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION. YOU SHOULD READ THESE PROVISIONS IN THE AGREEMENTS ATTACHED TO THIS FRANCHISE DISCLOSURE DOCUMENT.

Item 17 D is amended by adding the following: You may terminate the agreement on any grounds available by law.

Item 17 J is amended by adding the following: We will only assign to an assignee who in Our good faith judgment is willing and able to assume Our obligations.

North Dakota Addendum

(Applies only to North Dakota franchisees)

Under North Dakota law, no modification or change We make to the Manual or method of operation may materially affect your status, rights or obligations under the Franchise Agreement.

Covenants not to compete are considered unenforceable in the State of North Dakota.

Under North Dakota law, a requirement that you consent to liquidated damages or termination penalties in the event of termination of the franchise agreement is considered unenforceable.

The North Dakota Franchise Investment Law (Section 51-19-09) requires that the laws of North Dakota, which laws will prevail, will govern the Franchise Agreement. Further, North Dakota law requires that all issues or disagreements relating to the Franchise Agreement will be arbitrated, tried, heard and decided within the jurisdiction of courts in the state of North Dakota.

Under the North Dakota Franchise Investment Law (Section 51-19-09), a North Dakota franchisee may not be required to execute a general release upon renewal of the Franchise Agreement.

Rhode Island Addendum

(Applies only to Rhode Island franchisees)

Item 17 is amended by adding the following: 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.

If your Business will be in Rhode Island, You will not pay your Initial Fee to Us until your business is open and we have completed all of Our material pre-opening obligations to you. Item 5 of the Franchise Disclosure Document and Article 4 of the Franchise Agreement are amended accordingly. Please review Item 11 for our pre-opening obligations. You must have your bank

verify that you have sufficient funds available at the time We sign the Agreement. The only condition on your obligation to pay the Initial Fee is that We must complete all of Our material pre-opening obligations to you.

South Dakota Addendum

(Applies only to South Dakota franchisees)

Covenants not to compete upon termination or expiration of a franchise agreement are generally unenforceable in South Dakota, except in certain instances as provided by law.

In the event that either party shall make demand for arbitration, such arbitration shall be conducted in a mutually agreed upon site in accordance with Section 11 of the Commercial Arbitration Rules of the American Arbitration Association.

The law regarding franchise registration, employment, covenants not to compete, and other matters of local concern will be governed by the laws of the State of South Dakota; but as to contractual and all other matters, this agreement and all provisions of this instrument will be and remain subject to the application, construction, enforcement and interpretation under the governing law of the state where the franchise is located.

Any provision of the franchise agreement which requires you to agree to jurisdiction and venue outside of South Dakota is void with respect to any cause of action which is otherwise enforceable in South Dakota.

Notwithstanding any term of the franchise agreement, We will not terminate the franchise agreement upon default without first affording you thirty (30) days' notice with an opportunity to cure the default within that time.

To the extent required by South Dakota law, all provisions giving any party a right to liquidated damages are hereby deleted from the franchise agreement and the parties shall be entitled to their actual damages instead.

Virginia Addendum

(Applies only to Virginia franchisees)

Item 17 of the Franchise Disclosure Document is amended by adding the following: The provision in the Franchise Agreement that provides for termination upon your bankruptcy may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101, et. seq.).

Washington Addendum

(Applies only to Washington franchisees)

The State of Washington has a statute, RCW 19.100.180 which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

In any arbitration involving a franchise purchased in Washington, the arbitration site shall be either in Washington or in a place as mutually agreed upon at the time of the arbitration, or as determined by the arbitrator.

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

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

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

The state law addendum, above, if applicable, is a part of the Franchise Agreement and supersedes any inconsistent term(s) of the Franchise Agreement

STATE EFFECTIVE DATES

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

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

California Effective Date: _____

Hawaii Effective Date: _____

Illinois Effective Date: _____

Indiana Effective Date: _____

Maryland Effective Date: _____

Indiana Effective Date: _____

Minnesota Effective Date: _____

New York Effective Date: _____

North Dakota Effective Date: _____

Rhode Island Effective Date: _____

South Dakota Effective Date: _____

Virginia Effective Date: _____

Washington Effective Date: _____

Wisconsin Effective Date: _____ :

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 O

RECEIPT

THIS DISCLOSURE DOCUMENT SUMMARIZES CERTAIN PROVISIONS OF THE FRANCHISE AGREEMENT AND OTHER INFORMATION IN PLAIN LANGUAGE. READ THIS DISCLOSURE DOCUMENT AND ALL AGREEMENTS CAREFULLY.

NEW YORK AND RHODE ISLAND REQUIRE THAT WE GIVE YOU THIS DISCLOSURE DOCUMENT AT THE EARLIER OF THE FIRST PERSONAL MEETING OR 10 BUSINESS DAYS BEFORE YOU SIGN A BINDING AGREEMENT WITH US OR MAKE ANY PAYMENT TO US. INDIANA, OREGON, WASHINGTON AND WISCONSIN REQUIRE US TO GIVE YOU THIS DISCLOSURE DOCUMENT AT LEAST 10 BUSINESS DAYS BEFORE SIGNING A BINDING AGREEMENT WITH US OR PAYING ANY CONSIDERATION, WHICHEVER IS FIRST TO OCCUR.

IF MOTW COFFEE & PASTRIES FRANCHISING, LLC OFFERS YOU A FRANCHISE, WE 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 ANY AFFILIATE IN CONNECTION WITH THE PROPOSED FRANCHISE SALE.

IF MOTW COFFEE & PASTRIES 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 AND STATE LAW MAY HAVE OCCURRED AND SHOULD BE REPORTED TO THE FEDERAL TRADE COMMISSION, WASHINGTON, DC 20580 AND YOUR STATE AGENCY, IF ONE IS LISTED IN EXHIBIT M OF THIS DISCLOSURE DOCUMENT.

Date of Issuance: April 3, 2024.

MOTW COFFEE & PASTRIES FRANCHISING, LLC, and its President, Sajjad Shah, having principal business offices at 8235 E 116th St, Suite 215, Fishers, IN 46038 (317) 514-0354 is the franchise seller.

I received a disclosure document with an issuance date of April 3, 2024 that included the following exhibits:

- A. Financial Statements
- B. Franchise Agreement
- C. Multi-Unit Development Agreement
- D. Personal Guaranty
- E. Confidentiality Agreement
- F. Assignment of Telephone Service Agreement Authorization
- G. Authorization Agreement for Electronic Funds Transfer
- H. Consent for Credit and Background Check
- I. Acknowledgment Addendum to Franchise Agreement
- J. Mutual Release of All Claims
- K. Operations Manual Table of Contents
- L. List of Franchisees/ Company-Owned Units
- M. List of State Administrators
- N. List of Agents for Service of Process
- O. State Law Disclosures
- P. Receipts

Date: _____

Signature of Prospective Franchisee,
Individually or as an Officer or Partner of:

Please sign and date this Receipt as of the date that you received the disclosure document. Please return the signed, dated Receipt to the Company Chief Operating Officer at the above address.

EXHIBIT O

RECEIPT

THIS DISCLOSURE DOCUMENT SUMMARIZES CERTAIN PROVISIONS OF THE FRANCHISE AGREEMENT AND OTHER INFORMATION IN PLAIN LANGUAGE. READ THIS DISCLOSURE DOCUMENT AND ALL AGREEMENTS CAREFULLY.

NEW YORK AND RHODE ISLAND REQUIRE THAT WE GIVE YOU THIS DISCLOSURE DOCUMENT AT THE EARLIER OF THE FIRST PERSONAL MEETING OR 10 BUSINESS DAYS BEFORE YOU SIGN A BINDING AGREEMENT WITH US OR MAKE ANY PAYMENT TO US. INDIANA, OREGON, WASHINGTON AND WISCONSIN REQUIRE US TO GIVE YOU THIS DISCLOSURE DOCUMENT AT LEAST 10 BUSINESS DAYS BEFORE SIGNING A BINDING AGREEMENT WITH US OR PAYING ANY CONSIDERATION, WHICHEVER IS FIRST TO OCCUR.

IF MOTW COFFEE & PASTRIES FRANCHISING, LLC OFFERS YOU A FRANCHISE, WE 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 ANY AFFILIATE IN CONNECTION WITH THE PROPOSED FRANCHISE SALE.

IF MOTW COFFEE & PASTRIES 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 AND STATE LAW MAY HAVE OCCURRED AND SHOULD BE REPORTED TO THE FEDERAL TRADE COMMISSION, WASHINGTON, DC 20580 AND YOUR STATE AGENCY, IF ONE IS LISTED IN EXHIBIT M OF THIS DISCLOSURE DOCUMENT.

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- K. Operations Manual Table of Contents
- L. List of Franchisees/ Company-Owned Units
- M. List of State Administrators
- N. List of Agents for Service of Process
- O. State Law Disclosures
- P. Receipts

Date: _____

Signature of Prospective Franchisee, Individually or as
an Officer or Partner of

Please sign and date this Receipt as of the date that you received the disclosure document. Please return the signed, dated Receipt to the Company Chief Operating Officer at the above address.