



SIMPLE PLAN FRANCHISING, LLC
A Wisconsin Limited Liability Company
2145 Eastridge Ctr
Eau Claire, WI 54701
715-415-3787

www.SIMPLEPLANFOODS.com
dan@simpleplanfoods.com

The franchisee will operate a business preparing, packaging and selling healthy meals and related products through a brick and mortar retail store and online through a dedicated e-commerce website under the Marks and according to our System.

The total investment necessary to begin operation of a Simple Plan food franchise is from \$91,450 to \$116,400.. This includes between \$37,000 to \$38,000 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.**

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 Dan Beck 2145 Eastridge Ctr Eau Claire, WI 54701 at 715-415-3787.

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

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

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

Issuance Date: April 26, 2023

How to Use This Franchise Disclosure Document

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

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

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

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

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

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 risks be highlighted:

1. **Out-of-State Dispute Resolution.** The franchise agreement requires you to resolve disputes with the franchisor by mediation, arbitration, and/or litigation only in Wisconsin. Out-of-state mediation, arbitration, or litigation may force you to accept a less favorable settlement for disputes. It may also cost you more to mediate, arbitrate, or litigate with the franchisor in Wisconsin than in your own state.
2. **Spousal Liability.** Your spouse must sign a document that makes your spouse liable for all financial obligations under the franchise agreement, even if your spouse has no ownership interest in the franchise. This guarantee will place both your and your spouse's marital and personal assets (perhaps including your house) at risk if your franchise fails.
3. **Mandatory Minimum Payments.** You must make minimum royalty or advertising fund payments, regardless of your sales levels. Your inability to make the payments may result in termination of your franchise and loss of your investment.
4. **Short Operating History.** The Franchisor has a short operating history. There may be risks associated with this franchise that would not be associated with longer established franchises.

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.

NOTICE REQUIRED BY THE STATE OF MICHIGAN

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

Each of the following provisions is void and unenforceable if contained in any documents relating to a franchise:

- (a) A prohibition on the right of a franchisee to join an association of franchisees.
- (b) A requirement that a franchisee asset 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 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 the expiration of the franchisee's inventory, supplies, equipment, fixtures and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applies only if: (i) the term of the franchise is less than 5 years and (ii) the franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising or other commercial symbol in the same area subsequent to the expiration of the franchisor or the franchisee does not receive at least 6 months advance notice of franchisor's intent not to renew the franchise.
- (e) A provision that permits the franchisor to refuse to renew a franchise on terms generally available to other franchisees of the same class or type under similar circumstances. This section does not require a renewal provision.

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

(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 subsection does not prevent a franchisor from exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to:

(i) The failure of the proposed transferee to meet the franchisor's then-current reasonable qualifications or standards.

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

(iii) 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 subsection does not prohibited 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 subsection 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 subsection (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.

Any question regarding this notice should be directed to the Department of Attorney General, State of Michigan, G. Mennen Williams Building, 525 W. Ottawa Street, Lansing, Michigan 48909, telephone (517) 373-7117.

Simple Plan Franchising, LLC
FRANCHISE DISCLOSURE DOCUMENT
TABLE OF CONTENTS

ITEM 1	THE FRANCHISOR AND ANY PARENTS, PREDECESSORS AND AFFILIATES	1
ITEM 2	BUSINESS EXPERIENCE	2
ITEM 3	LITIGATION.....	3
ITEM 4	BANKRUPTCY.....	3
ITEM 5	INITIAL FEES.....	3
ITEM 6	OTHER FEES	4
ITEM 7	ESTIMATED INITIAL INVESTMENT	8
ITEM 8	RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES	11
ITEM 9	FRANCHISEE'S OBLIGATIONS	14
ITEM 10	FINANCING.....	14
ITEM 11	FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS AND TRAINING	15
ITEM 12	TERRITORY	22
ITEM 13	TRADEMARKS	24
ITEM 14	PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION	25
ITEM 15	OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISED BUSINESS.....	25
ITEM 16	RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL	26
ITEM 17	RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION.....	28
ITEM 18	PUBLIC FIGURES.....	30
ITEM 19	FINANCIAL PERFORMANCE REPRESENTATION.....	30
ITEM 20	OUTLETS AND FRANCHISEE INFORMATION.....	31
ITEM 21	FINANCIAL STATEMENTS	33
ITEM 22	CONTRACTS.....	33
ITEM 23	RECEIPTS	33
EXHIBIT A	Franchise Agreement	
EXHIBIT B	List of State Administrators/Agents for Service of Process	
EXHIBIT C	List of Franchisees	
EXHIBIT D	Audited and Unaudited Financials	
EXHIBIT E	State Specific Addendum	
EXHIBIT F	Receipt	

**SIMPLE PLAN FRANCHISING, LLC
FRANCHISE DISCLOSURE DOCUMENT**

ITEM 1

THE FRANCHISOR AND ANY PARENTS, PREDECESSORS AND AFFILIATES

To simplify the language in this Franchise Disclosure Document, the words "we", "our" or "us" mean Simple Plan Franchising, LLC, the franchisor of this business. The word "you" or "your" means the person who buys the franchise whether you are an individual or a corporation, partnership, limited liability company or other legal entity.

We are a Wisconsin limited liability company organized on June 15, 2022. Our principal place of business is 2145 Eastridge Ctr, Eau Claire, WI 54701. We do business only under our corporate name. We have no parent and no predecessors. Our agents for service of process are disclosed in Exhibit B. We are the owner of the Marks.

Midwest Meals, LLC is our affiliate ("Midwest"). It is a Wisconsin limited liability company organized on March 10, 2016. Its principal place of business is the same as ours. Since shortly after its inception, Midwest has operated a business substantially similar to the one you will operate. Midwest has entered into a license with us to permit us to use, license and sublicense its know-how in establishing and operating a Simple Business.

We or any of our current or future affiliates may be approved suppliers of certain products and services sold to franchisees.

We offer franchises for the operation of a business preparing, packaging and selling healthy meals and related products through a brick and mortar retail location and online through a dedicated e-commerce website under the Marks and according to our System all pursuant to the Franchise Agreement which is attached to this disclosure document as Exhibit A (the "Franchise Agreement"). "Marks" means such service marks, trademarks, trade dress, trade names, logos and commercial symbols, and all configurations and derivations, as may presently exist, or which may be modified, changed, or acquired by us or our affiliates, in connection with the operation of a Simple Plan business. Currently the Marks include "Simple Plan" and "Simple Plan foods". "System" means a specially developed method of operating a selling prepared, healthy meals and related products through a brick and mortar retail location and online through a dedicated e-commerce website under the Marks and using certain procedures and methods, site evaluation criteria, layouts, methods, advertising, sales and promotional techniques, trade secrets and any other matters relating to the operation and promotion of Simple Business as each of the foregoing may be changed, improved, modified and further developed by us or our affiliates from time to time. In this disclosure document, "Simple Business" and "Simple Plan Business" means any business including the brick and mortar store and online which is operated under the System and Marks, whether owned by us, an affiliate of ours, or a licensee or franchisee of ours or an affiliate of ours. You will do business under the fictitious or assumed name of "Simple Plan", "Simple Plan foods" or any other name that we decide to use in the future. In this disclosure document, the Simple Business you will operate according to the terms of the Franchise Agreement is referred to as "the Simple Business" or "your Simple Business". "Your Website" or "your Website" is the dedicated e-commerce webpage under the Marks which will be specific to your Simple Business but linked to our website. We will be the administrator of Your Website which will be developed by our approved vendor and be integrated into your POS system.

If we approve you as a franchisee, you may sign a Franchise Agreement, in the form attached as Exhibit A, to operate a single Simple Business. In no event will you be a franchisee until we have signed a

Franchise Agreement with you. In no event will you be a franchisee until we have signed a Franchise Agreement with you.

The market for the sale of healthy, pre-packaged meals is competitive and well established. The goods and services offered by our franchisees are used primarily by the general public for personal consumption and are not limited to any specific submarket, although the products appeal to health-conscious adults. Your Simple Business will compete with national and regional chains and locally-owned businesses offering similar products including other franchises and mail order and Internet businesses selling the same types of products.

There are industry specific laws and regulations applicable to the manufacture, distribution and sale and storage of food products, including the Federal Food, Drug, and Cosmetic Act discussed and described in Title 21 of the United States Code. This Title discusses and describes various requirements, including labeling requirements for food products. The U.S. Food and Drug Administration, the Consumer Products Safety Commission, the FTC and US Department of Agriculture may govern different aspects of the products you will sell. Additionally, your Simple Business will be subject to various federal, state and local laws, and regulations affecting businesses generally including federal and state environmental laws and regulations, state and local licensing, zoning, land use, construction regulations and various health, sanitation, safety and fire standards. You must comply with all applicable federal, state and local laws, codes and regulations, including the applicable provisions of the Americans with Disabilities Act, regarding the construction, design and operation of your Simple Business. You are also subject to employment laws such as the Fair Labor Standards Act and various state laws governing such matters as minimum wages, overtime and working conditions. You should check with your local attorney for advice on complying with applicable law as it is your sole responsibility to comply with such laws.

We began offering franchises in July of 2022. We have not conducted a business of the type you will operate and do not engage in any types of business activities other than franchising Simple Businesses and providing services to our franchisees. Currently, our affiliate, Midwest, operates a business substantially similar to a Simple Business and has done so since 2016. Neither we nor any of our affiliates have offered franchises in other lines of businesses. None of our affiliates have sold any franchises similar to your Simple Business.

ITEM 2
BUSINESS EXPERIENCE

Dan Beck– CEO

Dan was the founder, is the sole owner, and is the CEO of Midwest and has held that role since 2016. Dan is also one of our founders and is our CEO

Eric Riess – General Counsel

Eric has advised franchisors and franchisees alike since 1995. In 2008, Eric co-founded the Franchise Broker’s Association. In 2020, Eric founded and is the CEO of Aspen Legal, a law and advisory firm primarily engaged in advising the franchising industry. Eric is one of our founders and is our General Counsel.

ITEM 3
LITIGATION

No litigation is required to be disclosed in this Item.

ITEM 4
BANKRUPTCY

No bankruptcy is required to be disclosed in this Item.

ITEM 5
INITIAL FEES

You must pay us an Initial Franchise Fee of \$35,000 upon execution of the Franchise Agreement for each retail location of your Simple Business ("Initial Franchise Fee"). While we do not currently offer the right to open up multiple Simple Plan Businesses, if you are an existing Simple Plan franchisee and you are approved by us to open a Simple Plan Business beyond your initial Simple Plan Business, in addition to all other requirements related thereto, your Initial Franchise Fee for any subsequent Simple Plan Business (beyond your first) will be reduced to \$15,000, although our obligations related to training and opening of each such subsequent Simple Plan Business will be reduced. If you are an honorably discharged veteran, a current or retired police officer, firefighter or EMT or the spouse of any of the foregoing and you meet our qualifications, we will discount the applicable Initial Franchise Fee by 10%.

The Initial Franchise Fee is due at the time you sign the Franchise Agreement and is payable in one lump sum. The Initial Franchise Fee is not refundable, in whole or in part, under any circumstances and is fully earned upon payment.

We or our affiliates are some of the approved suppliers of some products you will use in your Simple Business. You must purchase some of these products from us or our affiliates (e.g., food packing materials) prior to opening your Simple Business. The estimated cost of these products is from \$500 to \$1,500 (initially). This amount is not refundable.

You must pay us a Website and Design Fee of \$1,500 prior to opening your Simple Business. Our approved vendor will develop your website based on the design templates we pre-approve. This fee is non-refundable.

ITEM 6
OTHER FEES*

TYPE OF FEE	AMOUNT	DUE DATE	REMARKS
Royalty Fee (Note 1)	.3025 per Meal but no less than the Minimum Royalty Fee	Every Wednesday for the preceding week (each week running from Sunday through Saturday)	Begins once your Simple Business is open.
Brand Promotion Fees (Note 2)	.05 per Meal but not less than the Minimum Brand Promotion Fee	Every Wednesday for the preceding week	Begins once your Simple Business is open.
Technology Fee (Note 3)	Currently \$20 per week, subject to change	Every Wednesday for the preceding week	Begins once your Simple Business is open.
Audit (Note 4)	Cost of audit plus interest on underpayment	On demand	Payable only if an audit shows an understatement of Meals of 2% or more.
Interest (Note 5)	1.5% per month	On demand	Applies to all fees, charges and amounts including without limitation, amounts due for purchases from us or affiliates.
Late Fee (Note 6)	\$100 plus \$100 for every week a report or a fee is late	Upon demand	Payable on all late reports and fees, charges or amounts due to us (subject to applicable law).
Renewal Fee	\$2,500	At the time of the execution of the then current / renewal franchise agreement	Payable when you renew
Transfer Fee	\$12,000	At the time of transfer	Payable when you transfer your Simple Business, an interest in you or an interest in the Franchise Agreement. We do not, however, charge the transferee a new Initial Franchise Fee.
Additional Training and Additional Assistance (Note 7)	Fees and all expenses	Upon request or as we require	This is for additional training and/or additional assistance we may provide from time to time.
Products	Price List	Standard payment terms	We and our affiliates are approved suppliers See Item 8 for details
Liquidated Damages (Note 8)	\$200 per day	Upon demand	Payable for each day unauthorized menu items, products or services are offered for sale or are sold.

TYPE OF FEE	AMOUNT	DUE DATE	REMARKS
Indemnification	All costs including attorney's fees	As invoiced	You defend suits at your cost and hold us harmless against suits involving damages resulting from your operation of your Simple Business.
Taxes (Note 9)	Actual cost	Upon demand	Payable if certain taxes are levied or assessed on the fees you pay to us or our affiliates.
Costs and Attorneys' Fees	Will vary under circumstances	As incurred	Due if you do not comply with the Franchise Agreement and we have to seek any assistance to enforce it.
Failure to Comply with the Dispute Resolution Provisions Conference	\$5,000 plus our expenses in curing your breach \$1,000 plus your costs to attend.	As incurred As incurred	Due if you or your guarantors do not comply with the provisions in the Dispute Resolution Section of the Franchise Agreement. We have the right to have an annual System wide conference no more than once ever 12 months in any location within the United States that we choose. Attendance is mandatory for at least one Principal Owner and your manager (if applicable). This charge is to help defray the cost of such a conference.

* All fees are imposed by and are payable to us or our affiliates. All fees are non-refundable. At our request, payments of all fees and other amounts will be made via electronic funds transfer (“EFT”).

NOTES

1. You pay us a weekly Royalty Fee every Wednesday equal to 25 cents per Meal that you sell / have sold over the prior week. We are able to track Meals through the software you and we will use. For purposes of this disclosure document and the Franchise Agreement, a “Meal” is anything you sell in a single tray including complete meals, bulk ingredients (e.g., veggies, protein) and other food items (e.g., protein balls). The retail prices of Meals sold by Midwest currently range from around \$5 (for some bulk veggies) to around \$12 (for some bulk proteins) and for Meals (not including things like bulk proteins, bulk veggies and protein balls), the retail prices currently range from around \$7.50 to \$8.99.

More information Midwest’s gross retail sales and number of Meals sold can be found in Item 19 of this disclosure document. We reflect Midwest’s information in Item 19 because it operates using the same System under which you will operate. The information contained in Item 19, however, is Midwest’s information. We make no representation or warranty of the income that you may achieve as our franchisee or from your Simple Business.

Notwithstanding the foregoing, you will be required to pay weekly minimum Royalty Fees (the “Minimum Royalty Fee”) as follows:

Full Weeks of Operation of your Simple Business	The Minimum Royalty Fee
26 weeks through 52 weeks	\$125 weekly
53 weeks through 80 weeks	\$156 weekly
81 weeks through 108 weeks	\$195 weekly
109 weeks through 135 weeks	\$240 weekly
136 weeks through 190 weeks	\$300 weekly
191 weeks and thereafter	\$375 weekly

You must comply with the procedures specified in the Manual (as defined below) or as otherwise communicated for any EFT program or any other program we institute and you will perform the acts and sign the documents, including authorization forms, that we, your bank and our bank may require to accomplish payment by EFT, including authorizations for us to initiate debit entries and/or credit correction entries to a designated checking or savings account for payments of any fees, charges and other amounts, including interest payable to us. In addition, you will pay all costs associated with using an EFT payment program. You are also required, on a weekly basis, to report to us all Meals you've sold in the prior week. If you fail to timely report to us the number of Meals you've sold in accordance with our then current procedures, in addition to any applicable late charge, we have the right, but not the obligation, to debit from your account an estimated amount of any fees based on our estimation of Meals you sold in connection with your Simple Business.

We may develop a line of proprietary products, including nutritional supplements and related products which will become an integral part of the System and we and/or our affiliates may be the sole approved supplier of these products. These products may be marketed under various brands. We may introduce new products as part of the System. If we introduce products that are not Meals, you will be able or required (in our discretion) to purchase such products from us on terms and at prices established by us and to sell such products in connection with your Simple Business. You will not, however, pay a separate Royalty or Brand Promotion Fee upon your sale of such products.

2. We have a Brand Promotion Fund into which we put the Brand Promotion Fees paid to us. The Brand Promotion Fund is a separate bank account of ours. Brand Promotion Fees are not income to us. We use the Brand Promotion Fund and Brand Promotion Fees for things that we deem benefit the System, generally. We use Brand Promotion Fees for things like advertising copy, improvements and changes to the website, general advertising and marketing projects, any activity which we believe, in our sole discretion, promotes the Marks and the System, generally, and any costs of ours or our affiliates which we allocate to those activities including, without limitation, cost of personnel, third party vendors and general overhead which we allocate to those activities. We do not owe you a fiduciary duty with respect to the Brand Promotion Fund. It is not audited. Every year, we will prepare a report of the Brand Promotion Fund and distribute it to our franchisees. If we don't spend all Brand Promotion Fees collected in any year, those fees can roll over to be used in subsequent years. If we or our affiliates incur costs that we determine, in our sole discretion, should be and should have been paid for by the Brand Promotion Fund but that there are insufficient funds in the Brand Promotion Fund to cover, we can use future Brand Promotion Fees to pay us or our affiliates back for those costs incurred. We will not use the Brand Promotion Fund to solicit any particular franchisee but we can use the Brand Promotion Fund to solicit franchisees, generally. There is not guaranty that any portion of the Brand Promotion Fund will be used to benefit a particular set of franchisees or any particular geographic territory.

Notwithstanding the foregoing, you will be required to pay weekly minimum Brand Promotion Fees (the "Minimum Brand Promotion Fee") as follows:

Weeks of Operation of your Simple Business	The Minimum Brand Promotion Fee
26 weeks through 52 weeks	\$25 weekly
53 weeks through 80 weeks	\$31 weekly
81 weeks through 108 weeks	\$39 weekly
109 weeks through 135 weeks	\$48 weekly
136 weeks through 190 weeks	\$60 weekly
191 weeks and thereafter	\$75 weekly

3. Beginning on the day you open your Simple Business and every Wednesday during the Term of the Franchise Agreement, you will pay us a Technology Fee. Currently, the Technology Fee is \$20 per week, but it can be increased upon prior written notice to you. The Technology Fee may cover the cost of the maintenance of our website, email addresses and developing, maintaining, upgrading, and modifying any other technology and software services that we determine in our sole discretion.

4. If the amount of Meals you report for any period is less than 98% of the actual Meals sold for that period and/or you fail to provide us reports, supporting records or other information we require, you will pay and reimburse us for all costs of the investigation or audit that uncovered the under-reported sales, including salaries, professional fees, travel, meals, and lodging.

5. You must pay us interest on any fees, charges and other amounts due to us or our affiliates, including for any fees, charges, amounts and product purchases, in the amount of the lesser of 1½ % per month or the maximum legal rate in the jurisdiction where your Simple Business is located. If you under-report Meals, in addition to paying us for the amount of unpaid Royalty Fees and Advertising Fees, you must pay interest on the unpaid amounts.

6. If you fail to pay any fees, charges or amounts or send any reports when due, we can charge you a late fee of \$100 plus \$100 for each week your fee, charge, amount or report is late.

7. We reserve the right to charge you for additional assistance we provide to you or your managers or employees after the opening of your Simple Business. You will also be responsible for any travel, meals, incidentals, and lodging expenses incurred by you and your employees when attending the training programs and our employees or representatives when conducting the training programs and rendering any training or assistance on-site / at your Simple Business's location. Our additional training fee is \$750 per day. This is in addition to your costs in attending (e.g., transportation and lodging).

8. Uniformity of products and services offered by all Simple Businesses is of utmost importance to us, our franchisees and the System. If you offer to sell or do sell products or services which are not authorized by us, you agree we will be damaged by your non-compliance. These damages will be calculated at the rate of \$200 per day for each day any unauthorized products or services are offered or are sold and will be in addition to any other rights and remedies we may have against you. We have the right to collect these amounts in addition to any and all of our other amounts and rights for non-compliance provided pursuant to the Franchise Agreement. You agree that a precise calculation of the full extent of the damages that we will incur from the offer or sale of unauthorized products and services are difficult to determine and we and you desire certainty in this matter and agree that the damages provided here are reasonable, constitute liquidated damages and are not a penalty.

9. You agree to indemnify and/or reimburse us and our affiliates for all capital, gross receipts, sales, and other taxes and assessments imposed by any applicable state or local governmental authority as a result of the conduct of your Simple Business or the license of any of our or our affiliates' intangible property to you (whether required to be paid by us or our affiliates, withheld by you or otherwise). Your

obligation to indemnify or reimburse us or our affiliates for these taxes does not extend to income-type taxes which a state or local government imposes on us or our affiliates' income.

ITEM 7
ESTIMATED INITIAL INVESTMENT

**YOUR ESTIMATED INITIAL INVESTMENT ASSUMING
YOU LEASE SHARED COMMERCIAL KITCHEN SPACE**

	AMOUNT (Low-High Range)	METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS TO BE MADE
Initial Franchise Fee	\$ 35,000	Lump sum	Upon Signing Franchise Agreement	Us
Website Development and Design Fee (Note 1)	\$ 1,500	Lump Sum	Upon Signing the Franchise Agreement	Us
Rent/Lease Deposit (Note 2)	\$ 2,000 – \$ 3,000	Lump sum	Upon signing the Lease	Landlord
Utility Deposits (Note 3)	\$ 250 – \$ 500	Lump sum	Before Opening	Utilities
Leasehold Improvements (Note 4)	\$ 8,000 - \$ 13,000	As incurred	Before Opening	Construction vendors
Equipment (Note 5)	\$ 8,000 - \$ 10,000	Lump sum	Before Opening	Vendors
Furniture	\$ 200 – \$400	Lump Sum	Before Opening	Vendors
Initial Inventory (Note 6)	\$ 6,000 – \$ 8,000	Lump sum	Before Opening	Us, Approved Suppliers
Insurance (3 months)	\$ 500 – \$ 1,000	As incurred	Before Opening	Insurance Carrier
Signage	\$ 4,000- \$ 6,000	As incurred	Before Opening	Vendors
Computer Equipment (Note 7)	\$ 8,000- \$ 9,000	Lump sum	Before Opening	Vendors
Software (Note 8)	\$ 1,000- \$ 2,000			Vendors
Office and Miscellaneous Supplies	\$ 1,500- \$ 2,000	Lump sum	Before Opening	Vendors
Grand Opening Advertising	\$ 3,000	As incurred	First Month of Operation	Vendors
Travel Expenses for Training (Note 9)	\$ 2,000 – \$ 3,000	As incurred	Before Opening	Airlines, restaurants, hotels, etc.
Professional Fees, Licenses and Permits (Note 10)	\$ 1,500- \$ 3,000	As incurred	Before Opening	Professionals and governmental agencies

	AMOUNT (Low-High Range)	METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS TO BE MADE
Additional Funds- 3 months (Note 11)	\$ 10,000- \$ 20,000	As incurred	As incurred	Employees, suppliers, utilities, etc.
TOTAL (Note 12)	\$92,450 – \$117,400			

The chart above describes the estimated initial investment for one Simple Business whereby you lease shared commercial kitchen space to produce your meals and you develop one brick and mortar retail location out of which you will conduct your Simple Plan Business. This is how our Midwest began.

Notes:

1. We or our vendor will design and create your website / webpage which will be part of our website.
2. You must provide suitable premises on which to operate the retail portion of your Simple Business. You will require approximately 600 to 800 square feet in Class B retail space. You will need 3 spaces in your location. In order of square footage they are: (a) a retail area with a counter and coolers; (b) a storage space; and (c) a bathroom. You will also be responsible for leasing time at a shared commercial kitchen so that you can produce your meals. To start, however, you will only need to lease between 8 and 16 hours per week from such a shared commercial kitchen.

We want you to use Class B retail space out of which to operate your Simple Plan Business because it's cheaper than Class A retail, Midwest has been successful with and remains in that class space and your success does not depend upon drive by and walk by traffic. While Midwest currently operates its own commercial kitchen, it did not start out that way. Midwest leased space in a shared commercial kitchen owned by a third party and had its own retail space. We will approve such an arrangement by you but we will need to see and approve both the shared commercial kitchen space you want to use and the retail space for your Simple Business. In order to approve this arrangement, we also must reasonably determine that you can perform all your obligations pursuant to the Franchise Agreement using that model.

If you do not own or purchase real estate for your brick and mortar location, you will need to lease space from a landlord. In most cases, the landlord will require a security and/or rental deposit. Usually, the landlord will require you to pay the equivalent of 1 month's rent. Rental rates or deposits on an unknown location cannot be predicted in advance. However, the rental rates will most likely depend on the size and location of the premises. These costs will vary greatly depending on the metropolitan area where the brick and mortar location will be. These estimates are based on 1 month's rent for a security deposit and the first month's rent. These estimates are based on locations in and around Eau Claire, WI area. In most cases, our franchisees will rent rather than purchase property. The estimated initial investment assumes you will rent. If you purchase the property, your initial expenses will dramatically increase. We strongly encourage you to hire a commercial real estate broker familiar with your local area and to negotiate a lease with the appropriate rents for Class B retail space including no rent during the period from your possession of the premises to (at least) the point that your Simple Business is fully operational.

3. You will generally incur certain deposits with local utilities, for example, electric, telephone, gas, water and others. The deposit will vary depending upon the policy of the local utility.

4. To convert an existing real estate location into a location for your Simple Business, the location will need to be renovated according to our standards and specifications. The cost of leasehold improvements will vary based upon size, condition and location of the premises, local wage rates and material costs. The cost of construction, improvements or building varies widely by the size of the space, the existing improvements and local construction rates. Until a specific site is located and evaluated, a reliable estimate of costs cannot be projected. Many times, a landlord will provide a tenant improvement allowance for such improvements. A tenant improvement allowance is money offered by the landlord that a tenant can use to improve the space. We strongly encourage you to hire a commercial real estate broker familiar with your local area and to negotiate a lease with the appropriate rents for Class B retail space and with a tenant improvement allowance. We have prepared our estimate assuming you will get such a tenant improvement allowance. We have to approve the site from which you intend to operate your Simple Business and any lease for that site. We may decline to approve any proposed lease unless, among other things, it provides you with a reasonably tenant improvement allowance. Midwest started its business in a shared commercial kitchen with separate rented retail space. We prepared the table in this Item 7 using that model (i.e. your rental of a shared commercial kitchen to produce Meals for your Simple Business).. Following this model will greatly lower your costs for Leasehold Improvements and Equipment.

5. You will need to purchase and/or lease various pieces of equipment that you will use to store and sell meals in connection with your Simple Business. You must obtain our prior written approval for any equipment you use for your Simple Business. Leasing certain pieces of equipment means you do not have to come up with the capital to purchase that equipment up front. The cost of equipment will vary according to local market conditions, suppliers, your willingness to negotiate, the proper choice of used and leased equipment, where appropriate, and other related factors. Both the low end and the high end of the range assumes a mix of leased and owned equipment. We have detailed equipment lists and recommended and required providers that we will provide to you if you become a Simple Plan franchisee. Some of your equipment may and should be leased rather than purchased. We strongly encourage you to lease equipment and shop for competitive lease rates, length of lease and other terms on same. We have developed the cost of equipment assuming you will not begin with a walk-in cooler for your retail space and that you will be able to transport meals from the shared commercial kitchen to your retail space via hand-movable cold storage containers. The method by which you transport meals, however, will be subject to State and local regulation which will vary and which you must both determine and follow at all times.

6. You will need to purchase an initial inventory of raw materials and packaging materials for your first production run. These costs will vary based upon the size of production run and location of your Simple Business (which will impact, among other things, distribution costs). Our low end assumes a single production run. Our high end assumes two production runs. Some of these raw materials will be purchased from us or our affiliates including, without limitation, packaging materials.

7. You will need to purchase computer equipment as more thoroughly described in Item 11.

8. You will need to use required software in connection with your Simple Business. The low and high range are calculated based upon prepaying from 1 to 3 months for the required software.

9. You are not charged an additional fee for initial training. However, you are responsible for transportation and expenses for meals and lodging while attending training. The total cost will vary depending on the number of people attending, how far you travel and the type of accommodations you choose.

10. This includes legal fees, accounting fees, licenses and permits. You are responsible for obtaining all license and permits necessary to run your Simple Business. You are required to determine what laws, ordinances and regulations apply to you in your area, all of which may differ by State, County and municipality.

11. This item estimates your expenses during the initial period of operation of your Simple Business (other than the items identified separately in this table or in Item 6). These expenses include estimated payroll costs, utilities, additional inventory requirements, supplies and rent, etc., but do not include any fees, charges or other amounts payable to us or any owners' draw or salary. These figures are estimates, and you may have additional expenses in order to start your Simple Business. Your costs will depend on factors similar to these: how closely you follow our methods and procedures; your management skill, experience and business acumen; local economic conditions; the local market for your products and services; the prevailing wage rate; competition; and sales level reached during the initial period.

12. Costs and expenses can vary depending on factors like local real estate values, cost of labor and supplies, cost of distribution, and size and location of your brick and mortar retail store. These figures are based on the experience of our Midwest in the Eau Claire, WI. The expenses may differ in other parts of the country. Your financial condition and arrangements negotiated and the business decisions made by you will also affect these costs. There can therefore be no assurance that the experience of you or any particular franchisee will correspond with the information presented above. You should review these figures carefully with a business advisor before making any decision to purchase the franchise.

We do not offer, either directly or indirectly, financing to you for any items. (See Item 10 of this document.) The availability of financing will depend upon various factors such as the availability of financing generally, your credit worthiness, other security that you may have, and the requirements of lending institutions concerning the type of business to be operated by you.

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

You must operate your Simple Business according to our System. You are required to purchase all products, services, supplies, inventory, computers, equipment, and materials required for the operation of your Simple Business from manufacturers, suppliers, or distributors we designate, or from other suppliers who meet our specifications and standards as to quality, appearance, and service, and who adequately demonstrate their ability to supply the franchise needs in a timely and reliable manner ("Approved Suppliers"). We and our affiliates will be Approved Suppliers for some products and may be for some services. We will provide you, in written or electronic form, with a list of authorized equipment, products and other materials and, if required, a list of Approved Suppliers for some or all of these items and may, from time to time issue revisions to this list. Both Approved Suppliers and required products and services may change over time. Specification and approval of a supplier may be conditioned on requirements relating to, among other things, quality, reputation, ability to meet demand, frequency of delivery, standards of services, including prompt attention to complaints, as well as payments, contributions or other consideration to us, our affiliates, any advertising fund and/or otherwise, and may be temporary, in each case in our discretion. We may, from time-to-time withhold, condition and/or revoke our approval of particular items or suppliers in our reasonable discretion. We have imposed these requirements in order to assure quality and uniformity of the décor related to your Simple Business and items sold to customers from your Simple Business.

If you wish to purchase or lease any goods, products, equipment or supplies not approved by us as meeting our specifications, you must first send us sufficient information, specifications and/or samples for us to determine whether the item complies with our standards and specifications or the supplier meets its approved supplier criteria. We may charge you a testing fee. We will use our good faith efforts to notify you of our decision within 45 days after receiving your request for approval and all requested backup information from you. In approving a proposed supplier, we consider factors such as: quality of products and/or services at competitive prices; production and delivery capability; and dependability and general reputation of the supplier. Suppliers may be required to sign confidentiality agreements in our discretion.

We may develop a line of proprietary products, including nutritional supplements and related products which will become an integral part of the System and we and/or our affiliates may be the sole approved supplier of these products. These products may be marketed under various brands. We may introduce new products as part of the System. If we introduce products that are not Meals, you will be able to sell such products if you agree to our terms of wholesale sale of those products to you. You agree to purchase certain products as communicated to you from us, our affiliates or other franchisees who manufacture these products. You acknowledge that your agreement to comply with this requirement is a material condition upon which this franchise will be granted. If we or our affiliates fail to offer proprietary products, we will designate an approved supplier or suppliers for these products. Any products purchased from us, our affiliates or our franchisees will generally be at prices exceeding our, our affiliates' or our franchisees' costs. Except for ownership in our affiliate, there is no designated supplier or any products or services that is owned, in whole or in part, by any of our officers, but we reserve the right to do so in the future.

We may receive discounts, rebates commissions, promotional allowances and other benefits if you buy items from certain suppliers we designate based on the quantities of products you and other franchisees buy. If this occurs, we may have certain quantity discounts passed on to you and the other franchisees but we are not required to do so. You may or may not find the contracts to your advantage and may elect to participate or not to participate in them. We reserve the right in the future to affiliate ourselves with suppliers, and/or receive revenues and profits from purchases made by franchisees.

During the last fiscal year, neither we nor our affiliate received any revenue from products sold to our franchisees. Neither we nor our affiliates received any rebates based on franchisees purchases. We estimate that approximately 75% to 90% of your expenditures for leases and purchases in establishing your Simple Business and approximately 75% to 90% of your expenditures on an on-going basis will be for goods and services which must be purchased from either us or our affiliates or an Approved Supplier.

There are currently no purchasing or distribution cooperatives. We may negotiate purchase arrangements with suppliers (including price terms), for the benefit of the System. We do not provide any material benefits to a franchisee based on a franchisee's use of particular products or services or use of particular suppliers.

In addition to the purchases or leases described above, you must buy and maintain, at your own expense, insurance coverage that we require. You will at all times maintain at your sole expense comprehensive public and product liability insurance, death and property damage caused by or occurring in conjunction with the operation of your Simple Business. You will obtain and maintain the minimum insurance as follows:

Prior to opening your Simple Business, you will need to purchase and maintain in full force and effect throughout the term of the franchise agreement, the minimum insurance requirements as outlined below. The insurance will be required to be provided by an approved vendor and underwritten by an insurance company with an A.M. Best Rating of not less than A-VII and be admitted in the state where the Simple

Business is located unless not commercially available. We reserve the right to modify these insurance requirements at any time due to changing or increase risks for which you will need to comply upon written notification from us. You will need to send us or our representative a certificate of insurance and applicable endorsements as evidence of the required coverages prior to opening your Simple Business or at requirement of landlord and prior to every renewal of insurance or any time we request. You are required to name us an additional insured on all liability policies. These policies will stipulate that we will receive a 30-day written notice of cancellation, modification or termination. All policies will be primary and non-contributory to any insurance we might carry and provide a waiver of subrogation in our favor. If you do not comply with our minimum insurance requirements, we reserve the right but not the duty to force place coverage on your behalf and charge you the premium along with any administration fee that might be due for which you will reimburse us immediately upon notification.

Comprehensive General Liability - \$1,000,000 per occurrence and \$2,000,000 aggregate to provide Bodily Injury and Property Damage including Products Liability, Personal & Advertising Liability, Tenant's Liability and Medical Payments. This policy may not have any exclusions for virus, bacteria or pandemics and must be on an occurrence form unless not commercially available.

Automobile Liability - \$1,000,000 Combined Single Limit Liability to cover any auto used in the Simple Business including owned, non-owned and rented/hired vehicles

Umbrella Liability - \$1,000,000 limit excess of Comprehensive General Liability, Automobile Liability, Employer's Liability and Employee Benefit Liability

Property Insurance - to cover 100% of the replacement cost of all build-out, furniture, fixtures, equipment and inventory used in your Simple Business. This policy must include Flood and/or Earthquake coverage in geographically prone zones.

Workers' Compensation and Employer's Liability – Statutory Workers' Compensation for lost wages and medical payments for job related injuries and Employer's Liability of \$1,000,000 for any claims brought against the employer by an employee for an intentional injury.

Employment Practices Liability – \$500,000 limit to cover any wrongful employment acts, third-party liability for discrimination and harassment, include Wage & Hour Defense for at least \$100,000 and include the Franchisor as a Co-Defendant. This policy may not have any exclusions for pandemics or viruses.

All other insurance that is required by any federal, state or local municipality laws for where your Simple Business is located.

We also reserve the right to require coverage post termination on any policy required by this section. We will provide 30 days written notice if we elect to exercise this option.

We may, from time to time, in our sole discretion, make such changes in minimum policy limits, coverage, and endorsements as we may determine. The cost of coverage will vary depending on the insurance carrier's charges, terms of payment and your history. These insurance coverage requirements are only minimums. You need to make an independent determination as to whether increased amounts or additional types of insurance are appropriate. Failure to obtain and maintain the required insurance constitutes a material breach of the Franchise Agreement entitling us to terminate the term of that agreement. We may periodically increase the amounts of coverage required and/or require different or additional coverage.

ITEM 9
FRANCHISEE'S OBLIGATIONS

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

Obligation	Section in the Franchise Agreement	Disclosure Document Item
• Site selection and acquisition/lease	Section III	Items 11 and 12
• Pre-opening purchases/leases	Sections III and IX	Items 7 and 8
• Site development and other pre-opening requirements	Sections III and IX	Items 6, 7 and 11
• Initial and ongoing training	Section VIII	Items 11
• Opening	Section IX	Item 11
• Fees	Section VI	Items 5 and 6
• Compliance with standards and policies/Manual	Sections IX and XV	Item 8 and 11
• Trademarks and proprietary information	Section X	Items 13 and 14
• Restrictions on products/services offered	Section IX	Items 8 and 16
• Warranty and customer service requirements	Section IX	Item 16
• Territorial development and sales quotas	Not Applicable	Item 12
• Ongoing product/service purchases	Section XIV	Items 8 and 11
• Maintenance, appearance and remodeling requirements	Sections IX and IX	Items 11 and 17
• Insurance	Section IX	Items 7 and 8
• Advertising	Section VII	Items 6 and 11
• Indemnification	Section XVII	Item 6
• Owner's participation/management/staffing	Section IX	Item 15
• Records and reports	Section IX	Item 11
• Inspections and audits	Sections VI and IX	Items 6 and 11
• Transfer	Section XVI	Items 6 and 17
• Renewal	Section V	Item 17
• Post-termination obligations	Section XI and XII	Item 17
• Non-competition covenants	Section XII	Item 17
• Dispute Resolution	Section XVIII	Items 6 and 17

ITEM 10
FINANCING

We do not offer direct or indirect financing. We do not guaranty your note, lease or obligation.

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 you open the Simple Business, we will:

1. Consent to or reject the premises you have selected from which you will operate the brick and mortar portion of your Simple Business and we will designate your Territory. (Franchise Agreement, Section III)

If you have a potential site, you may propose the location for our consideration. We may consent to the site after we have evaluated it. If you do not have a proposed site, we will furnish you with our general site selection criteria. You are solely responsible for locating and obtaining a site which meets our standards and criteria and that is acceptable to us.

The general site selection and evaluation criteria which we consider in approving your site includes traffic patterns, ease of ingress and egress, available parking, lease terms, proximity of other Simple Plan businesses and other similar businesses and general suitability of the surrounding areas. We will provide you with written notice of our consent to or rejection of any proposed site within 30 days after receiving all information we request to conduct our evaluation. Our consent to a site does not constitute a recommendation or guarantee as to the success of the site. We do not represent that we or any of our employees have special expertise in selecting sites or that the Simple Business will be profitable or successful by being located at the site. Any consent is intended only to indicate that the proposed site meets our minimum criteria based upon our general business experience.

3. Consent or not consent to the lease or sublease for the site. (Franchise Agreement Section III). We will not unreasonably or untimely withhold our consent. Within 10 days of execution of the lease, you will provide us with a copy of the executed lease. The term of the lease plus all renewal option periods shall together equal or exceed the term of the Franchise Agreement. Our consent to the lease means only that the lease meets our minimum standards and is not a warranty as to the appropriateness of the lease or any of its terms. Your lease for the site must contain substantially the same terms as described in Exhibit II of the Franchise Agreement and you will also execute a Collateral Assignment of Lease which is in Exhibit III of the Franchise Agreement.

4. Provide you with suggested arrangements and square footage uses for the storage, retail space and location of equipment and coolers in your Simple Business premises. (Franchise Agreement, Section VIII).

You will construct the premises in accordance with specifications prepared by you, subject to our right to consent to such specifications, layout and design. The cost of plans and specifications shall be borne by you. Our consent shall be limited to review of such plans to assess compliance with our design standards for a Simple Business, including such items as trade dress, presentation of trademarks, and the provision to the potential customer of certain products and services that are central to the functioning of your Simple Business. Our review is not designed to assess compliance with federal, state or local laws and regulations, including the Americans with Disabilities Act ("ADA"), as compliance with such laws is your sole responsibility.

5. Provide you with a list of required equipment, fixtures, inventory and supplies which you are required to purchase and install on the premises. (Franchise Agreement, Sections IV and XIV)

We do not install or delivery any of the equipment, signs, fixtures, etc. You may purchase some of the initial inventory from us or our affiliates. Otherwise, you will purchase initial supplies, equipment, signs, fixtures, and inventory from Approved Suppliers. (Franchise Agreement, Section IV and XIV)

6. Provide an initial training program for you and an additional representative, typically the manager. This training is described in detail later in this Item. (Franchise Agreement, Section VIII). You must pay your own travel and living expenses associated with attending our initial training program, including the salary of your employee who attends this training.

8. Provide to you, on loan, copies of written policies, procedures templates, checklists, forms, ad copy, worksheets, workbooks and logs (collectively, “Simple Documents”). The Simple Documents may be provided to you electronically and may be supplemented and modified from time to time.

You must treat the Simple Documents and any other written materials provided by us or our affiliates for use in the operation of the Simple Business, and the information contained in them, as confidential, and must use all reasonable efforts to maintain this information as secret and confidential. You must not copy, duplicate, record, or otherwise reproduce these materials, in whole or in part, or otherwise make them available to any unauthorized person. The Simple Documents will remain our sole property and must be kept in a secure place within your Simple Business. It must be returned to us upon termination or expiration of your Franchise Agreement.

We have the right to make additions to, deletions from or revisions to the which you have to comply with at your own cost. You must ensure that the Simple Documents are kept current at all times. If there is any dispute as to the contents of the Simple Documents, the terms of the master copies of them maintained by us, at our principal office, will be controlling. The Simple Documents are detailed below and are currently over 350 pages in total length including image pages.

Storefront

- New storefront team training checklist - 2 pages
- Opening procedure checklist - 1 page
- Daily cooler temperature log - 1 page
- Meal donation form - 1 page
- Closing procedure checklist - 1 page
- Delivery bag return form - 1 page
- Loyalty Program FAQ - 1 page

Pickup Locations / Micro-Market Coolers

- Commissions report template - 1 page / document
- Generic cooler temperature log - 1 page

Marketing

- Kitchen photos – approximately 150 pictures so far this year done professionally
- Photoshop templates - 2-3 templates
- Example radio ads - 3 examples

Kitchen

- Weekly heads-up meeting template - 1 page
- Weekly adjustments sheet - 1 page
- Weekly order workbook (main doc for production) – 1 document, 5 sheets
- Label inventory spreadsheet – 1 document
- HACCP plan and various HACCP logs/forms - 27 pages

New meal info - each meal has a product photo, label, cooler tag, and excel spreadsheet containing recipe, portions and nutrition / digital / over 75 digital pages

Quarterly deep clean checklist - 2 pages

Weekly cleaning routine checklist - 1 page

Inventory & ordering procedure - 2 pages

How to export Shopify orders into the weekly order workbook - 1 page

Credit cards use agreement - 2 pages

New employee onboarding checklists - 4 pages

 Interview questions - 3 pages

Kitchen team offer letter template - 1 page

Orientation checklist - 2 pages

Food handler safety training checklist - 1 page

Employee handbook - 14 pages

Emergency contact form - 1 page

Servsafe food handler test guidelines - 1 page

Servsafe food handler test - 4 pages

Servsafe food handler test key - 1 page

Employee review template - 2 pages

Employee review guidelines & raises - 1 page

Disciplinary action forms - 1 page

Employee termination document - 1 page

MAP Machine operational documentation - 3 pages

 Turn on / off quick guide - 1 page

 Turn on / off checklists - 1 page

 Oxygen verification log - 1 page

 Gas tank log - 1 page

 MAP Machine maintenance schedule log - 1 page

Time for Opening your Simple Business.

We estimate that the typical length of time between signing of the Franchise Agreement and the opening of a Simple Business is approximately 6 months. Factors that may affect the length of time usually include ability to secure permits, zoning and local ordinances, weather conditions and delays in installation of equipment and fixtures. The opening of the franchise may be delayed only if the delay is caused by contingencies not within your control, such as acts of God, governmental restrictions, strikes or labor disputes. You will agree to use your best efforts to cure any such delay and any such delay in opening shall be for a period of days equal to number of days during which the event actually prevents completion. You must notify us of any delays promptly. If you do not open your Simple Business within 1 year from the date of the Franchise Agreement, we have the right to terminate the term of the Franchise Agreement.

During the Operation of your Simple Business, we will:

1. Maintain an advisory relationship with you, including ongoing telephone consultation, during normal business hours, to aid in the proper and effective operation of your Simple Business. (Franchise Agreement, Section VIII.D)
2. Provide additional training and on-site assistance to you as we deem necessary in our sole discretion. We may charge a reasonable fee for this additional training. You must also pay your own travel and living expenses associated with any additional training. (Franchise Agreement, Section VIII.B)

- 3. Continue to loan you one copy of the Simple Documents. (Franchise Agreement, Section XV)
- 4. May be the approved supplier for proprietary supplements and other items or provide you another approved supplier which will sell these items to you. (Franchise Agreement, Section XIV)

ADVERTISING

Brand Promotion Fund

We have a Brand Promotion Fund into which we put the Brand Promotion Fees paid to us. The Brand Promotion Fund is a separate bank account of ours. Brand Promotion Fees are not income to us. We use the Brand Promotion Fund and Brand Promotion Fees for things that we deem benefit the System, generally. We use Brand Promotion Fees for things like advertising copy, improvements and changes to the website, general advertising and marketing projects, any activity which we believe, in our sole discretion, promotes the Marks and the System, generally, and any costs of ours or our affiliates which we allocate to those activities including, without limitation, cost of personnel, third party vendors and general overhead which we allocate to those activities. We do not owe you a fiduciary duty with respect to the Brand Promotion Fund. It is not audited. Every year, we will prepare a report of the Brand Promotion Fund and distribute it to our franchisees. If we don't spend all Brand Promotion Fees collected in any year, those fees can roll over to be used in subsequent years. If we or our affiliates incur costs that we determine, in our sole discretion, should be and should have been paid for by the Brand Promotion Fund but that there are insufficient funds in the Brand Promotion Fund to cover, we can use future Brand Promotion Fees to pay us or our affiliates back for those costs incurred. We will not use the Brand Promotion Fund to solicit any particular franchisee but we can use the Brand Promotion Fund to solicit franchisees, generally. There is not guaranty that any portion of the Brand Promotion Fund will be used to benefit a particular set of franchisees or any particular geographic territory.

Notwithstanding the foregoing, you will be required to pay weekly minimum Brand Promotion Fees (the "Minimum Brand Promotion Fee") as follows:

Weeks of Operation of your Simple Business	The Minimum Brand Promotion Fee
26 weeks through 52 weeks	\$25 weekly
53 weeks through 80 weeks	\$31 weekly
81 weeks through 108 weeks	\$39 weekly
109 weeks through 135 weeks	\$48 weekly
136 weeks through 190 weeks	\$60 weekly
191 weeks and thereafter	\$75 weekly

The Brand Promotion Fund will not be our asset, nor will it be a trust. We will have a contractual obligation to hold all Brand Promotion Fees for the benefit of its contributors or to use the contributions only for the purposes described above. We have no fiduciary obligation to us for administering the Brand Promotion Fund.

We do not have a franchisee advertising council that advises us on advertising policies or brand promotion policies. We reserve the right to form one in the future. If we do, we will determine eligibility to serve on the franchisee advertising council, we will set the rules by which the franchisee advertising council conducts itself and we will determine the authority that the franchisee advertising council has. We may, at any time, terminate the franchisee advertising council if and when formed.

Local Advertising

We strongly suggest but we do not require that you spend at least 4% of your monthly gross sales of Meals on advertising and promotion in the Territory ("Local Advertising"). We may provide guidelines for conducting this advertising. Within 90 days following the end of each fiscal year, you shall furnish to us an accurate accounting of your advertising expenditures from the preceding year.

Regardless of how much advertising you do, you must submit to us for our prior consent all promotional materials and advertising you wish to use. If we do not consent to or reject your proposed promotional materials and advertising within 20 days from the date we receive the material, we shall be deemed to have consented to your use of these materials. You will not advertise or use in advertising or other form of promotion, the Marks without the appropriate copyright, trademark or service mark symbols ("©", "®", "TM" or "SM") as we direct. If we later determine that your once-approved advertising materials do not satisfy our then-current advertising and promotional standards, you must immediately cease using such materials upon written notice from us.

You are not permitted to solicit business through the distribution of individual advertising items, such as coupons and circular advertising outside of your Territory, without our consent.

Grand Opening Advertising

In addition to the other advertising requirements we impose, you are required to spend a minimum of \$3,000 for grand opening advertising and sales promotions within 60 days of opening your Simple Business. Within 120 days of the opening of your Simple Business, you must provide us with proof of your advertising and sales promotion expenditures in the form, and with the detail and receipts, as we request, including copies of all grand opening advertising and sales promotion materials used.

Advertising on the Internet and Social Media.

You acknowledge that we are the lawful, rightful and sole owner of the www.simpleplanfoods.com Internet address (URL), and you unconditionally disclaim any ownership interest in that or any similar Internet addresses and disclaim any ownership interest in any website of ours or any affiliate. You will not maintain a website, mobile application or social media (e.g., Instagram, Facebook or Twitter) account or username, or any other presence, or otherwise advertise on the Internet, or any other public computer network, in connection with your Simple Business, without our prior written consent or in the manner we approve. Any such permission will only be for such time as we permit and will be on the terms and conditions we specify from time to time, which may restrict the content that you are permitted to post to such social media outlet. We have the right to cease granting you permission to operate any such social media outlet at any time.

You agree not to register any Internet address name under any Internet domain, class or category that contains the Marks or any abbreviation, acronym or variation of the Marks. We and our affiliates retain the sole right to advertise on the Internet and create a website or websites using any of the Marks or any variation of the Marks. We retain the right to pre-approve your use of linking and framing between your web pages and all other websites. You will, within 5 days after our request, dismantle any frames and links between your web pages and any other websites.

COMPUTER SYSTEM:

You are required to purchase a computer system as we require from time to time ("Computer System"). The Computer System will include, for ordering and production, an iPad with stand, barcode scanner,

cash drawer, desktop computer, and for front office, a laptop, laser printer, iPads for order sorting and 2 barcode scanners for sorting. The Computer System must have high speed internet connectivity. In addition to the hardware, you will need to obtain and use software. We currently require the use of Shopify, Quickbooks and Sling. You will incur monthly costs of maintaining subscriptions to each of around \$500 a month.

We may revise our specifications for the Computer System and software as we deem necessary to meet the needs of the System and there is no contractual limitation on our ability to require the hardware or software to be improved or upgraded. We reserve the right to require different or additional software programs and hardware at any time in the future and you will be responsible for the cost of any new, modified or updated Computer System.

We will have independent access to information and data on your Computer System and software. We have no obligation to upgrade or update any hardware or software. We are not obligated to provide or to assist you in obtaining the above item or services, or to provide any maintenance or support, other than as specified above. You are responsible for purchasing maintenance and upgrades on the Computer System and software.

TRAINING

We will provide our initial training program to you (if you are an individual) or your Principal Owner (if you are an entity) and up to one additional representative. Completion of this training program to our satisfaction is mandatory for you and your designated manager, if any. See Item 15 for more information on when you may be required to have a manager attend training. We may permit additional employees to attend the initial training program for a fee. The initial training program consists of approximately 40 hours of self-study / pre-training, the initial training program, and virtual follow-up in the operation and management of a Simple Business.

You will have to go through some “pre-training” in order to take our initial training program. That pre-training currently consists of: (a) your completion of the “ServSafe Food Handler program”; and (b) your complete familiarity of our current menu items. We will provide assistance in how to achieve both. We may, however, require testing to assure that you have completed, to our satisfaction, all pre-training requirements.

You are not required to send replacement managers to this initial training program so long as you provide each managerial employee with our prescribed training program prior to their assuming management responsibility at the Simple Business. However, we reserve the right to require you or your managers to attend our training program in the event we believe that you, they or your Simple Business are underperforming. You will need to assure that anyone who attends training and anyone who has access to any Confidential Information signs a non-disclosure, non-solicitation and non-compete agreement with you and your Simple Business in a form we may prescribe.

Our initial training program is currently conducted on an as-needed basis and when we designate. You must pay all expenses incurred during training including travel, lodging and meal expenses and your employee's salaries. The initial training program currently consists of the following:

INITIAL TRAINING PROGRAM

SUBJECT (Note 1)	HOURS OF CLASSROOM TRAINING (Note 2)	HOURS OF ON THE JOB TRAINING (Note 2)	LOCATION (Note 3)
Overview of Training Program Equipment list and review Process overview Prep day overview License requirements Overview of website & ordering Staffing / Scheduling HACCP plan forms Employee training	2	2	(Note 3)
Running the weekly workbook Printing online orders Customer meal label program Task delegation Morning team meeting Cooking procedures Recipe procedures Plating procedures Build-a-meal processes	4	4	(Note 3)
Sealing demonstrations How to address shortage/surplus Sorting orders Cleanup process Miscellaneous kitchen topics	4	4	(Note 3)
Debrief from production Marketing Inventory procedures Placing orders with Approved Suppliers Storefront pickup process @ POS “Heads-Up” meeting with operating / designated manager	2	2	(Note 3)
Total	12	12	

Notes:

1. Some subjects may be intermingled and time periods and subject matter may be subject to change.
2. The hours listed for “Classroom Training” and "On the Job Training" may be different for each franchisee depending upon the skill level and other factors. Where a module is (for example) 8 hours, we have split it in half in the table purely for convenience. Your hours may vary. The above are merely estimates. Any training may be conducted on-line in our sole discretion.

3. We will conduct all training in Eau Claire, Wisconsin, at another location we may designate in our sole discretion, or on-line in our sole discretion.

We will also follow up with you, after the initial training, via Zoom or other on-line tools, to answer questions regarding your initial training. We anticipate that the Zoom (or other) follow up will not exceed 2 hours.

The training programs are primarily managed and conducted by Dan Beck who is our CEO.

We periodically may provide and require that previously trained and experienced franchisees and/or managers attend and successfully complete additional training programs to be conducted at our headquarters, at any other location we designate, or online. Attendance at these additional training programs will be mandatory and at your sole expense. We may also charge you an additional training fee for same of \$750 per day for such additional training.

ITEM 12 **TERRITORY**

You are granted the rights to operate your Simple Business at one specific location, which is to be selected by you and consented to by us. We also must consent to any relocation of your Simple Business. Upon determination of the specific location of your Simple Business, you and we will determine a specified limited distance from your location and describe that area in Exhibit I of the Franchise Agreement (the territory within this limited distance being referred to as your "Territory"). The boundaries and size of territories may vary among different franchisees, based on various factors we consider relevant, including, but not limited to demographics, location of other Simple Plan businesses, degree of competition, population, traffic, etc. Generally, the Territory will be the geographic territory containing around 60,000 people. We picked this number of people based upon the population in Eau Claire, Wisconsin, when our affiliate, Midwest, began its successful operations.

You are also permitted to offer to sell and sell products through your website but only to individuals who reside within your Territory. Any requests / order for products from people who reside outside of your Territory must be referred to us and we will determine, in our sole discretion, who / which franchisee or we / shall fulfill the order, if anyone. Other than through the brick and mortar location of your Simple Business and your website, you are prohibited from selling products and services through any other channel of distribution.

Notwithstanding the foregoing, we may, on a case by case basis, permit you to sell Meals from remote coolers (i.e., coolers located outside your brick and mortar location of your Simple Business) depending upon, among other things, our analysis of demographics, location of other Simple Plan businesses, degree of competition, terms under which you will provide and sell those Meals through those remote coolers, etc. In any such case, you and we will sign an amendment to the Franchise Agreement to reflect the specific facts applicable. In any such case, you will owe Royalties and Brand Promotion Fees on Meals sold through remote coolers the same as if you sold those products through your website or at your brick and mortar location of your Simple Business.

So long as the Franchise Agreement is in force and effect and you are not in default, other than as provided herein, we and our affiliates will not locate, operate, or grant a franchise for a Simple Business

within your Territory. Your Territory is not entirely exclusive because we reserve certain rights as explained below.

We and our affiliates retain all rights with respect to Simple Plan businesses, the Marks, the System and the sale of similar or dissimilar products and services and any other activities we deem appropriate whenever and wherever we desire, including (1) the right to open, franchise, operate, and/or manage businesses under different marks or systems within the Territory and outside of the Territory; (2) the right to operate, or license or franchise others to operate businesses under the Marks and System anywhere outside of the Territory; (3) to advertise the System inside and outside of the Territory, including, without limitation, on the Internet (or any other existing or future form of electronic commerce) and to create, operate, maintain and modify, or discontinue the use of a website using the Marks; (4) the right to develop, merchandise, sell and license others to sell products bearing the Marks through other channels of distribution such as in grocery stores, and through the Internet and catalogs within and outside of the Territory and to promote products bearing the Marks at special events, athletic contests, etc., through temporary locations and mobile units inside and outside of the Territory; and (5) the right to enter into any arrangement or agreement with large, multi-state companies (e.g., Sodexo, Compass Group USA, G&K Services, Serco and Aramark) on any terms and for any products and services and under any marks (including the Marks) that we determine in our sole discretion.

We are not required to pay you if we exercise any of the rights specified in this Item 12 inside of your Territory.

You do not receive the right to acquire additional franchises either within or outside your Territory. You must sign a separate Franchise Agreement for each Simple Business we approve you to own.

Although we and our affiliates have the right to do so, neither we nor our affiliates have owned, operated or franchised, and have no plans to own, operate or franchise, other businesses selling similar products or services under trademarks or service marks other than the Marks.

We and our affiliates have the right to purchase, be purchased, merge, acquire, be acquired or affiliate with an existing competitive or non-competitive franchise network, chain or any other business regardless of the location of that chain's or business' facilities, and either we, our affiliates or our successor have the right to operate, franchise or license those businesses and/or facilities as Simple Plan businesses operating under the Marks or any other marks following that purchase, merger, acquisition or affiliation, regardless of the location of these facilities (which you acknowledge may be within your Territory, near your Territory, or near any of your locations).

We and our affiliates may sell ourselves, our assets, our proprietary marks (including the Marks) and/or our system (including the System) to a third party; may go public; may engage in a private placement of some or all of our securities; may merge, acquire other corporations or entities, or be acquired by another corporation or entity; and/or may undertake a refinancing, recapitalization, leveraged buyout or other economic or financial restructuring. With regard to any of the above sales, assignments and dispositions, you will, in the Franchise Agreement, expressly and specifically waive any claims, demands or damages arising from or related to the loss of our name, Marks, other proprietary marks (or any derivation of those marks), the System, other systems and/or the loss of association with or identification as a franchisee under the Franchise Agreement. If we assign our rights in the Franchise Agreement, nothing in this disclosure document or in the Franchise Agreement will be deemed to require us to remain in this business.

The continuation of your Territory is not dependent upon sales quotas, market penetration or opening additional locations. However, your territorial protection is dependent upon your compliance with the Franchise Agreement. Your Territory may not be altered, without approval of you and us.

ITEM 13
TRADEMARKS

You may use certain Marks in operating your Simple Business. The principal Marks are as follows:

MARK	REGISTRATION NUMBER (Serial Number)	REGISTRATION DATE (Filing Date)
SIMPLE PLAN	97504949	July 15, 2022
SIMPLE PLAN FOODS	Common Law Mark	

We own the Marks. There are no agreements which significantly limit our right to use or license the use of the Marks in the United States.

We will grant you a nontransferable, non-sublicensable, non-exclusive license to use the Marks at your Simple Business. You have to follow our rules when you use the Marks. You cannot use a name or the Marks as part of a corporate name or with modifying words, designs or symbols except for those which we license to you. You may not use the Marks in connection with the sale of any unauthorized products or services or in a manner not authorized in writing by us.

There are currently no effective material determinations of the PTO, Trademark Trial and Appeal Board, the trademark administrator of this state or any court; pending infringement, opposition or cancellation proceedings; or pending material litigation involving the Marks. We do not know of any superior prior rights or infringing uses that could materially affect your use of the Marks in any state.

There are no agreements currently in effect which significantly limit our rights to use or license the use of the Marks in any manner material to the franchise.

You must immediately notify us of any apparent infringement of or challenge to your use of any Mark, or claim by any person of any rights in any Marks, and you may not communicate with any person other than us and our counsel regarding any infringements, challenges or claims, unless you are legally required to do so. We may take whatever action we deem appropriate in these situations, and have the right to control exclusively any settlement, litigation or PTO or other proceeding arising out of any alleged infringement, challenge or claim or otherwise concerning any Mark. You must execute any instruments and documents, render assistance, take actions which in the opinion of our counsel, may be necessary or advisable to protect and maintain our interest in any litigation or other proceeding or to otherwise protect and maintain our interests in the Marks. The Franchise Agreement does not require us to participate in your defense and/or indemnify you for expenses or damages if you are a party to an administrative or judicial proceeding involving a Mark or if the proceeding is resolved unfavorably to you.

We can require you to modify or discontinue use of any Mark and/or to use one or more additional or substitute trademarks or service marks. We will not be required to pay for or reimburse you for your expenses to modify or discontinue the use of a Mark or to substitute a trademark or service mark for a discontinued Mark.

ITEM 14

PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

We own no special patents which pertain to the System.

We own certain copyrights in the Simple Documents, marketing materials and other copyrightable items which are part of the System. While we claim copyrights in these and similar items, we have not registered these copyrights with the United States Registrar of Copyrights, but need not do so to protect them. You may use these items only as we specify while operating your Simple Business and must stop using them if we direct you to do so.

There currently are no effective adverse determinations of the PTO, the Copyright Office (Library of Congress) or any court regarding the copyrighted materials. Our right to use or license others to use copyrighted items is not materially limited by any agreement. We do not actually know of any infringing uses of our copyrights that could materially affect your use of the copyrighted materials in any state.

We need not protect or defend copyrights, although we intend to do so if we determine it to be in the best interest of the System.

Although we have not filed an application for a copyright registration for these materials, they have copyright rights and the information is proprietary. Item 11 describes limitations on the use of the Simple Documents by you and your employees. You must also promptly tell us when you learn about unauthorized use of this proprietary information. We are not obligated to take any action but will respond to this information in a manner we think is appropriate.

The Franchise Agreement provides that all ideas, concepts, techniques or materials concerning your Simple Business, whether or not protectable intellectual property and whether created by or for you or your owners or employees, must be promptly disclosed to us and will be deemed our sole and exclusive property, part of the System and works made-for-hire for us. To the extent any item does not qualify as a "work made-for-hire" for us, you will assign ownership of that item, and all related rights to that item, to us and must sign whatever assignment or other documents we request to show ownership or to help us obtain intellectual property rights in the item.

The Franchise Agreement provides that you acknowledge that the System and the methods of operation licensed by us for the operation of your Simple Business, are proprietary, confidential trade secrets of ours, and you agree to maintain the confidentiality of all materials and information lent or otherwise furnished to you by us at all times, including after the termination or expiration of the Franchise Agreement, for any reason.

Further, under the Franchise Agreement, you agree that you shall not, during the term of the Franchise Agreement or after its expiration, transfer or termination, for any reason, communicate or divulge to any others, any information or knowledge concerning the System and any trade secrets except those in the public domain. You also agree to exercise the highest degree of diligence and will make every effort to maintain the absolute confidentiality of all trade secrets and proprietary rights during and after the term of the Franchise Agreement.

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

We believe the Principal Owner's participation in the management of your Simple Business to be important to your success. "Principal Owner" means you if you are sole proprietor, all t shareholders,

partners and members who own 15% or more of you if you are a corporation, a partnership or a limited liability company. Therefore, we require that the Principal Owner use his or her best efforts and be personally responsible for the management of your Simple Business on a day-to-day basis, unless otherwise consented to by us. We, in our sole discretion, however, may allow you to hire a qualified manager to operate the day-to-day affairs of the Simple Business. In such a case, you or the Principal Owner must remain actively involved in the operations and management of your Simple Business. We must consent to any manager you choose, and your initial designated manager must satisfactorily complete the initial training program. Any replacement managers that you hire with our consent are not required to attend this initial training program so long as you provide each managerial employee with our prescribed training program prior to assuming management responsibility. However, we reserve the right to require you or your managers to attend our training program in the event we believe that you, they or your Simple Business are underperforming pursuant to our guidelines prescribed from time to time in writing to you. The Principal Owner is required to carefully monitor and be responsible for the performance of anyone designated to manage the operation of your Simple Business. The designated manager who will operate the Simple Business as well as other supervisory personnel are required to sign a confidentiality and non-competition agreement in a form acceptable to us.

The owner of our affiliate; Midwest (who is also our CEO) spends less than 16 hours a week devoted to tasks that you will be required to perform as a franchisee or as an owner of a Simple Business. This is because he has an operating manager working for Midwest. You may do this too, upon our prior approval as indicated above.

If you are a corporation, limited liability company or partnership, your owners must personally guarantee your obligations under the Franchise Agreement and agree to be bound personally by every contractual provision, whether containing monetary or non-monetary obligations including the covenant not to compete. The Guaranty and Assumption of Liability is included in the Franchise Agreement.

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

You will offer and sell only those products and services that we have pre-approved. You will offer all products and services that we designate as required for all franchisees. You must use the premises only for the operation of your Simple Business; must keep the location of your Simple Business open and in normal operation as specified by us; must refrain from using or permitting the use of the premises for any other purpose or activity at any time without first obtaining our written consent; and must operate the Simple Business in strict conformity with our methods, standards and specifications as we may require otherwise in writing. You must refrain from deviation from our standards and specifications without first obtaining our written consent and you must discontinue selling and offering for sale any products that we may, in our sole discretion, disapprove in writing at any time.

Subject to applicable law, we may set minimum and maximum prices at which you will be required to sell your products and services. We will, however, permit you to set prices above the prices charged by Midwest to cover your Royalty and your Brand Fund Contributions (i.e., an increase of 30 cents per Meal). You will be required to add any equipment and make any alterations, at your expense, as we may deem necessary to equip the Simple Business for sale of the products we may require. You recognize that you may need to make an additional investment to do so.

We may require you, if permitted by applicable law, to participate in various programs and activities with other Simple Plan businesses, including programs in which customers place orders through electronic means, such as the Internet or cellular telephone "text messaging" and any gift card program or loyalty program we or our affiliates may establish from time to time, in accordance with requirements and

specifications disclosed to you. In order to participate, you may be required to purchase additional equipment and pay all applicable fees. If we establish gift card and loyalty programs, we have the right to determine how the amount of the gift cards and loyalty rewards are divided or otherwise accounted for, and we reserve the right to retain the amount of any unredeemed gift cards.

You are not permitted to solicit business through the distribution of individual advertising items, such as coupons and circular advertising outside of your Territory, without our consent. Otherwise, you are not limited to the customers to whom you may sell goods or services.

ITEM 17
RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

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

Provision	Section in Franchise Agreement	Summary
• Term of the franchise	Section V	The initial term is 10 years.
• Renewal or extension of the term	Section V	You may renew for 2 additional terms of 10 years each subject to the requirements for franchisee to renew or extend below.
• Requirements for franchisee to renew or extend	Section V	Give notice, sign new agreement, remodel, re-equip and pay a renewal fee.
• Termination by franchisee	Section XIII of the Franchise Agreement	If you are in compliance and we materially breach the Franchise Agreement and fail to cure or begin to cure within 60 days of receiving your written notice
• Termination by franchisor without cause	Not Applicable	Not Applicable
• Termination by franchisor with cause	Section XVIII	We may terminate the term of the Franchise Agreement and your rights pursuant to the Franchise Agreement only if you default.
• "Cause" defined-defaults which can be cured	Section XVIII	Curable defaults: if you fail to make payments due us; or you fail to comply with mandatory specifications, you generally have 30 days to cure If you breach any provision of the Franchise Agreement and do not cure such breach within the cure period provided for in that Franchise Agreement
• "Cause" defined-defaults which cannot be cured	Section XVIII of the Franchise Agreement	Non-curable defaults include without limitation: conviction or accusation or allegation of a felony, abandonment, giving insufficient funds checks, bankruptcy, fraudulent activity, violation any confidentiality, non-compete, non-solicitation or intellectual property provision.
• Franchisee's obligations on termination/nonrenewal	Section XVIII	Complete de-identification and payment of amounts due, return materials and the Simple Documents, direct transfer of phone and lease if requested

Provision	Section in Franchise Agreement	Summary
Assignment of contract by franchisor	Section XVI	There are no restrictions on our right to assign
"Transfer" by franchisee-definition	Section I	Includes transfer of ownership in franchise, interest in franchisee entity or sale of assets
Franchisor's approval of transfer by franchisee	Section XVI o	Approval required for all transfers
Conditions for franchisor's approval of transfer	Section XVI	Transferee qualifies, transfer fee paid, new franchise agreement signed, training of transferee, release signed
Franchisor's right of first refusal to acquire franchisee's business	Section XVI	We may match an offer for your Simple Business or an ownership interest you propose to sell
Franchisor's option to purchase franchisee's business	Section XIII	We are not obligated to do so, but, if the franchise is terminated or expires, we may purchase the assets of your Simple Business at book value
Death or disability of franchisee	Section XVI	Heir must be approved but no right of first refusal or transfer fee
Non-competition covenants during the term of the franchise	Section XII	No involvement in a Competitive Business except as duly licensed by us
Non-competition covenants after the franchise is terminated or expires	Section XII	No involvement in a Competitive Business except as duly licensed by us for 2 years at the Site of your Simple Business and within a 50-mile radius around any Simple Business
Modification of the agreement	Section XIX	No modification generally but our policies, System and System standards are subject to change Amendments to Franchise Agreement must be in writing and signed by you and us
Integration/merger clause	Section XIX	Only the terms of the Franchise Agreement and other related written agreements are binding (subject to applicable state law). Any representations or promises outside of the disclosure document and the Franchise Agreement may not be enforceable
Dispute resolution, arbitration or mediation	Section XVIII	Subject to state law, except for certain disputes involving the Marks or injunctive relief, all disputes shall be submitted to mediation. Certain types of disputes must be submitted to mediation and then arbitration

Provision	Section in Franchise Agreement	Summary
Choice of forum	Section XVIII	Subject to state law, any litigation must be pursued in federal courts located in Eau Claire county Wisconsin, subject to state law
Choice of law	Section XIX	Subject to state law, Wisconsin law applies

If a state regulator requires us to make additional disclosures related to the information contained in this disclosure document, these additional disclosures are contained in a State Specific Addendum included in this disclosure document Exhibit E.

ITEM 18
PUBLIC FIGURES

We do not presently use any public figure to promote its franchise.

ITEM 19
FINANCIAL PERFORMANCE REPRESENTATION

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.

Our financial performance representation contains the gross sales and number of Meals sold of our affiliate-owned outlet which was in business for the entire 2021 and 2022 calendar years. The gross sales information does not reflect the costs of sales, operating expenses or other costs or expenses that must be deducted from revenue to obtain net income or profits. Our affiliate-owned outlet is not bound by any Territorial restrictions but it operates in a town of approximately 65,000 people.

Gross Sales from Meals Sold In 2021	Number of Meals Sold in 2021
\$653,000	83,000
Gross Sales from Meals Sold In 2022	Number of Meals Sold in 2022
\$655,000	84,000

You should conduct an independent investigation of the costs and expenses you may incur in operating your Simple Business. These results are based on the internally-prepared financial statements of our affiliate and information from our franchisees have not been audited.

Bases and Assumptions

As used in Item 19, "Meals" has the same meaning assigned to it in Item 6 of this disclosure document.

The Gross Sales numbers do not reflect the costs of sales, operating expenses or other costs or expenses that must be deducted from revenue to obtain net income or profit. You should conduct an independent investigation of the costs and expenses you may incur in operating your Simple Business.

Some outlets have earned this amount. Your individual results may differ. There is no assurance that you will earn as much.

The information above is not a forecast, projection or prediction of how your franchise will perform. We encourage you to consult with your own accounting, business and legal advisors to assist you to identify the expenses you likely will incur in connection with your Simple Business. Written substantiation for the financial performance representation will be made available to the prospective franchisee upon reasonable request.

The above information is from our Affiliate’s operation and is not a projection of how you will do as a franchisee of ours. We make no representation or warranty that you will earn any level of income.

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 our management by contacting Dan Beck, 2145 Eastridge Ctr Eau Claire, WI 54701 at 715-415-3787.

ITEM 20
OUTLETS AND FRANCHISEE INFORMATION

Table No. 1
Systemwide Outlet Summary For years 2020 to 2022

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2020	0	0	0
	2021	0	0	0
	2022	0	0	0
Company-Owned*	2020	1	1	0
	2021	1	1	0
	2022	1	1	0
Total Outlets	2020	1	1	0
	2021	1	1	0
	2022	1	1	0

We do not have any company-owned outlets at this time. However, our affiliate owns and operates a business that is substantially similar to a Simple Businesses.

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

State	Year	Number of Transfers
Wisconsin	2020	0
	2021	0
	2022	0
Total	2020	0
	2021	0
	2022	0

Table No. 3
Status of Franchised Outlets
For years 2020 to 2022

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations-Other Reasons	Outlets at End of the Year
Wisconsin	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
Totals	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0

Table No. 4
Status of Company-Owned Outlets*
For years 2020 to 2022

State	Year	Outlets at Start of the Year	Outlets Opened	Outlets Reacquired From Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of the Year
Wisconsin	2020	1	0	0	0	0	1
	2021	1	0	0	0	0	1
	2022	1	0	0	0	0	1
Total	2020	1	0	0	0	0	1
	2021	1	0	0	0	0	1
	2022	1	0	0	0	0	1

*We do not operate a Simple Business, but we have an affiliate that operates a business substantially similar to a Simple Business using the System.

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

State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlet In The Next Fiscal Year	Projected New Company-Owned Outlet In the Next Fiscal Year
MN	0	1	0
SC	0	1	0
Total	0	2	0

See Exhibit C for the name, address, and telephone number of each of our current franchisees. Also, see Exhibit C for a list of names, cities and states, and current business or last known home telephone numbers of every franchisee who, from the previous fiscal year, had a franchise terminated, canceled, transferred, not renewed or who have otherwise voluntarily or involuntarily ceased to do business, or who have not communicated with us within a 10-week period preceding this disclosure document. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

We have not signed any confidentiality clauses during the last 3 fiscal years.

There are no trademark-specific franchise organizations associated with our System.

ITEM 21
FINANCIAL STATEMENTS

We were formed in 2022 and therefore, have no audited financials for 2021. We do have an audited financials for year ending December 31, 2022. Our audited financials for year ending December 31, 2022 and our unaudited beginning balance sheet is attached as Exhibit D. Since we have not been in business for 3 years, we cannot include 3 years of financial statements as required by the rule.

ITEM 22
CONTRACTS

The following agreements are attached to this disclosure document:

Exhibit A - Franchise Agreement

ITEM 23
RECEIPTS

Exhibit F contains 2 detachable receipts acknowledging your receipt of this disclosure document.

EXHIBIT A
FRANCHISE AGREEMENT

**SIMPLE PLAN FRANCHISING, LLC
FRANCHISE AGREEMENT
TABLE OF CONTENTS**

I.	DEFINITIONS.....	1
II.	GRANT OF FRANCHISE.....	2
III.	LOCATION AND LEASE	4
IV.	INITIAL FRANCHISE FEE.....	5
V.	TERM.....	5
VI.	FEES	5
VII.	ADVERTISING.....	8
VIII.	OUR GENERAL DUTIES	8
IX.	YOUR GENERAL DUTIES	11
X.	PROPRIETARY MARKS	15
XI.	CONFIDENTIAL INFORMATION	16
XII.	NON-COMPETITION.....	16
XIII.	DEFAULT AND TERMINATION	17
XIV.	SOURCES OF PRODUCTS.....	21
XV.	CONFIDENTIAL OPERATIONS MANUAL AND CHANGES	22
XVI.	TRANSFERABILITY OF INTEREST	22
XVII.	INDEPENDENT CONTRACTOR/INDEMNIFICATION.....	25
XVIII.	DISPUTE RESOLUTION	25
XIX.	MISCELLANEOUS PROVISIONS.....	27
XX.	YOUR WARRANTIES AND REPRESENTATIONS	30
XXI.	CAVEAT	30
XXII.	NON-LIABILITY OF OUR AFFILIATES	31
XXIII.	LIMITATION OF LEGAL ACTIONS.....	31
GUARANTY AND ASSUMPTION OF OBLIGATIONS		
EXHIBIT I	ASSIGNED TERRITORY	
EXHIBIT II	LEASE PROVISIONS	
EXHIBIT III	COLLATERAL ASSIGNMENT OF LEASE	
EXHIBIT IV	IRREVOCABLE POWER OF ATTORNEY	
EXHIBIT V	FRANCHISEE QUESTIONNAIRE	
EXHIBIT VI	STATE SPECIFIC ADDENDUM	
EXHIBIT VII	SBA ADDENDUM	

**SIMPLE PLAN FRANCHISING, LLC
FRANCHISE AGREEMENT**

This Franchise Agreement (“Agreement”) is entered into this _____ day of _____, 20____, by and between SIMPLE PLAN FRANCHISING, LLC ("us," "our," or "we"), and _____ ("you" or "your").

RECITALS

A. We and our Affiliates (as defined below) have the rights to and have developed and refined the System (as defined below) using the Marks (as defined below) for the operation of a Simple Business (as defined below);

B. You recognize the benefits from being identified with and licensed by us, you desire to establish and operate a franchised Simple Business using the Marks and System, and we are willing to grant such a franchise to you on the terms and conditions in this Agreement.

NOW, the parties agree as follows:

I. DEFINITIONS

For purposes of this Agreement, the following terms will have the meaning as defined below:

A. "Affiliates" means individually or collectively, any and all entities controlling, controlled by, or under common ownership with us including, without limitation, Midwest Meals, LLC. We may create more “Affiliates” in the future. In this definition, “control” and similar terms means owning more than 50% of the voting interest in an entity.

B. "Competitive Business" means any business or commercial enterprise that, on a wholesale or a retail basis, derives more than 25% of its gross revenue from either (a) the sale of pre-made ready to eat food products; or (b) any other products similar to the Simple Plan Products.

C. “Meal” is anything you sell in a single tray including complete meals, bulk ingredients (e.g., veggies, protein) and other food items (e.g., protein balls) in connection with your Simple Business.

D. "Marks" means such service marks, trademarks, trade dress, trade names, logos and commercial symbols, and all configurations and derivations thereof, as may presently exist, or which may be designated, modified, changed, or acquired by us or our Affiliates, in connection with the operation of the business contemplated by this Agreement. Currently the Marks include “Simple Plan” and “Simple Plan Foods”.

E. "Principal Owner" means you if you are sole proprietor, all shareholders, partners and members who own 15% or more of you if you are a corporation, a partnership or a limited liability company. In the event there are multiple Principal Owners, you will designate one who speaks on behalf of you and can bind you to all matters and things related to this Agreement and your Simple Business.

F. “Simple Business” and “Simple Plan Business” means any business means any business including the brick and mortar store and online which is operated under the System and Marks, whether owned by us, an affiliate of ours, or a licensee or franchisee of ours or an affiliate of ours.

G. "Simple Plan Products" means Meals, food products, drink products, and other food, supplement and non-food products pre-approved by us for sale in connection with your Simple Business which may change from time to time.

H. "System" means a specially developed method of operating and selling prepared, healthy meals and related products through a brick and mortar retail location and online through a dedicated e-commerce website under the Marks and using certain procedures and methods, site evaluation criteria, layouts, methods, advertising, sales and promotional techniques, trade secrets and any other matters relating to the operation and promotion of Simple Business as each of the foregoing may be changed, improved, modified and further developed by us or our Affiliates from time to time.

I. "Term" means, individually or collectively the Initial Term, any Continuation Term and any Renewal Term of this Agreement.

J. "Transfer" means and includes any voluntary or involuntary, direct or indirect, assignment, sale, gift, conveyance, lease or other disposition of an interest in this Agreement, you or your Simple Business, including: (a) transfer of any capital stock, partnership interest, limited liability company interest or other ownership interest; (b) merger, consolidation, reorganization, business combination or other issuance of additional stock or ownership interests; (c) transfer in bankruptcy or dissolution of marriage or otherwise by operation of law or by order of court; (d) transfer to a personal representative upon disability or transfer upon the death of you or a Principal Owner; (e) the grant or creation of any lien or encumbrance on any ownership interest or asset; (f) the grant of any option, call, warrant, conversion rights, or rights to acquire any equity or voting interest; (g) assignment of contract rights; or (h) sale of assets (including the inventory, furniture, fixtures, equipment and other operating assets of your Simple Business, other than in the ordinary course of business).

K. "You" or "Your", whether or not capitalized, also includes: (a) those persons and their spouses owning any interest in you if you are a corporation or a limited liability company; (b) all partners and their spouses owning any partnership interest in you if you are a partnership; (c) the individual and his or her spouse who owns you if you are a sole proprietorship; (d) the guarantors of this Agreement; and (e) the Principal Owner(s). For purposes of determining ownership in you, the interests owned by a husband and wife will be considered one interest, and both husband and wife will be obligated hereunder, regardless of whether the interest is owned by just one spouse or both spouses.

L. "Your Simple Business", "your Simple Business" and "the Simple Business" means the Simple Plan Business you will operate pursuant to this Agreement.

M. "Your Website" and "your Website" means the dedicated e-commerce webpage under the Marks which will be specific to your Simple Business but linked to our website.

II. GRANT OF FRANCHISE

A. **Grant of License.** We grant to you and you accept from us, a non-exclusive right to use the System and Marks to open and operate one Simple Plan Business / your Simple Business through a brick and mortar retail store during the Term of this Agreement. The location of the brick and mortar store is listed in Exhibit I, attached to this Agreement (the "Site"). If no Site is not specified at the time you and we sign this Agreement, an appropriate location will be specified when it is determined and you and we agree to initial a completed Exhibit I describing that location. In order for you to operate your Simple Business at an additional location, you and we must execute a separate Franchise Agreement (which at our option may be our then-current form of Franchise Agreement) and you will be required to pay us an additional initial franchise fee. If we permit you to sell Meals through coolers that are not

located at your Site, you and we will sign an amendment to this Agreement reflecting the specific facts of the matter. You are permitted to offer to sell and sell approved Simple Plan Products at your brick and mortar location and through your Website to customers within your Territory pursuant to our rules and guidelines we establish from time to time. Other than as expressly described immediately above, you are prohibited from selling products and services, including Simple Plan Products, through any other channel of distribution. For any delivery services (if we permit delivery services), you may be required to use third-party delivery services we designate from time to time.

B. **Territory.** You are granted a Territory, which is described on Exhibit I attached to this Agreement (“Territory”). The Territory will be determined at the time the Site is agreed to by both parties, and will be specified in Exhibit I, which you and we will initial. During the Term of this Agreement so long as you are not in default, we and our Affiliates will not locate, operate, or grant a franchise for another brick and mortar Simple Plan Business within your Territory.

C. **Retention of Rights.** We, on behalf of ourselves and our Affiliates, reserve all rights not specifically granted to you pursuant to this Agreement, all without compensation to you, including but not limited to the following: (1) we and our Affiliates may own or operate, or license or franchise others to own or operate Simple Plan Businesses or other businesses anywhere outside of the Territory; (2) we and our Affiliates are allowed to own, open, franchise, operate, and/or manage any businesses within the Territory or outside of the Territory under trademarks or service marks different than the Marks; (3) we and our Affiliates are allowed to own, open, franchise, operate, and/or manage any business within the Territory or outside of the Territory under systems that are different than the System; (4) we and our Affiliates are allowed to advertise the System inside and outside of the Territory, including, without limitation, on the Internet (or any other existing or future form of electronic commerce) and to create, operate, maintain and modify, or discontinue the use of a website using the Marks; (5) we and our Affiliates may develop, merchandise, sell and license others to sell products bearing the Marks, including Simple Plan Products, through other channels of distribution such as grocery stores, both within the Territory and outside of the Territory, and we may promote products bearing the Marks and Simple Plan Products at special events, athletic contests, etc., through temporary locations and any mobile units within and outside of the Territory; (6) we and our Affiliates may enter into any arrangement or agreement with large, multi-state companies (e.g., Sodexo, Compass Group USA, G&K Services, Serco and Aramark) on any terms and for any products and services and under any marks (including the Marks) that we determine in our sole discretion; (7) we and our Affiliates may develop, merchandise, sell and license others to sell products bearing the Marks, including Simple Plan Products, via wholesale, within and outside the Territory; (8) we and our Affiliates have the right, now or in the future, to purchase, be purchased, merge, acquire, be acquired or affiliate with an existing competitive or non-competitive franchise network, chain or any other business, and we, our Affiliates or the successor has the right to operate, franchise or license those businesses and/or facilities under the proprietary marks or any other Marks following such purchase, merger, acquisition or affiliation; and (9) we and our Affiliates may sell ourselves, our assets, our proprietary marks, the Marks, their systems and/or the System to a third party; may go public; may engage in a private placement of some or all of our securities; may merge, acquire other corporations or entities, or be acquired by another corporation or entity; and/or may undertake a refinancing, recapitalization, leveraged buyout or other economic or financial restructuring. With regard to any of the above transfers, you expressly and specifically waive any claims, demands or damages arising from or related to the loss of our name, the Marks (or any variation thereof), the System and/or the loss of association with or identification of "Simple Plan" as a franchisee under this Agreement. If we assign our rights in this Agreement, nothing will be deemed to require us to remain in the business or to offer or sell any products or services to you.

III. LOCATION AND LEASE

A. **Site Selection.** You will select the proposed Site for the location of your Simple Business and submit a completed site analysis package, including demographics and other material requested by us containing all information reasonably required by us to assess a proposed Site. Within 30 days after receipt, we will advise you whether the proposed Site is acceptable. We are not responsible for and do not make any warranty regarding the suitability of the Site. Our consent to a Site means only that the Site meets our then-current minimum standards for an acceptable location of a Simple Plan Business. You are responsible for investigating the Site and having any leases or sale contract for the Site reviewed and approved by your attorney.

B. **Site Acquisition and Opening of your Simple Business.** You need to use your best efforts to identify a proposed Site within 90 days of signing this Agreement. You will also need to identify a shared commercial kitchen from which you can produce your meals within this time period. You must obtain our approval of any shared commercial kitchen space that you intend to use so we can be assured that you will be able to make your meals using that shared commercial kitchen. You may not enter into any arrangement with any shared commercial kitchen space unless we have granted our prior written approval of both the arrangement and the shared commercial kitchen. If you do not begin operating your Simple Business within 1 year after you sign the Franchise Agreement, we can terminate the term of the Franchise Agreement without refund of any amounts you've paid us. You will need to have entered into both your lease of a shared commercial space and have your retail space fully developed and operational in order to operate your Simple Business.

C. **Our Consent to Lease.** If you intend to lease the Site, within 30 days of us consenting to the Site, you must submit a copy of the proposed lease to us for our consent. Within 10 days of signing the lease, you must provide us with a copy of the executed lease. The term of the lease plus all renewal option period together must equal or exceed the Initial Term of this Agreement. Our consent to the lease means only that the lease meets our minimum standards and is not a warranty as to the appropriateness of the lease or any of its terms. Your lease for the Site must contain substantially the same terms as found on Exhibit II attached to this Agreement. In addition, you must execute a Collateral Assignment of Lease in the form found in Exhibit III, attached to this Agreement, whereby you agree to assign your rights in the lease to us in the event of a termination or expiration of the Term of this Agreement or a default or termination under the lease. We strongly recommend that you hire a professional leasing agent to assist you in site location and lease negotiations. We may recommend or approve leasing agents; however, we are not liable for any acts or omissions of these agents, and any agent will be an independent contractor.

D. **Proof of Ownership.** If you intend to own the Site, within 60 days of us consenting to the Site, you must furnish to us proof of ownership or an executed sale contract for the Site. Your submission of proof of ownership or an executed sale contract will be deemed a warranty by you that the Site can be used for the appropriate purposes according to the terms of this Agreement. You must create a separate entity to own the Site and then lease the Site to you at its full rental value and on commercially reasonable terms. Your lease for the Site must contain substantially the same terms as found on Exhibit II attached to this Agreement. In addition, you must execute a Collateral Assignment of Lease in the form found in Exhibit III, attached to this Agreement.

E. **Relocation.** So long as you are not in default under the Franchise Agreement, you may relocate your Simple Business within the Territory with our prior written consent. However, the Territory for the relocated Site will be subject to renegotiation and subject to our then-current minimum standards and specifications for new Simple Plan Businesses. Regardless of the reason for relocating, you agree to pay all costs and expenses of relocating your Simple Business including the cost of a demographic study and our cost and expenses in reviewing the proposed site. If you lose possession of your original Simple

Business premises because the lease expired by its terms, or on account of condemnation or eminent domain proceedings, or as the result of early termination under this Agreement, you must initiate the relocation procedure in time to lease, build-out and open the new location for your Simple Business within 90 days after the original location closes. If your lease is terminated on account of a fire or other casualty, you must promptly initiate the relocation procedure to obtain approval for a new site for your Simple Business within 120 days after the lease for the original location terminates and build-out and open the new location of your Simple Business for business within one year of the fire or other casualty.

IV. INITIAL FRANCHISE FEE

You must pay us an initial franchise fee ("Initial Franchise Fee") when you sign this Agreement. The amount of the Initial Franchise Fee is \$35,000. The Initial Franchise Fee is due at the time you sign this Agreement and is payable in one lump sum. The Initial Franchise Fee is not refundable, in whole or in part under any circumstances and is fully earned by us upon payment.

V. TERM

A. **Term.** The initial term of this Agreement will begin on the date of this Agreement, and, unless it is terminated earlier according to the terms of this Agreement, will expire 10 years later ("Initial Term").

B. **Continuation.** If you continue to operate your Simple Business with our express or implied consent following the expiration of the Term of this Agreement, the continuation ("Continuation Term") will be a month-to-month extension of this Agreement, unless otherwise set forth in writing. All provisions of this Agreement will apply while you continue to operate your Simple Business. This Agreement will then be terminable by either party on 30 days written notice to the other party.

C. **Renewal.** If you are in full compliance with the terms of this Agreement, you will have the right to renew for additional terms of 10 years each (each a "Renewal Term"), provided you agree to execute the most current form of the franchise agreement being used by us at the time you renew. The most current form of the franchise agreement may contain significantly different terms than this Agreement. In any event, we may in our discretion, refuse to renew this Agreement if you have been notified of defaults (even if subsequently cured) under this Agreement more than 3 times during the Initial Term or more than 3 times during any Renewal Term, even if you are not in default at the time of the renewal. You agree to give us not less than 180 days nor more than 365 days written notice of an election to renew this Agreement, prior to the end of the Initial Term. Your failure to give us this notice will be deemed an election not to renew this Agreement. You will also be required to pay us a renewal fee of \$2,500 for each Renewal Term. Additionally, you must remodel and update your Simple Business to meet our then current standards of decor and equipment and you must execute a general release, to the extent permitted by applicable law, of any and all claims against us and our Affiliates, and our and our Affiliates' respective owners, officers, directors, employees, agents, successors and assigns arising under or from this Agreement and/or any related agreements between you and us or our Affiliates, or under any applicable law, rule or regulation.

VI. FEES

A. **Royalty Fee.** You are required to pay us a weekly royalty fee every Wednesday equal to the greater of (1) 25 cents per Meal that you sell / have sold over the prior week; and (2) the Minimum Royalty ("Royalty Fee"). We are able to track Meals through the software you and we will use. For purposes of this Agreement, a "Meal" is anything you sell in a single tray including complete meals, bulk ingredients (e.g., veggies, protein) and other food items (e.g., protein balls).

You are also required, on a weekly basis, to report to us all Meals you’ve sold in the prior week. If you fail to timely report to us the number of Meals you’ve sold in accordance with our then current procedures, in addition to any applicable late charge, we have the right, but not the obligation, to debit from your account an estimated amount of any fees based on our estimation of Meals you sold in connection with your Simple Business.

The Minimum Royalty is as follows:

Full Weeks of Operation of your Simple Business	The Minimum Royalty Fee
26 weeks through 52 weeks	\$125 weekly
53 weeks through 80 weeks	\$156 weekly
81 weeks through 108 weeks	\$195 weekly
109 weeks through 135 weeks	\$240 weekly
136 weeks through 190 weeks	\$300 weekly
191 weeks and thereafter	\$375 weekly

B. **Brand Promotion Fee.** You will pay us a weekly brand promotion fee every Wednesday equal to the greater of (1) 5 cents per Meal that you sell / have sold over the prior week; and (2) the Minimum Brand Promotion Fee (“Brand Promotion Fee”).

The Minimum Brand Promotion Fee is:

Weeks of Operation of your Simple Business	The Minimum Brand Promotion Fee
26 weeks through 52 weeks	\$25 weekly
53 weeks through 80 weeks	\$31 weekly
81 weeks through 108 weeks	\$39 weekly
109 weeks through 135 weeks	\$48 weekly
136 weeks through 190 weeks	\$60 weekly
191 weeks and thereafter	\$75 weekly

C. **Technology Fee.** You will pay us a weekly technology fee (the “Technology Fee”) every Wednesday of the greater of (1) \$20; and (2) our then current Technology Fee. You will not begin paying this until you open your Simple Business. We may determine to increase the Technology Fee which you are required to pay upon written notice to you.

D. **Initial Training Fee for Additional Attendees.** This fee is \$1,500. Initial training is provided to your Manager and Principal Owners at no additional charge. You may be required to pay us this fee if you have a Manager who is retaking Initial Training or if you are replacing a trained Manager. You must pay the costs of travel, lodging and meals for all your attendees of initial training regardless, as well as their compensation, benefits, employment taxes, etc.

E. **Additional Training Fee.** The current fee is \$750 a day for each attendee. After your Simple Business opens, and upon reasonable notice, we may require your Manager, Principal Owners and other designated personnel to attend staff training courses, seminars, conferences or other programs at locations we select, and we may charge you a separate fee of \$750 per day for each of your

attendees at required training. We may also provide optional training or programs, and we may charge you a separate fee of \$750 per day for each of your attendees at optional training. And you will be responsible for the travel, lodging, meal and all other expenses of or relating to your attendees at these programs.

F. **Manner of Payments.** All fees and payments together with the other amounts due to us or our Affiliates will be made via electronic funds transfer ("EFT") or such other manner which we may designate from time to time. None of these fees are refundable. Any payment or report not received by us on or before the date they are due will be deemed overdue. You will comply with the procedures communicated by us for such EFT program and will perform the acts and sign the documents, including authorization forms that we, our bank, and your bank may require to accomplish payment by EFT, including authorizations for us to initiate debit entries and/or credit correction entries to a designated checking or savings account. In addition, you will pay all costs associated with utilizing an EFT payment program. If you fail to timely report to us, in addition to any applicable late charges, we have the right, but not the obligation, to debit from such account an estimated amount based on our reasonable estimation of your Meals sold. If any amount is due pursuant to this Agreement but there is no set date for it pursuant to this Agreement, it will be due to us upon our request.

G. **Interest on Late Payments.** If Royalty Fees, Brand Promotion Fees, Technology Fees or any other amounts due to us or our Affiliates are overdue, we have the right to charge interest on these overdue amounts equal to the lesser of 1 ½% per month or the maximum legal rate in the jurisdiction where your Simple Business is located. Our right to interest is in addition to any other remedies that we may have.

H. **No Right of Offset.** You agree to make prompt payment, without deduction or set-off, of all charges which are properly due, including the Royalty Fees, Advertising Fees and Technology Fees. You cannot withhold any payment to us or our Affiliates on the grounds of non-performance by us of any of our obligations hereunder.

J. **Under-Reporting.** If it is found that you under-reported Meals to us by more than 2% and/or you fail to provide us reports, supporting records or other information we require, you agree to reimburse us for all costs of such investigation or audit, including salaries, professional fees, travel, meals and lodging.

K. **Late Fee.** If you fail to pay us or our Affiliate any amount when due, we can charge you, to the extent permitted by applicable law, a late fee of \$100 per week for each week or partial week (if applicable) that the amount is paid late.

L. **Taxes.** You agree to indemnify and/or reimburse us and our Affiliates for all capital, gross receipts, sales, and other taxes and assessments imposed by any applicable state or local governmental authority as a result of the conduct of your Simple Business or the license of any of our or our Affiliates' intangible property to you (whether required to be paid by us or our Affiliates, withheld by you or otherwise). Your obligation to indemnify or reimburse us or our Affiliates for these taxes does not extend to income-type taxes which a state or local government imposes on us or our Affiliates' income.

M. **Cost of Collection.** You will pay us our costs to collect any amounts described in this Agreement, including without limitation, attorneys fees and other costs related to collection.

N. **Liquidated Damages.** If you sell any products or services in connection with your Simple Business which are not authorized by us, you will pay us, on demand, \$200 per day any such

unauthorized product or service is offered for sale, whether or not actually sold. We may authorize and end our authorization of products and services from time to time in our discretion.

O. **Other Fees.** The fees described in this Section are in addition to the fees, amounts, charges and costs described elsewhere in this Agreement.

VII. ADVERTISING

A. **Brand Promotion Fees.** We have a Brand Promotion Fund into which we put the Brand Promotion Fees paid to us. The Brand Promotion Fund is a separate bank account of ours. Brand Promotion Fees are not income to us. We use the Brand Promotion Fund and Brand Promotion Fees for things that we deem benefit the System, generally. We use Brand Promotion Fees for things like advertising copy, improvements and changes to the website, general advertising and marketing projects, any activity which we believe, in our sole discretion, promotes the Marks and the System, generally, and any costs of ours or our affiliates which we allocate to those activities including, without limitation, cost of personnel, third party vendors and general overhead which we allocate to those activities. We do not owe you a fiduciary duty with respect to the Brand Promotion Fund. It is not audited. Every year, we will prepare a report of the Brand Promotion Fund and distribute it to our franchisees. If we don't spend all Brand Promotion Fees collected in any year, those fees can roll over to be used in subsequent years. If we or our affiliates incur costs that we determine, in our sole discretion, should be and should have been paid for by the Brand Promotion Fund but that there are insufficient funds in the Brand Promotion Fund to cover, we can use future Brand Promotion Fees to pay us or our affiliates back for those costs incurred. We will not use the Brand Promotion Fund to solicit any particular franchisee but we can use the Brand Promotion Fund to solicit franchisees, generally. There is not guaranty that any portion of the Brand Promotion Fund will be used to benefit a particular set of franchisees or any particular geographic territory.

B. **Your Own Advertising.** In addition to Brand Promotion Fees and grand opening advertising, we strongly suggest that you spend at least 4% of your monthly gross sales of Meals on advertising and promotion in the Territory ("Local Advertising"). We may provide guidelines for conducting this advertising. Within 90 days following the end of each fiscal year, you shall furnish to us an accurate accounting of your advertising expenditures from the preceding year.

Regardless of how much advertising you do, you must submit to us for our prior consent all promotional materials and advertising you wish to use. If we do not consent to or reject your proposed promotional materials and advertising within 20 days from the date we receive the material, we shall be deemed to have consented to your use of these materials. You will not advertise or use in advertising or other form of promotion, the Marks without the appropriate copyright, trademark or service mark symbols ("©", "®", "TM" or "SM") as we direct. If we later determine that your once-approved advertising materials do not satisfy our then-current advertising and promotional standards, you must immediately cease using such materials upon written notice from us.

You are not permitted to solicit business through the distribution of individual advertising items, such as coupons and circular advertising outside of your Territory, without our consent.

C. **Grand Opening Advertising.** In addition to all other advertising requirements and the Brand Promotion Fee, within the first 60 days after you open your Simple Business, you must spend in your Territory at least \$3,000 on the grand opening advertising and promotion of your Simple Business, using a grand opening promotional program that we approve.

VIII. **OUR GENERAL DUTIES**

A. **Initial Training.** We will provide an initial training program (“Initial Training” or “Initial Training Program”) for the operation of your Simple Business using the System and Marks at times, in a manner and at a place or places we designate, any part of which may be virtual.

We will provide our initial training program to you (if you are an individual) or your Principal Owner (if you are an entity) and up to 1 additional representative (usually, your manager). Completion of this training program to our satisfaction is mandatory for you and your designated manager, if any. We may permit additional employees to attend the initial training program for a fee.

You will have to go through some “pre-training” to take our initial training program. That pre-training currently consists of: (a) your completion of the “ServSafe Food Handler program”; and (b) your complete familiarity of our current menu items. We will provide assistance in how to achieve both. We may, however, require testing to assure that you have completed, to our satisfaction, all pre-training requirements.

You are not required to send replacement Managers to this initial training program so long as you provide each managerial employee with our prescribed training program prior to their assuming management responsibility at the Simple Business. However, we reserve the right to require you or your managers to attend our training program in the event we believe that you, they, or your Simple Business are underperforming. You will need to assure that anyone who attends training and anyone who has access to any Confidential Information signs a non-disclosure, non-solicitation and non-compete agreement with you and your Simple Business in a form we may prescribe.

Our initial training program is conducted on an as-needed basis and when we designate. You must pay all expenses incurred during training including travel, lodging and meal expenses and your employee's salaries.

Your initial Manager (if applicable) and at least one Principal Owner are required to attend initial training and must complete it to our satisfaction before you can open your Simple Business. Any additional training we provide beyond the initial training described herein is subject to the fees and costs described elsewhere in this Agreement.

B. **Subsequent Training.** Notwithstanding anything to the contrary contained herein, we reserve the right to require your Principal Owners and your Manager to re-attend any or all of training programs in the event we believe that you, they or your Simple Business are underperforming. We may also provide refresher programs to experienced employees or Managers. We are permitted to charge a fee for any subsequent training we may offer or require. We reserve the right to designate certain training programs or meetings as mandatory and to treat your failure to have a representative attend as a breach of this Agreement. You must pay the compensation of the trainees as well as such trainees' travel, lodging and personal expenses during any subsequent training. We will conduct both oral and practical evaluations and issue a Certificate of Completion upon successful completion at the conclusion of the Initial Training.

C. **Selection of Site.** We may but are not obligated to assist you in selecting a site for your Simple Business. You need to get our final consent to your location / site before your Simple Business can be placed there.

D. **Continuing Advisory Assistance.** We will make available continuing advisory assistance in the operation of your Simple Business, rendered in such manner and available from time to time, as we may deem appropriate. If we send our representatives to your Simple Business to provide assistance, we reserve the right to charge a reasonable fee for this type of assistance. We will be reasonably available by phone and e-mail for guidance in the operation and management of your Simple Business and your compliance with our guidelines and procedures.

E. **Hiring, Firing, Supervision.** We do not provide you with assistance in hiring, supervising or discharging employees, nor do we provide any advice on employment law or regulations, except to strongly recommend you engage the services of an attorney competent to advise you on employment law matters in your state.

F. **Layout and Design.** We will provide you with suggestions for the layout, furnishing and equipping of a Simple Plan Business. These suggestions will not include the requirements of any federal, state, or local law, code, or regulation, including those concerning the Americans with Disabilities Act or similar rules governing public accommodations for persons with disabilities, nor will such suggestions include the requirements of, or be used for, construction drawings or other documentation necessary to obtain permits or authorization to build a specific Simple Plan Business. You acknowledge and agree that it is your sole responsibility to ensure that you are complying with all applicable federal, state, and local laws, codes, and regulations that concern your Simple Business.

G. **Menus and Simple Plan Products.** We will provide you with a required menu board and written schedule of all products that must be sold at your Simple Business (the “Simple Plan Products”), and a list of approved and designated suppliers. Products, food items, beverages and suppliers may be changed from time to time by us in our discretion and you are required to abide by all changes. We or our Affiliates may be suppliers of Simple Plan Products. In that case, we will set the prices and terms of sale of Simple Plan Products that you will buy to resell at your Simple Business.

H. **Simple Documents.** Loan you a copy of various documents which, notwithstanding anything to the contrary contained in this Agreement, will be considered part of our Confidential Information (“Simple Documents”). We may provide the Simple Documents electronically.

I. **Website.** We will provide you with access to and integrate information about your Simple Business in our website.

J. **Visits and Additional Assistance.** We have a right to and may, in our discretion, visit you periodically at no cost to you to provide additional sales and administrative review and assistance, including assistance with establishing and using administrative, bookkeeping, accounting and inventory control procedures. Notwithstanding the foregoing, if you request this assistance and we agree to provide it, you must reimburse us for the cost of our representative’s transportation and lodging. We may also, at our discretion, charge an additional training fee of \$750 per day for our training courses, seminars, conferences or other programs that we require you or your representatives to attend. The nature, frequency and duration of this assistance by our representatives will be in our sole discretion.

K. **Inspections.** We have a right to and may, in our discretion, perform inspections of your Simple Business in connection with your ongoing obligation to maintain your Simple Business in accordance with our standards. We will notify you if the general state of repair, appearance or

cleanliness of your Business or its fixtures, equipment or signs do not meet our standards, and specify the action you must take to correct the deficiency which you will do at your cost.

L. **System Wide Meetings and Convention.** We may conduct a System-wide mandatory meeting (or annual convention) not more than once a year in any location within the United States that we designate. Attendance of at least one Principal Owner at these meetings and the manager (if applicable) will be mandatory. You must pay the cost of travel, lodging and meal expenses and all other costs for your attendees at these mandatory meetings. You must also pay a conference fee of \$1,000 if and when we announce such a conference to help defray the cost of same. We will announce all conferences at least 90 days in advance of same. We will not have more than one System-wide conference in any 12-month period.

M. **Pricing.** We may recommend retail prices for Simple Plan Products you sell at your Simple Business, and other products and services we authorize for sale at your Simple Business (to enhance uniformity in the delivery of goods and services to retail customers by our franchises and the strength of our Marks in inter-brand competition), and if we do so, you may not advertise or promote (whether by telephone, printed materials or any other media, including, without limitation, social media) retail prices that are inconsistent with these recommended prices. We will permit you to sell Meals at a price higher than our Affiliate, Midwest Meals, LLC sells similar products to cover your Royalty Fees and Brand Promotion Fees related to same (i.e., 30 cents higher or more, in our sole discretion).

IX. YOUR GENERAL DUTIES

In addition to all other duties of yours provided elsewhere in this Agreement:

A. **Outlet Opening and Construction.** You agree to begin operation of your Simple Business within the deadlines established by this Agreement. Prior to opening, you must purchase certain Simple Plan Products, materials, equipment, supplies, inventory, furniture and other items from us or our Affiliates or approved suppliers. You will construct and equip your Simple Business according to the specifications prepared by you and subject to our right to consent. You must pay for the cost of construction drawings and other documentation necessary to build, obtain permits or receive other necessary authorizations for constructing your Simple Business. You must submit these plans and other documents, along with any revisions of them made during the construction process, to us for our consent prior to your use of them. Our review will be limited to reviewing these plans and documents to assess compliance with our design specifications and standards for Simple Plan Businesses, including items such as trade dress, presentation of trademarks, and the provision to the potential customer of certain products and services that are central to the functioning of your Simple Business under the System. Our review is not designed to assess, nor does it assess, compliance with federal, state or local laws and regulations, including the Americans with Disabilities Act, as compliance with such laws is the sole responsibility of you. The deadline to open your Simple Business may be delayed only if the delay is caused by contingencies not within your control, like acts of God, governmental restrictions, strikes or labor disputes, the occurrence of which we are given notice within a reasonable period time. You will use your best efforts to cure any delay. Any permitted delay in completion will only be for a period of days equal to the number of days during which such event actually prevents completion.

B. **Use of Name and System.** You agree that during the Term, you will operate, advertise and promote your Simple Business under the name "Simple Plan" without prefix or suffix and to adopt and use the Marks and System licensed hereunder solely in the manner prescribed by us. You agree to identify your Business with an external sign in compliance with applicable local ordinances and approved by us. Notwithstanding the foregoing, we can change the Marks from time to time and you will need to

comply with those changes at your cost. This means, among other things, changing your fictitious or assumed name and your signage at your cost.

C. **Compliance with Laws.** You will operate your Simple Business in compliance with applicable laws and governmental regulations and in accordance with the operational standards we may establish from time to time. At all times you will comply with all federal, state, municipal and local laws, rules, regulations, ordinances and codes applicable and related to this Agreement, your Simple Business, and all aspects of the conduct of your Simple Business. You must obtain all licenses and permits required by any applicable federal, state, municipal, and local law, rule, regulation, ordinance, and code to operate your Simple Business as required by this Agreement or as otherwise required by us. You must make timely filings of all tax returns and pay when due all taxes levied or assessed on, and related to this Agreement and your Simple Business. At no time are we required to inform you of any federal, state, municipal, or local law, rule, regulation, ordinance, code, or tax. You represent to us that your signature on and performance of this Agreement does not violate or constitute a breach of the terms of any other agreement or commitment to which you are a party.

D. **Standards of Operation.** Your Simple Business must conform with the mandatory standards relating to signage, color schemes, appearance, hours of operation, cleanliness, sanitation, size, type of equipment, fixtures, computer system, and décor, all as designated and as may be modified by us from time to time. Unless we give you our prior written consent, you must offer all products and services required by us in any written instruction we give to you. You will not conduct any business or sell any products or provide any other services than those approved by us. Uniformity of products and services offered by all Simple Plan Businesses is of utmost importance to us and the entire System. If you offer to sell or do sell products or services which are not authorized, you agree that we will be damaged. These damages will be calculated at the rate of \$200 per day for each day you offer or sell unauthorized products or services and will be in addition to any other rights and remedies we may have against you. We have the right to collect these amounts in addition to exercising any and all other rights we may have for non-compliance under this Agreement. You agree that a precise calculation of the full extent of the damages that we will incur from the offer or sale of unauthorized products and services are difficult to determine and all parties desire certainty in this matter and agree that the damages provided here are reasonable and constitute liquidated damages and not a penalty.

You will not sell any product which is adulterated, contaminated, spoiled, unsafe, or otherwise unfit for human consumption. You must keep the premises clean and provide prompt and courteous service to all customers. However, we may, to the extent permitted by applicable law, set minimum and/or maximum prices for the products or services you offer at your Simple Business. You agree to, and will take all steps as are necessary to, ensure that all of your employees treat each customer fairly and provide services in an honest, ethical, and non-discriminatory manner. You must not advertise in a deceptive, misleading, or unethical manner and agrees to meet such minimum standards as we may establish from time to time in the Manual.

We require you, if permitted by applicable law, to participate in various programs and activities with other Simple Plan Businesses, including any gift card or loyalty program we or our Affiliates may establish from time to time. In order to participate in these programs and activities, you may be required to purchase additional equipment and pay applicable fees associated with the purchase, installation and training for this equipment. If we establish a gift card program, we have the right to determine how fees will be divided or otherwise accounted for, and we reserve the right to retain the amount of any unredeemed gift cards.

E. **Staffing.** You will maintain a competent, conscientious, and trained staff. You will be solely responsible for all employment decisions and functions of your Simple Business including those

related to hiring, firing, training, wage and hour requirements, record-keeping, supervision, and discipline of employees.

F. **Security and Safety Procedures.** You are solely responsible for taking necessary or appropriate security and safety measures to protect employees, customers, those engaging in business with you, those coming on the premises of your Simple Business and the general public at large. We do not in any way share any of that responsibility. We strongly suggest but do not require that you obtain and maintain a security system we approve to monitor your Simple Business and its location. It is your sole responsibility to ensure that your security system is working and that you monitor it.

G. **Actual Participation.** You recognize the importance of the Principal Owner's participation in the management of your Simple Business and that the Principal Owner's agreement to participate in the management of your Simple Business is a material inducement for us to enter into this Agreement. Therefore, you agree that the Principal Owner(s) who has satisfactorily completed our Initial Training Program is required to use his or her best efforts and is personally responsible for the overall management of your Simple Business. You may, however, choose a manager (a "Manager") who will be responsible for the day-to-day management of your Simple Business. A Manager must always be on duty while your Simple Business is receiving inventory or assembling and storing any Meals. A Principal Owner is not required to personally participate in the direct "on premises" management and operation of your Simple Business. Each Principal Owner, however, must sign a Guaranty (attached to this Agreement) requiring him / her to ensure that all obligations of the franchisee under this Agreement (including provisions related to payments to franchisor, confidentiality and non-competition) are fulfilled. In any event, the Principal Owner is required to carefully monitor and be responsible for the performance of anyone designated to manage or oversee the operation of your Simple Business. You must disclose the identity of the Manager to us and if for any reason the Manager is no longer acting in this capacity, you must notify us immediately and in writing. The Manager cannot have an interest or business relationship with any of our business competitors. The Manager must devote full time during normal business hours to the management, operation and development of your Simple Business. We do not require your Manager to have any ownership interest in your Simple Business, although he or she may do so. The Manager and other key employees of your Simple Business may be required to sign a non-compete and confidentiality agreements in forms we require.

H. **Insurance.** You will at all times maintain at your sole expense comprehensive public and product liability insurance against claims for bodily and personal injury, death and property damage caused by or occurring in conjunction with the operation of your Simple Business. You will obtain and maintain the minimum insurance as set forth by us in writing. We may, from time to time, in our sole discretion, make such changes in required minimum types of insurance and policy limits, coverage, and endorsements that you must maintain as we may determine. You agree to comply with any of these changes, at your sole cost and expense. All general liability insurance policies will name us and our successors and assigns as additional insured and will provide that we must receive 30 days prior written notice of any termination, expiration or cancellation of the insurance policy. Each year you must provide us with a certificate and applicable endorsements, and other documentation that we may request, evidencing your compliance with our insurance requirements. If you fail to maintain such insurance, we may procure such insurance on your behalf and will be entitled to reimbursement from you of our costs to do so, in addition to any other rights and remedies we may have under this Agreement. However, we are not obligated to obtain such insurance on behalf of you. Regardless of the amounts required hereby, it will be your responsibility to maintain adequate insurance coverage at all times during the Term of and after the expiration of the Term of this Agreement. You recognize that the levels of insurance required hereby are merely minimum requirements. You should determine if additional insurance is necessary through consultation with your advisors. Your failure to maintain coverage will not relieve you of any contractual responsibility or obligation or liability under this Agreement.

I. **Inspections.** You must permit our representatives or agents or the representatives or agents of our Affiliates to enter your Simply Business premises with or without notice during regular business hours to inspect your Simple Business and audit the business operations, including all books and records. You also grant us permission to examine all records of any supplier from whom you have made purchases. You will keep on file and make available for our review the following documents and reports: weekly inventory sheets, deposit slips, bank statements and canceled checks, sales and purchase records, business tax returns and such other accounting records for such periods of time as is necessary to provide appropriate documentation in the event of an audit of your Simple Business by any governmental taxing authority having jurisdiction over you. Our right to approve certain matters, to inspect your Simple Business and its operation and to enforce our rights exists only to the extent necessary to protect our interest in the System and Marks for the benefit of us, our Affiliates, and all Simple Plan Businesses and to ensure compliance with this Agreement. Neither the retention nor the exercise of these rights is for the purpose of establishing any control, or the duty to take control, over those matters which are clearly reserved to you, nor will they be construed to do so. The obligations of this provision survive termination or expiration of the Term of this Agreement.

J. **Cooperation for Financial Performance Representations.** You will maintain your books and records in accordance with generally acceptable accounting principles, consistently applied. If we at any time desire to use a financial performance representation or similar document in connection with the sale of franchises, you agree to provide us, at no cost, with such reasonable information as we may require and, in the form, or manner in which we may require in order to properly prepare such representation and will permit us to use such information as we deem necessary.

K. **Innovations.** All ideas, concepts, techniques, innovations, developments, improvements, suggestions, or materials concerning or useable in a Simple Plan Business, whether or not protectable intellectual property and whether created by or for you or your owners, affiliates, employees or representatives, must be promptly disclosed to us and will be deemed to be our sole and exclusive property, part of the System and works made-for-hire for us. To the extent any such item does not qualify as a "work made-for-hire" for us, you must assign, or must require your owners, affiliates, employees, or representatives to assign, your or their ownership interest of such item to us. You agree to take, or direct your owners, affiliates, employees, or representatives to take, whatever action required by us to document such assignment or to assist us in obtaining any and all intellectual property rights in such item. In the event that this provision is found to be invalid or unenforceable, you and your owners grant to us a worldwide, perpetual, non-exclusive and fully paid license to use and sublicense the use of such ideas, concepts, techniques, innovations, developments, improvements, suggestions or materials.

L. **Remodeling and Re-Equipping.** We may require you to make capital expenditures to remodel and re-equip, at your sole expense, your Simple Business and update to reflect our then current standards for Simple Plan Businesses. Compliance with these standards may be an ongoing obligation of yours, and may be a condition of our consenting to a renewal of the Term, or our consenting to a Transfer.

M. **Financial Reports.** You will maintain and preserve for at least 6 years from the dates of their preparation, full, complete and accurate books, records and accounts in consistently applied accounting principles and in the form and manner prescribed by us from time to time. You will send us annual income and expense statements within 60 days of the end of your fiscal year. You will also send us weekly gross revenue and Meal sales summary reports every Wednesday based on the preceding week, monthly profit and loss statements by the 15th day of the following month and any other information or reports including copies of balance sheets, copies of sales tax returns, and such other financial reports and information as we may reasonably request. However, you will not be obligated to disclose confidential tax returns if such disclosure would violate applicable state law. All reporting data will be prepared in accordance with generally accepted accounting principles, consistently applied.

N. **Assignment by You.** You grant us an irrevocable, world-wide, royalty-free license to use your likeness or images of your Simple Business, in any manner we deem appropriate in our sole discretion, including our or our Affiliates' use on any Internet domain or website we create or through any other Internet representation we deem appropriate for the System. This provision will survive the termination or expiration of the Term of this Agreement.

O. **Maintenance of your Simple Business.** You must keep the exterior and interior of your Simple Business and all fixtures, equipment, furnishing, computer equipment and software, and signs in the highest degree of cleanliness, orderliness, sanitation, and repair and in accordance with the Manual as such may change from time to time. You may not make any material alternations, additions, replacements or improvements to your Simple Business or its premises without our prior written consent. You shall equip your Simple Business with furniture, fixtures, signs, and equipment. including computer equipment and use such items as required by us from time to time, which we may change or modify from time to time. You acknowledge and understand that in the future, and from time to time, you may be required to upgrade or purchase or lease new or different furniture, fixtures, equipment, computer hardware and software, and signs at your sole expense. You acknowledge that we have full access to the information or data your computer system on 24 hour / 7 days a week basis and that we are the sole owner of all data related to any customer including, without limitation, all customer data on your computer system.

X. PROPRIETARY MARKS

A. **Right to Use Marks.** You acknowledge that the Marks are valid service and/or trademarks, which are licensed to us. You recognize that valuable goodwill is attached to the Marks, and that you will use the Marks only in the manner and to the extent specifically licensed by this Agreement. Any goodwill arising out of your use of the Marks inures to the benefit of us and our Affiliates. You further acknowledge that the right to use the Marks and the grant contained in this Agreement is non-exclusive, and that we and/or our Affiliates, in our and/or their sole discretion, have the right to operate businesses under the Marks on any terms and conditions we or they deem fit; provided that we agree to abide by the provisions with respect to protection of the Territory as set forth in this Agreement. Any unauthorized use of the Marks by you is a breach of this Agreement and an infringement of our rights and the rights of our Affiliates. All provisions of this Agreement applicable to the Marks apply to any additional service marks, trademarks, trade dress, trade names, logos, commercial symbols, and copyrights hereafter authorized for use by, and licensed to, you.

B. **Contest of Marks.** You will not directly or indirectly contest or aid in contesting the validity or ownership of the Marks, trade secrets, methods, procedures, and advertising techniques which are part of the System, or contest our and our Affiliates' rights to register, use or license others to use the Marks or the System. You will not at any time (whether during or after the Term of this Agreement) directly or indirectly infringe on our rights to or in the Marks. You agree to promptly notify us of any claim, demand or suit based upon or arising from any attempt by anyone else to use the Marks, or any colorable variation thereof. We and our Affiliates will have the sole discretion to determine if we will defend the use of the Marks, and we are not obligated to defend the Marks. We or our Affiliates have the right to control any administrative proceeding or litigation involving the Marks. You will execute any and all instruments and documents, render assistance and do such acts as may, in the opinion of our counsel, be necessary or advisable to protect our interests or the interests of our Affiliates in any such litigation or proceedings, or to otherwise protect and maintain our interest or the interest of our Affiliates in the Marks.

C. **Prohibition on Use of Name.** You will not use any of the Marks or the names "Simple Plan" or "Simple Plan Foods" as part of your corporate name with any prefix, suffix, or other modifying

words, terms, designs or symbols. You will, however, identify yourself as our franchisee, solely with the logos and marks licensed by us to you hereunder. You will not incur any obligations or indebtedness except in your name. Further, you will not use our name or Marks (or any marks or names confusingly similar to our name or Marks) as an Internet domain name or in the content of any world-wide website.

D. **Change of Marks**. We will have the right to change the Marks to be used by you at any time and for any reason we deem appropriate. You will pay the costs associated with any change in the Marks we make, and you will make these changes promptly.

E. **Use of Marks on the Internet**. You acknowledge that we or our Affiliates and licensors are the lawful, rightful, and sole owner of all Internet addresses used by us, and you unconditionally disclaim any ownership interest in that or any similar Internet addresses. You will not maintain a worldwide website, mobile application, or social media (e.g., Instagram, Facebook or Twitter) account or username, or any other presence, or otherwise advertise on the Internet, or any other public computer network, in connection with your Simple Business without our prior written consent or in the manner we approve. Any such permission shall only be for such time as we permit and shall be on the terms and conditions that we specify from time to time which may restrict the content that you are permitted to post to such social media outlet. We have the right to cease granting you permission to operate any such social media outlet at any time.

You agree not to register any Internet address name under any Internet domain, class or category that contains the Marks or any abbreviation, acronym, or variation of the Marks. We and our Affiliates retain the sole right to advertise on the Internet and create a website or websites using any of the Marks or any variation of the Marks.

XI. **CONFIDENTIAL INFORMATION**

You acknowledge that the trade secrets, information, ideas, research, methods, manuals, sales and marketing procedures, systems, improvements, and copyrighted materials, etc., including the Simple Documents, owned, or developed by or licensed to us, whether or not published, confidential or suitable for registration or copyright, and the goodwill associated with them, are and shall remain the sole and exclusive property of us. This information is provided or revealed to you in trust and confidence. You will not, during the Term of this Agreement, or after a Transfer, or the termination or expiration of the Term of this Agreement, communicate or divulge to anyone, any such information or knowledge, including products, specifications, standards, methods, procedures, sales and marketing materials, knowledge of the System customer lists, customer information, vendor lists and information and experience in operating a Simple Plan Business and other information or material which we may designate as confidential ("Confidential Information"), nor will you disclose, use or divulge, in whole or in part, any Confidential Information, unless the information is generally known and in the public domain, and except to the extent necessary to operate your Simple Business. You will ensure that each of your employees exercises the highest degree of diligence and makes every effort to maintain the absolute confidentiality of all trade secrets and proprietary rights during and after the Term of this Agreement. You may only disclose Confidential Information to your employees or agents on a need-to-know basis and only to the extent necessary to perform their jobs. All supervisory employees will be required to sign a non-disclosure and non-compete agreement in a form acceptable to us.

XII. **NON-COMPETITION**

A. **Competing Business During the Term of this Agreement**. You acknowledge the uniqueness of the System and that we are making our knowledge, know-how, and expertise available to you for the purpose of operating your Simple Business strictly and solely within the Territory. You agree

that it would be an unfair method of competition to use or duplicate or to allow others to use or duplicate, any of the knowledge, know-how or expertise you receive from us or our Affiliates for any reason other than for the operation of your Simple Business under this Agreement. You further recognize the importance of devoting substantial time and energy to your Simple Business. Therefore, you warrant that during the Term of this Agreement, unless you have our prior written consent, neither you nor any of your owners will directly or indirectly perform any services for, engage in or acquire, be an employee of, have any financial, beneficial or equity interest in, or have any interest based on profits or revenues of any Competitive Business except as a duly licensed franchisee of us (except for a 5% or less beneficial interest in a reporting company registered under the Securities Act of 1933, as amended).

B. **Non-Competition After Term.** For 2 years after a Transfer, or the termination or expiration of the Term of this Agreement for any reason, or the entry of final order of a court of competent jurisdiction enforcing this covenant, whichever is later, neither you nor any of your owners will directly or indirectly perform any services for, engage in or acquire, be an employee of, have any financial interest in, loan money to, or have any interest based on profits or revenues of any Competitive Business (except for other outlets franchised from us to you or your owners, and except for a 5% or less beneficial interest in a reporting company registered under the Securities Act of 1933, as amended). The geographical scope of this restriction will cover the Site and the area within a 50-mile radius around where the site of your Simple Business is located and the area within a 50-mile radius around any Simple Plan Business that is established, being constructed or subject to an executed Franchise Agreement at the time this restriction begins to be enforced.

C. **Reasonableness of Restrictions.** You and any guarantor of this Agreement acknowledge and confirm that the length of the term, definition of a Competitive Business and geographical restrictions contained in this Agreement are fair and reasonable and not the result of overreaching, duress or coercion of any kind. You acknowledge and confirm that your and their full, uninhibited and faithful observance of each of the covenants contained in this Agreement will not cause any undue hardship, financial or otherwise, and that enforcement of each of the covenants contained in this Agreement will not impair your or their ability to obtain employment commensurate with their respective abilities and on terms fully acceptable to you or them or otherwise to obtain income required for your or their comfortable support and, if such person is an individual, his or her family, and the satisfaction of the needs of his or her creditors.

D. **Enforcement.** You acknowledge that to disregard the restrictive provisions contained in this Agreement would effectively foreclose us from selling other franchises and you could be unjustly enriched and unfairly derive benefit from the goodwill of and training you receive from us. Moreover, our franchisees and the Simple Plan Businesses could be severely disadvantaged if you compete against them using the Marks or other Confidential Information. We intend to restrict your competitive activities under this Agreement only to the extent necessary for the protection of our, our Affiliates' and our franchisees' legitimate business interests. Each of the foregoing covenants will be construed as severable and independent, and will be interpreted and applied consistent with the requirements of reasonableness and equity. In the event a court of competent jurisdiction will determine the business, time, or geographic limitations contained in this Agreement are illegal, invalid or unenforceable, then, the court so holding will reduce the limitation necessary to render such restriction enforceable by the court. We will have the right to reduce the scope of any covenant contained in this Agreement, without your consent, effective immediately upon receipt by you of our written notice; and you will comply with any reduced covenant. In addition to any other remedies available at law or equity, we will have the right to injunctive relief for you violation or threatened violation of any restrictive covenant described in this Agreement. The terms of this non-compete and confidentiality provisions are assignable by us and will inure to our benefit, as well as our successors and assigns. In the event of any assignment, sale, merger or change in our

ownership or structure, the resulting entity will step into our place, without any additional consent of or notice to you, as if the terms "us", "our" or "we" were defined in this Agreement to include such entity.

XIII. DEFAULT AND TERMINATION

A. Termination By Us.

1. **With 30 Days' Opportunity to Cure.** We may, at our option, and without prejudice to any other rights or remedies provided for in this Agreement, or at law or in equity, terminate the Term of this Agreement for "good cause". Without limitation as to other situations, "good cause" for termination also exists if you or any guarantor of this Agreement:

- (a) Do not substantially perform all of the terms, requirements, conditions, and obligations of this Agreement, or the mandatory obligations under the Manual; or
- (b) Lose possession of the premises at which your Simple Business is located and fail to secure a suitable site for relocation which we consent to within the time required by this Agreement; or
- (c) Default under the terms of the lease for the premises; or
- (d) Misrepresent revenues or Meals in any report submitted to us; or
- (e) Lose any permit or license which is a prerequisite to the operation of your Simple Business for a period of at least 5 days; or
- (f) Repeatedly fail or refuse to comply with the provisions of this Agreement (i.e. two (2) or more times in any 12-month period), whether or not the repeated failures or refusals are corrected after notice. Under no circumstances do you have an opportunity to cure this default; or
- (g) Commit any other act which constitutes good cause under applicable state law or court decision; or
- (h) Fail to keep your Simple Business open for a period of 5 consecutive days without our prior written consent; or
- (k) Fail to pay any lawful debt or tax when due; or
- (l) Surrender or transfer control of your Simple Business (including entering into a management arrangement with any person who does not meet our standards, such as satisfactorily completing our Initial Training Program), or make an unauthorized direct or indirect Transfer.

Subject to applicable law and except as otherwise provided in this Agreement, we will give you at least 30 days' prior written notice of default (except that, if state law requires a longer period, you will be granted the longer period, and except that, if state law permits, we will have the right to terminate earlier if the "good cause" constitutes a default that is not curable). The notice will state the reason(s) for default and will provide that you have 30 days from the date of the notice to correct any claimed deficiency. If the default is corrected within this period, the default will be deemed cured. If the default is not corrected within this period, we have the right to terminate the Term of this Agreement immediately.

2. **Without Opportunity to Cure.** Notwithstanding anything contained herein to the contrary, if state law permits, we will be permitted to terminate the Term of this Agreement immediately and without notice when the basis or grounds for termination is: (a) accusation or allegation of, conviction of, or pleading guilty or no contest to, a felony or engaging in any other criminal misconduct that materially and adversely affects the operation, maintenance, reputation or goodwill of your Simple Business or the System; (b) fraudulent activity that, in our opinion, materially and adversely affects the operation, maintenance, reputation, or goodwill of your Simple Business or the System; (c) abandonment of your Simple Business; (d) your bankruptcy or insolvency or that of your guarantors; (e) the giving of more than 2 no account or insufficient funds checks to us or our Affiliates within a 12 month period, or our Affiliates receipt of any similar notice when utilizing any EFT payment; (f) your making or having made any material misrepresentation or omission in the application for this franchise; (g) your misuse of the Marks or Confidential Information, or your engagement in conduct which, in our opinion, reflects unfavorably upon the operation, maintenance, goodwill and/or reputation of the System; (h) your or any guarantor's violation of any non-compete, non-solicit, or confidentiality obligation related to this Agreement; (i) we make a reasonable determination that your continued operation of your Simple Business will result in an immediate danger to public health or safety; or (j) any other act or omission that permits termination without notice and/or an opportunity to cure under applicable state law.

B. **Termination by You.** You must notify us in writing of any failure of us to perform any of our material obligations pursuant to this Agreement. You may terminate the Term of this Agreement only if we materially default in our performance of any terms and conditions in this Agreement, you give us written notice within 30 days of this material default, and we fail to cure this material default within 60 days of our receipt of your written notice of default.

C. **Consequences of Termination.** Upon the termination or expiration of the Term of this Agreement for any reason whatsoever, all of your rights hereunder will terminate, and you will do each of the following:

1. You will cease to be a franchisee of us and cease to operate your Simple Business under the System and Marks. You will not thereafter directly or indirectly represent to the public that the business at the location / previous location of your Simple Business is or was operated or is in any way connected with the System or hold yourself out as a present or former franchisee of us at or with respect to the location / previous location of your Simple Business.

2. You will immediately discontinue use of all Marks, signs, colors, structures, printed goods, and forms of advertising indicative of our business, any Simple Plan Business or the System, and return any Confidential Information or other copyrighted materials, including but not limited to customer information and customer lists and the Manual, to us.

3. If we request, you will assign your telephone numbers, any telephone references, and any advertising to us or any of our designees, including any other Simple Plan Business.

4. You will immediately pay all amounts due to us, our Affiliates, and suppliers.

5. You will cancel any assumed name registration or equivalent registration which contains the Marks, and you will furnish us with evidence satisfactory to us of your compliance with this obligation within 5 days of a Transfer, or the termination or expiration of the Term of this Agreement.

6. Pursuant to the Collateral Assignment of Lease, upon our request, you will assign to us any interest that you may have in any lease or sublease related to your Simple Business. We may exercise the option at or within 30 days after either (i) the termination or expiration of the Term of this Agreement, or (ii) our receipt of notice by your landlord of its intent to terminate the lease or sublease related to your Simple Business. If we exercise this option, we will have the right and are hereby empowered to take possession of the site demised by the lease or sublease and expel you from same, after which you will have no further right, title or interest in the lease or sublease. In the event that we do not exercise our option to acquire the lease or sublease as expressed herein, you will make such modifications or alterations to the location immediately upon the termination or expiration of the Term of this Agreement, as we may deem necessary, to distinguish the appearance of the site / location of your Simple Business from that of other Simple Plan Businesses. In the event you will fail or refuse to comply with the requirements of this Section, we or our designees will have the right to enter upon the premises without being guilty of trespass or any other tort for the purposes of making or causing to be made the changes that may be required by this paragraph at your expense. You agree to pay us this expense upon demand.

7. You irrevocably appoint us or our nominee to be your attorney-in-fact coupled with an interest, and with power of substitution, to execute and to file for you any relevant document to transfer your telephone number or telephone listing. We have the right to file an original counterpart or a copy of this Agreement with the telephone company, landlord or any court, agency or person as written evidence of your appointment of us or our nominee to be your attorney-in-fact. A power of attorney is attached hereto as Exhibit IV.

8. You will comply with all post-term covenant obligations including the trade secrets, Confidential Information, non-competition and indemnification covenants set forth in this Agreement.

9. Neither a Transfer, nor the termination or expiration of the Term of this Agreement will relieve you or any of your guarantors of any of your or their obligations to us or our Affiliates existing at the time of such Transfer, termination or expiration, or terminate your obligations that, by their nature, survive a Transfer, or the termination or expiration of the Term of this Agreement. Furthermore, a Transfer, or the termination or expiration of the Term of this Agreement will be without prejudice to our rights against you; and in the event of a termination which is the result of your breach or default under this Agreement, we will, in addition to our rights set forth above, also be entitled to all rights and remedies available at law or in equity.

D. **Our Right to Purchase Personal Property.** After the termination or expiration of the Term of this Agreement, but not upon an approved Transfer expressly permitted by this Agreement, we will have the right, but not the obligation, to purchase any or all of your equipment, inventory, supplies and other personal property used in connection with the operation of your Simple Business. The purchase price for such property will be the book value less any liens. We will have 30 days after the determination of such value, to exercise our rights granted by this Section, and we will have an additional 30 days to pay for the property we desire to purchase. If we fail to exercise our rights within the time periods set forth above, you will be free to otherwise sell or dispose of the personal property used in connection with the operation of your Simple Business.

E. **Our Operation of your Simple Business.** In order to prevent any interruption of your Simple Business which would cause harm to the business, if you are unable to operate the business for any reason whatsoever, you abandon or fail to actively operate your Simple Business for any period or you fail to cure a breach within the applicable cure period (if any), you authorize us and our agents and Affiliates to operate your Simple Business if we desire to do so, in our sole discretion, for so long as we

deem necessary and practical. All income from the operation of your Simple Business shall be kept in a separate account, and the expenses of the business, including our reasonable compensation and expenses, and, those of our agents and Affiliates, shall be charged to this account. We may charge you a reasonable management fee that we specify plus any out-of-pocket expenses incurred in connection with the management of your Simple Business. We and our designees will have a duty only to use reasonable efforts upon assuming your Simple Business's management and will not be liable for any debts, losses or obligations that your Simple Business incurs, or to any creditors for any supplies or other products or services purchased for your Simple Business in connection with such management. Nothing contained herein shall be construed to require us to operate the business in the case of your inability to operate same, and the rights set forth herein may be exercised in our sole and absolute discretion. We may also, but are not obligated to, operate your Simple Business for up to 270 days after your death or the death of your Principal Owner (if you are an entity), all pursuant to these provisions.

XIV. SOURCES OF PRODUCTS.

A. **Required Purchases from Us or Our Affiliates.** So long as this Agreement is in effect, you agree to purchase from us or our Affiliates the products we identify as required for the operation of your Simple Business on terms we determine (all of which as may be modified from time to time by us). If our Affiliates or we are unable to offer any products, we may designate an alternative approved supplier or suppliers for these products.

B. **Availability.** Contingent upon the availability of products, we or our Affiliates will use our commercially reasonable efforts to supply such products to you within a reasonable time after the receipt of your orders therefore; provided that neither we nor our Affiliates warrant that: (i) it will be able to obtain all such products, or (ii) that the products will be obtained by the dates requested.

C. **Pricing.** We or our Affiliates will establish and have exclusive control over the prices, discounts, specifications, and all other terms and conditions governing the sale of products from us or our Affiliates to you. Pricing of products is subject to change at any time or from time to time in our or our Affiliates' sole discretion, effective upon 30 days prior notice to you. Generally, prices will change when the manufacturer's prices to us or our Affiliates change.

D. **Terms of Purchase.** All purchases from us or our Affiliates will be personally guaranteed by the individuals who are required to guarantee this Agreement pursuant to the Guaranty attached to this Agreement. The terms of payment shall be established by our Affiliates or us from time to time.

E. **Purchases from Approved Suppliers.** You must purchase products, services, supplies, equipment and materials for the operation of your Simple Business that meet our specifications, and you must purchase such items only from manufacturers, suppliers or distributors designated by us, or from other suppliers we approve who meet our specifications. Specification and approval of a supplier may be conditioned on requirements relating to frequency of delivery, standards of services, including prompt attention to complaints, as well as payments, contributions, or other consideration to us or our Affiliates, and may be temporary, in each case in our discretion. We may, from time-to-time withhold, condition and/or revoke our approval of particular items or suppliers in our discretion. We or our Affiliates may receive rebates, commissions, and other benefits from suppliers in relation to items purchased by you and other franchisees. We have the right to condition or revoke your right to participate in any supplier programs if you are in default under this Agreement. We or our Affiliates may be an approved supplier, or the sole supplier approved for certain products.

You may propose alternative products, services, supplies, equipment and materials for the operation of your Simple Business, as well as alternative manufacturers, suppliers or distributors. However, we may require that samples of or from these proposed alternatives be delivered to us for testing prior to approval and use. Further, all proposed manufacturers, suppliers or distributors must agree to permit our agents or representatives to inspect their facilities regularly, both initially and from time to time as may reasonably be required by us to assure us of the proper production, processing, packaging, storing and transportation of the products, services, supplies or equipment and materials to be purchased by you. After we receive all information requested by us related to a proposed alternative supplier, we will advise you within 45 days of our approval or disapproval of any proposed alternate sources of products, services, supplies, suppliers, materials and/or equipment. The foregoing will not be construed as an attempt to unreasonably limit the sources from which you may procure products, services, supplies and materials. Rather, it is our intention that such items conform to our strict standards and strict specifications as to consistent quality, uniformity and reliability. Further, we will not be required to approve an inordinate number of alternative suppliers of a given item which in our reasonable judgment would prevent our effective supervision of suppliers. We may require any supplier to sign a confidentiality agreement. Our criteria for supplier approvals are contained in the Manual. Within 30 days after our receipt of the completed request or completion of the evaluation and testing (if required by us), we will notify you in writing of our approval or disapproval of the proposed supplier. Approval will not be unreasonably withheld. You must not sell or offer for sale any products or services from a proposed supplier until you receive our written approval of the proposed supplier. We may revoke our approval of specific products or suppliers if we determine in our sole discretion the products or suppliers no longer meet our standards. Upon receipt of written notice of such revocation, you must cease purchasing or selling any disapproved product.

XV. CONFIDENTIAL SIMPLE DOCUMENTS AND CHANGES

We will loan you for the duration of the Term 1 copy of our Simple Documents. The Simple Documents will be in a format determined by us (i.e., in writing, on CD-ROM, via electronic media through a secure website, etc.) and all other supplemental bulletins, notices, revisions, modifications or supplemental information, either in document or electronic form, concerning the System are considered part of the Simple Documents. Also included are any passwords or other digital identification necessary to access the Manual on a website or extranet. You agree to comply with the requirements in the Simple Documents to the extent we require such compliance and you acknowledge that your compliance is an essential part of your obligations under this Agreement. The Simple Documents constitute Confidential Information of ours and will remain our property. The Simple Documents cannot be photocopied, reproduced, or disseminated without our written consent. We may modify the Simple Documents from time to time in our discretion, and you agree that from time to time we may change the System. You expressly agree to comply with each modification, addition or deletion of the System or our requirements at your sole cost and expense. You acknowledge that due to the changing nature of the business, as well as changing attitudes of customers and other factors, changes to the System or our requirements may be necessary and may involve your expenditure of additional sums of money.

We will use our reasonable efforts to impose any of these changes in a non-discriminatory manner among other franchisees. However, because complete and detailed uniformity under many varying conditions may not be possible or practical, we specifically reserve the right and privilege, in our sole discretion and as we may deem to be in the best interests of the System in any specific instance, to vary standards for any particular franchisee based upon the peculiarities of a particular territory, density of population, business potential, business practice or other condition important to the successful operation of a particular Simple Plan Business. We may grant variations from standard specifications and practices as we determine in our discretion, and we will have no obligation to grant you or any other

franchisee like or similar variations; our failure to require a change from any particular franchisee will not affect your obligations under this Agreement.

You will at all times insure that your copy of the Simple Documents is kept current and up-to-date. In the event of any dispute as to the contents of the Simple Documents, the terms of the master copy of the Simple Documents maintained by us will be controlling.

XVI. TRANSFERABILITY OF INTEREST

A. **By Us.** We are free to assign all of our rights and obligations under this Agreement, and upon such assignment we will be relieved of all liability under this Agreement, and all rights and obligations will accrue to our successor or assignee.

B. **By You.** The rights and duties created by this Agreement are personal to you. We have granted this franchise in reliance upon our perception of the individual and collective character, skill, attitude, and business and marketing abilities of you and your owners. Therefore, there can be no Transfer without our prior written consent. Any consent by us will not operate as a consent to any future such Transfer, and no future such Transfer will be valid without our prior written consent to that specific Transfer. Any attempted Transfer in violation of this paragraph is voidable at our option. If we elect not to exercise our right of first refusal pursuant to this Agreement, we will not unreasonably withhold our consent to a Transfer, provided that the following conditions are satisfied:

1. **Governmental Compliance.** The Transfer is conducted in compliance with applicable laws and regulations;

2. **Prior Compliance.** You have performed your obligations and duties under this Agreement, and you are not in default under this Agreement, or any other agreement with us or our Affiliates;

3. **Payments.** You have paid all amounts owed to us and our Affiliates, and all other outstanding obligations relating to your Simple Business are fully paid and satisfied;

4. **Release.** To the extent permitted by law, you, including all officers, directors and owners (as well as all guarantors under this Agreement) must execute a general release, in the form we approve, of any and all claims against us, our Affiliates, and our and their respective officers, directors, employees and agents;

5. **Requirements of Transferee.** The transferee meets our then-current established standards for new franchisees, is of good moral character, has a good credit rating, sufficient financial resources to operate your Simple Business and competent qualifications. The transferee must execute the most current franchise agreement for the state in which your Simple Business is located, which may include materially different terms and conditions than those in this Agreement. In addition, the transferee's owners (actual and beneficial) and their spouses must sign the Guaranty attached to that franchise agreement. Neither the transferee nor any of its direct or indirect owners or affiliates may operate or have an ownership interest in or perform any services for a Competitive Business;

6. **Transfer Fee.** We are paid a transfer fee equal to \$12,000 in lieu of the initial franchise fee required in the then-current form of franchise agreement for the state in which your Simple Business is located;

7. **Assumption of Liabilities.** The transferee agrees to assume all liabilities and obligations from you and your operation of your Simple Business, including the lease, and must comply with other reasonable requirements we may impose;

8. **Completion of Training.** The transferee and/or transferee's management team, including a Principal Owner and designated manager(s), must complete the Initial Training Program to our satisfaction;

9. **Update and Remodel your Simple Business.** The transferee updates and remodels your Simple Business to comply with our then-current standards for new Simple Plan Businesses;

10. **Continuing Liability.** If we approve any Transfer or assignment, we will have the discretion to require you and the guarantors to remain liable for the full and faithful performance of the obligations of the assignee;

11. **Economically Reasonable Terms.** Although we will not be required to determine the value of your business upon a Transfer, if in our reasonable judgment, the purchase price or other terms of sale are not economically feasible to the proposed transferee, we can withhold our consent to such Transfer. Our consent is not, however, to be construed as an implication or warranty that the terms of the sale are in fact economically feasible. We may, in good faith, notify you and the proposed transferee, stating the reasons that we have elected to withhold our approval of the proposed Transfer.

C. **Your Death or Incapacity.** You, by will or other written instrument, may appoint a designated heir to continue operation of your Simple Business, upon your death (or the death of the Principal Owner if you are an entity. At the time of the Transfer upon your death or incapacity, the designated heir must meet all qualifications of a Transferee, including the requirement to meet our standards for new franchisees, execute the then-current form of franchise agreement used in the state in which your Simple Business is located, and the designated manager(s) or new Principal Owner has, or within 60 days will have, satisfactorily completed the Initial Training Program; provided that no transfer fee will be charged on a Transfer pursuant to this paragraph. The Transfer to a designated heir, personal representative or conservator, as applicable, in the event of your death or legal incapacity, will not give rise to our right of first refusal as described in this Agreement. Your personal representative has a total of 180 days to Transfer to a Transferee acceptable to us pursuant to this Agreement or we may terminate the Term of this Agreement.

D. **Right of First Refusal.** But for expressly provided in this Agreement, if you receive a bona fide, executed, written offer to acquire an interest in this Agreement, you or your Simple Business from a responsible third party purchaser, you must submit a copy of the offer to us. You must also provide us with any other information we request to evaluate the offer. We have the right, exercisable by delivering written notice to you within 30 days from the date of last delivery by you of the offer and any other documents we request, to acquire such interest for the price and on the terms and conditions contained in the offer, except that regardless of the terms of the offer, we may substitute cash for any form of payment proposed in the offer; require you to include customary warranties and representations in the purchase agreement; and structure the transaction as an "asset purchase" rather than a "stock purchase." We will not be obligated to pay any "finder's" or broker's fees that are a part of the proposed sale, and we will not be obligated to comply with any part of the offer which directly or indirectly requires payment of any consideration other than a bona fide purchase price for the interest or assets proposed to be transferred (for example, we will not be obligated to pay any earn out or other share of the profits from our operation of your Simple Business after the Transfer is completed). If we decline to

exercise our right of first refusal, you will have 90 days after the earlier of our decline to exercise the right or the expiration of the right, to consummate such Transfer to the bona fide third-party purchaser upon the terms and conditions described in the offer notice submitted to us, subject to compliance with all Sections of this Agreement. In the event you fail to complete the sale on these terms within this 90 day period, you must again comply with this paragraph and give us the first right to acquire such interest prior to any sale. Our election to not exercise our right of first refusal as to any particular offer will not affect our right of first refusal as to any subsequent offer. We will not exercise our right of first refusal upon the Transfer to an entity owned by you (so long as we approve all the owners thereof) or upon your death if the Transfer is pursuant to Will or intestacy.

XVII. INDEPENDENT CONTRACTOR/INDEMNIFICATION

A. **Independent Contractor.** We and you are independent contractors, and no partnership, fiduciary, joint venture, or employment relationship exists between you and us. You will conspicuously identify yourself at the premises of your Simple Business and in all dealings with the public as an independently owned business. Neither we nor you will make any agreements or representations in the name of or on behalf of the other that this relationship is other than franchisor and franchisee.

B. **Indemnification.** Under no circumstances will we be liable for any act, omission, debt, or other obligation of you. You will indemnify, defend and save harmless us and our employees, agents, officers, directors, parents, subsidiaries, affiliates, successors and assigns (each an "Indemnitee") from and against any and all liabilities, obligations, losses, damages, penalties, claims, actions, costs and expenses (including legal fees and expenses) of any kind and nature whatsoever, including damages or injuries suffered by any Indemnitee, which may be imposed on, incurred by, or asserted against any Indemnitee in any way arising out of the acts or omissions of you or your employees, agents, officers, directors, parents, subsidiaries, affiliates, successors and assigns pursuant to or in connection with the operation of your Simple Business regardless of whether the Indemnitees were negligent or that this negligence was a contributing factor in any Indemnitee's liability (to the extent permitted by applicable law).

XVIII. DISPUTE RESOLUTION

A. **Mediation.** Before any party may assert an action for any controversy, dispute or claim between you and us arising from this Agreement or the franchise relationship set forth in this Agreement, the parties must first have a in person meeting with each other to try to resolve the dispute. This meeting will be at an office located selected by us and each party will pay its own expenses related thereto. If this fails to bring about a resolution, the dispute will first be submitted to non-binding mediation (the "Mediation") in the County and State in which our principal offices are located, unless the parties mutually agree to another location. The Mediation will be conducted in accordance with then-current AAA mediation rules (the "AAA Mediation Rules") except to the extent the AAA Mediation Rules differ from the terms of this Agreement, in which event the terms of this Agreement shall be applied. Notwithstanding the foregoing, the mediation does not have to be conducted under the AAA. You and we will select the mediator. If the parties cannot agree on the selection of a mediator, the mediation shall be conducted through the AAA who will make the selection of mediator using their rules and guidelines. The cost of the Mediation, including the mediator's fee and expenses, shall be paid by you. All negotiations and mediation proceedings (including without limitation, discovery conducted therein, as well as all statements and settlement offers made by either party or the mediator in connection with the

Mediation) shall be strictly confidential, shall be considered as compromise and settlement negotiations for purposes of the Federal Rules of Evidence and state rules of evidence, and shall not be admissible or otherwise used in connection with any court or arbitration proceeding for any purpose. The mediator may not be called as a witness in any court or arbitration proceeding for any purpose. If the parties, after a good faith effort to settle the dispute using Mediation, are unable to reach settlement, you and we agree that the dispute will be resolved according to the Sections below. Failure to submit the dispute to Mediation prior to commencing any litigation or arbitration proceeding shall be grounds for dismissal of the litigation or arbitration proceedings and entitle us to \$5,000 from you, upon our demand, if you are the one who failed to submit to Mediation as required hereunder.

Notwithstanding anything to the contrary contained in this Agreement, the obligation to mediate or arbitrate will not be binding with respect to claims brought by us and relating to our trademarks, service marks, patents, or copyrights, including the Marks; claims by us relating to any non-compete, confidentiality provision, non-solicitation provision or confidentiality obligation; claims relating to any lease or sublease of any real property between the parties or their affiliated entities; or requests by us for temporary restraining orders, preliminary injunctions, permanent injunctions or other proceedings in a court of competent jurisdiction to obtain interim or permanent relief when deemed necessary by such court to preserve the status quo or prevent irreparable injury pending resolution of the actual dispute between the parties.

B. **Litigation.** Except as otherwise provided in this Agreement, all controversies, disputes or claims between you and us arising from this Agreement or the franchise relationship set forth in this Agreement shall be filed in the Federal District Court within or closest to the County and State in which our principal office is located when the grounds set forth in 28 U.S.C. § 1332 are present. Both parties and each guarantor of this Agreement irrevocably submit to the jurisdiction of this court and waive any objection to the application of Wisconsin law or to the jurisdiction or venue in this court. In the event that the above-referenced federal court does not have jurisdiction over the dispute, the parties shall submit to binding arbitration as provided below.

Notwithstanding the foregoing, any claims we have relating to its trademarks, service marks, patents, or copyrights, including the Marks; claims relating to any lease or sublease of any real property between the parties or their affiliated entities; or requests by us for temporary restraining orders, preliminary injunctions, permanent injunctions or other proceedings in a court of competent jurisdiction to obtain interim or permanent relief when deemed necessary by such court to preserve the status quo or prevent irreparable injury pending resolution of the actual dispute between the parties shall be brought in either federal or state courts in the County in which we have our principal offices. Both parties agree to submit to the jurisdiction of the state and federal court in the County in which we have our principal offices.

C. **Arbitration.** In the event that the federal court described above does not have jurisdiction over the dispute, the parties, subject to all other provisions above, will submit the dispute to binding arbitration conducted in the County and State in which our principal offices are then located (unless the parties mutually agree otherwise). The arbitration proceeding will be conducted in accordance with the then-current commercial arbitration rules of the American Arbitration Association ("AAA Rules"), except to the extent the AAA Rules differ from the terms of this Agreement, in which event the terms of this Agreement will apply. Notwithstanding the foregoing, the arbitration does not have to be conducted under the AAA. The arbitrator must be mutually selected by the parties and must have at least 5 years of substantial experience in franchise law. Each party is limited to 25 document requests, 15 interrogatories and 1 deposition unless otherwise agreed to between the parties. For purposes of this Section, if any dispute that names, involves or includes us, our respective affiliates, officers, directors,

agents, brokers or employees, such persons or entities shall also be included in and made party to the arbitration proceeding to the extent such parties consent to proceeding forward in arbitration.

The arbitrator will have the right to award or include in his award any relief which he deems proper in the circumstances, including money damages (with interest on unpaid amounts from date due), specific performance, and attorneys' fees and costs; however, the arbitrator will not be allowed to award or include in his award any punitive, exemplary, or consequential damages, to which the parties waive any right. The arbitrator, and not any federal, state, or local court or agency, shall have exclusive authority to resolve any dispute relating to the interpretation, applicability, or enforceability of this Section, including but not limited to, any claim that all or any part of this Section is void or voidable. The award and decision of the arbitrator will be conclusive and binding upon all parties, and judgment upon the award may be entered in any court of competent jurisdiction; however, the arbitrator may not under any circumstances: (1) stay the effectiveness of any pending termination of this Agreement; or (2) make any award which extends, modified or suspends any lawful term of this Agreement. Each party waives any right to contest the validity or enforceability of the award of an arbitrator under this Section except to the extent permitted by applicable law. The arbitrator must submit a reasoned award and this award must be consistent with the terms of this Agreement. If the arbitrator's award is not reasoned or not consistent with the terms of this Agreement, then notwithstanding the foregoing, we may appeal the arbitration award in Federal or State Court. An arbitration award or decision entered in any other case (whether or not we were a party) will not be binding on us in any other dispute, will have no precedential value and cannot be used as evidence in any other proceeding.

The arbitrator will apply the provisions of any applicable statute of limitations. In connection with any arbitration proceeding, you and we will submit or file any claim which would constitute a compulsory counterclaim (as defined by Rule 13 of the Federal Rules of Civil Procedure) within the same proceeding as the claim to which it relates. Any of these compulsory claims which are not submitted or filed in the same proceeding in which they relate will be barred. This provision will continue in full force and effect subsequent to and notwithstanding the Transfer, or the termination or expiration of the term of this Agreement. The arbitration will be conducted on an individual, not a class-wide basis. None of the parties to the arbitration will be entitled to consolidation of the arbitration proceedings with the proceedings of any third party, nor will the arbitrator or any court be empowered to order a consolidation of proceedings with any third party.

XIX. MISCELLANEOUS PROVISIONS

A. **Waiver**. Neither our waiver of a breach or default by you, nor our delay or failure to exercise any right upon your breach or default, nor our acceptance of any payment from you, will be deemed a waiver, nor will it impair our rights for other breaches or defaults of the same or a different kind. The description of any breach or default in any notice will not prevent our assertion of other defaults or breaches. We may waive any one or more of the requirements imposed under this Agreement for the benefit of any particular franchisee or any particular Simple Plan Business, but the waiver in favor of any other franchisee or Simple Plan Business will not prevent us from enforcing the requirements against you, all other franchisees and all other Simple Plan Businesses.

B. **Severability**. If any provision of this Agreement is considered to be invalid or inoperative for any reason, that part will be deemed modified to the extent necessary to make it valid and operative, or if it cannot be modified, then severed, and the remainder of this Agreement will continue in effect as if the Agreement had been signed with the invalid portion modified or eliminated.

C. **Entire Agreement.** You and we each acknowledge and warrant to each other that you and we each wish to have all terms of our business relationship defined in this Agreement. Neither you nor we wish to enter into a business relationship with the other in which any terms or obligations are the subject of alleged oral statements or in which oral statements serve as the basis for creating rights or obligations different than or supplementary to the rights and obligations set forth herein. Accordingly, you and we agree that this Agreement, together with any other documents or agreements executed by the parties contemporaneously hereto, supersede and cancel any prior and/or contemporaneous discussions (whether described as representations, inducements, promises, agreements or any other term) between us or anyone acting on our behalf and you or anyone acting on your behalf, which might be taken to constitute agreements, representations, inducements, promises or understandings (or any equivalent to such terms) with respect to the relationship between the parties, and you and we each agree that we each have placed, and will place, no reliance on any such discussion; provided, however, that nothing in this or any related agreement is intended to disclaim the representations we made in the Franchise Disclosure Document furnished to you. This Agreement, together with any other documents or agreements executed by the parties contemporaneously hereto or incorporated herein by reference, constitutes the entire agreement between the parties and contains all of the terms, conditions, rights and obligations of the parties with respect to any aspect of the relationship between the parties. No further franchise rights or offer of franchise rights have been promised to you, and no such franchise rights or offer of franchise rights shall come into existence, except by means of a separate writing, executed by one of our officers or such other entity granting the franchise rights and specifically identified as a modification of this Agreement. No amendment to this Agreement is binding unless executed in writing by both parties.

D. **Notice.** All notices required under this Agreement will be in writing and will be given: (i) if hand delivered on the day of delivery; (ii) 3 business days after placement in the United States Mail by registered or certified mail, postage prepaid; or (iii) the day after placement with a courier guaranteeing overnight delivery, in each case addressed to the address listed on the signature page of this Agreement or at such other address as either party will specify in a notice to the other party.

F. **Construction of Language.** The language of this Agreement will be construed according to its fair meaning and not strictly for or against either party. All words used in this Agreement refer to whatever number or gender the context requires.

G. **Governing Law and Jurisdiction.** You acknowledge that this Agreement was accepted in the State of Wisconsin. You acknowledge that you have and will continue to develop a substantial and continuing relationship with us at our principal offices in Wisconsin, where our decision-making authority is vested and franchise operations are conducted and supervised. Except to the extent that this Agreement or any particular dispute is governed by the U.S. Trademark Act of 1946 (Lanham Act, 115 U.S.C. 1051), this Agreement will be governed, to the extent permissible, by the laws of the State of Wisconsin without regard to principles of conflicts of law. If, however any provision of this Agreement would not be enforceable under the laws of Wisconsin, and if your Simple Business is located outside of Wisconsin and the provision would be enforceable under the laws of the state in which your Simple Business is located, then the provision in question (and only that provision) will be interpreted and construed under the laws of the state where your Simple Business is located. We may institute any action arising out of or relating to this Agreement in any state or federal court of general jurisdiction in the State of Wisconsin, and you and each guarantor of this Agreement irrevocably submits to the jurisdiction of these courts and waive any objection to the application of Wisconsin law or to the jurisdiction or venue in these Wisconsin courts. If a state regulator requires an amendment to this Agreement, the amendment is attached to this Agreement in Exhibit VI. We will not, however, be precluded from contesting the validity, enforceability, or applicability or such regulator's required amendment in any action relating to this Agreement or to its rescission or termination.

H. **Effect.** This Agreement will be binding upon and inure to the benefit of the parties, their legal representatives, heirs, administrators, executors, their permitted successors and assigns.

I. **Remedies.** In addition to any other remedies in law or in equity to which it may be entitled, we will be entitled, without bond, to entry of injunctive relief and orders of specific performance enforcing the provisions of this Agreement in the event you actually or anticipatorily breach this Agreement. If we incur attorneys' fees or other expenses in seeking enforcement of this Agreement or defending any other claim you bring against us, including without limitation, a claim related to the offering of a franchise, you will be required to reimburse us for our reasonable costs and expenses (including attorneys' and expert witness fees). No right or remedy conferred upon us is intended to be exclusive, and every right or remedy granted in this Agreement will be cumulative and in addition to any other rights or remedies available under this Agreement or otherwise. For purposes of this Agreement, a termination will include a termination for any reason, expiration, cancellation, failure to renew, assignment or Transfer.

J. **No Warranty.** You acknowledge that no approvals, consents, waivers, conditions, or the like warrant your success of operating your Simple Business or the appropriateness of the particular items or matters so approved.

K. **Receipt of the FDD.** You acknowledge receipt of our franchise disclosure document ("FDD") along with this Agreement, at least 14 days before your execution of this Agreement or any payment by you to us. If any unilateral modifications have been made to this Agreement you acknowledge that you have had at least 7 days to review them.

L. **Joint and Several Liability.** If you are comprised of 2 or more persons, the obligations and liabilities to us of each of these persons will be joint and several.

M. **Time is of the Essence.** Time is of the essence of this Agreement.

N. **Survival.** Your obligations regarding Confidential Information, trade secrets, non-competition, indemnification, your accrued obligations to us (monetary or otherwise) and any other terms or conditions which by their nature will survive a Transfer, or the termination or expiration of the Term of this Agreement.

O. **Payments from You.** We have the sole discretion to apply any payments by you to any of your past due indebtedness for Royalty Fees, Marketing and Promotion Fees, Technology Fees, expenses, purchases from us or our Affiliates, interest or any other indebtedness you may owe us or our Affiliates. Neither we nor any of our Affiliates are required to accept payments after they have become due or to extend credit or otherwise to finance your operation of your Simple Business. We and our Affiliates may require you to pay for all purchases on a C.O.D. basis by cashier's check, or may refuse to make further sales to you, if you are in default under this Agreement or if you have failed to pay all amounts due us or our Affiliates when due. In addition to any other remedies available to us, we will have the right to charge you \$50 for each no account or insufficient funds check issued by you to us or any similar notice received by us on account of any EFT program in which you participate.

P. **Limitation on Liens.** You will not grant a security interest, pledge, or place a lien upon your interest in this Agreement or in your Simple Business or in the furniture, fixtures, or equipment used in the business, except that you will be permitted to grant a security interest in such furniture, fixtures, and equipment to secure your obligation to the seller of, or lender of funds used for the purchase of, such furniture, fixtures, and equipment.

Q. **Day-to-Day Control.** You have the sole right and responsibility for the manner and means by which the day-to-day operation of your Simple Business is determined and conducted and for achieving your business objectives. Subject to any approval, inspection and enforcement rights reserved to us in this Agreement, this right and responsibility possessed by you includes the employment, supervision, setting the conditions of employment and discharge for your employees, daily maintenance, safety concerns and the achievement of conformity with the System.

R. **Third Party Beneficiaries.** Each of our Affiliates is a third-party beneficiary to this Agreement and have the right to assume any of the responsibilities, duties or functions of ours and the right, but not the obligation, to enforce your compliance with any provision of this Agreement.

S. **Right to Subcontract.** We will have the right to subcontract the performance of any of our obligations pursuant to this Agreement to any of our Affiliates or any other third-party designee.

T. **Financing from the Small Business Administration.** If you secure financing from or with the assistance of the U.S. Small Business Administration (“SBA”) to fund any portion of your Simple Business or your investment therein, you and we may be required to sign an SBA Addendum in a form attached to this Agreement as Exhibit VII.

XX. YOUR WARRANTIES AND REPRESENTATIONS

A. We have not and do not represent that you can expect to maintain a specific level of sales, profits, or earnings. You and your guarantors have been advised to obtain independent professional and legal advice regarding this franchise. You and your guarantors acknowledge that you have and they are entering into this Agreement, and all ancillary agreements executed contemporaneously with this Agreement, as a result of your own independent investigation of this franchise and not act in reliance on or as a result of any representations made by our owners, officers, directors, managers, employees, agents, representatives, attorneys, franchisees, brokers or other franchise sellers that are not contained in or are contrary to the terms set forth in this Agreement or any representation in the FDD. You and your guarantors understand that they may sustain losses as a result of the operation or the closing of your Simple Business. You and your guarantors understand that the business venture contemplated by this Agreement involves a high degree of financial risk and depends to a large degree and depends, to a large degree, on your skills, abilities, initiative, and hard work.

B. You and your guarantors represent and warrant that the execution, delivery and performance of this Agreement by you and the Guaranty by the guarantors do not and will not violate, conflict with or result in the breach of any term, condition or provision of any contract or agreement, or require the consent of any other person or entity.

C. Under applicable U.S. Law, including without limitation executive order 1224, signed on September 23, 2001 (the "Order"), you are prohibited from engaging in any transaction with any person engaged in, or with a person aiding any person engaged in acts of terrorism as defined in the Order. Accordingly, you do not and hereafter will not engage in any terrorist activity. In addition, you are not affiliated with and do not support any individual or entity engaged in, contemplating, or supporting terrorist activity. You are not acquiring the rights granted under this Agreement with the intent to generate funds to channel to any individual or entity engaged in, contemplating, or supporting terrorist activity, or to otherwise support or further any terrorist activity.

XXI. CAVEAT

THE SUCCESS OF YOUR SIMPLE BUSINESS IS SPECULATIVE AND DEPENDS, TO A LARGE EXTENT, UPON YOUR ABILITY AS AN INDEPENDENT BUSINESSPERSON, AS WELL AS OTHER FACTORS. WE DO NOT MAKE ANY REPRESENTATION OR WARRANTY AS TO THE POTENTIAL SUCCESS OF YOUR SIMPLE BUSINESS AND NO ONE IS AUTHORIZED TO MAKE ANY SUCH REPRESENTATION OR WARRANTY ON OUR BEHALF. YOU FURTHER ACKNOWLEDGE THAT YOU HAVE READ AND COMPLETED THE QUESTIONNAIRE, A COPY OF WHICH IS ATTACHED TO THIS AGREEMENT AS EXHIBIT V.

YOU UNDERSTAND AND AGREE THAT WE HAVE NO OBLIGATION TO ACCEPT YOUR APPLICATION AND MAY REFUSE TO GRANT YOU A FRANCHISE FOR ANY REASON, OR NO REASON, WITHOUT DISCLOSING THE BASIS FOR OUR DECISION. YOU ACKNOWLEDGE THAT UNLESS AND UNTIL WE SIGN THIS AGREEMENT, THE FRANCHISE HAS NOT BEEN GRANTED, YOU ARE NOT A FRANCHISEE OF OURS AND YOU MAY NOT RELY UPON BECOMING A FRANCHISEE OF OURS.

XXII. NON-LIABILITY OF OUR AFFILIATES

We are the only company obligated to you under this Agreement. You may not look to any Affiliate of ours, or related companies, other business entities or individuals for performance of this Agreement.

XXIII. LIMITATION OF LEGAL ACTIONS

IN NO EVENT WILL WE BE LIABLE TO YOU FOR PROSPECTIVE PROFITS OR SPECIAL, INDIRECT, PUNITIVE OR CONSEQUENTIAL DAMAGES FOR ANY CONDUCT ARISING OUT OF THIS AGREEMENT OR OUR RELATIONSHIP WITH YOU.

THE PARTIES WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM BROUGHT BY EITHER OF THEM RELATING TO OR ARISING OUT OF THIS AGREEMENT OR THE RELATIONSHIP OF THE PARTIES.

ANY DISAGREEMENT BETWEEN YOU AND US (AND OUR AFFILIATES AND OWNERS) WILL BE CONSIDERED UNIQUE AS TO ITS FACTS AND MUST NOT BE BROUGHT AS A CLASS ACTION AND YOU WAIVE ANY RIGHT TO PROCEED AGAINST US (AND OUR AFFILIATES, STOCKHOLDERS, MEMBERS, MANAGERS, OFFICERS, DIRECTORS, EMPLOYEES, AGENTS, SUCCESSORS AND ASSIGNS) BY WAY OF CLASS ACTION, OR BY WAY OF A MULTI-PLAINTIFF, CONSOLIDATED OR COLLECTIVE ACTION.

YOU WILL BE BARRED FROM BRINGING ANY AND ALL CLAIMS ARISING OUT OF OR RELATING TO THIS AGREEMENT OR OUR RELATIONSHIP WITH YOU, UNLESS A JUDICIAL PROCEEDING IS COMMENCED WITHIN 1 YEAR FROM THE DATE ON WHICH YOU KNEW OR SHOULD HAVE KNOWN OF THE FACTS GIVING RISE TO THAT CLAIM.

OUR MAXIMUM AGGREGATE LIABILITY AND THE MAXIMUM AGGREGATE LIABILITY OF ANY OF OUR OFFICERS, OWNERS, DIRECTORS, MEMBERS, MANAGERS, EMPLOYEES, AFFILIATES, PARENTS OR SUBSIDIARIES RELATED TO ANY AND ALL CLAIMS RELATING TO OR ARISING FROM THIS AGREEMENT OR THE FRANCHISE RELATIONSHIP SET FORTH IN THIS AGREEMENT SHALL BE COLLECTIVELY

LIMITED, IN THE AGGREGATE, TO THE AMOUNT FRANCHISEE PAID TO US WITHIN THE PRIOR 12 MONTHS IMMEDIATELY BEFORE WRITTEN NOTICE OF ANY PROPER CLAIM IS RECEIVED BY US.

[SIGNATURE PAGE TO FOLLOW]

THIS CONTRACT CONTAINS A BINDING ARBITRATION PROVISION WHICH MAY BE ENFORCED BY THE PARTIES.

IN WITNESS WHEREOF, the parties have executed this Agreement on the date first forth above.

SIMPLE PLAN FRANCHISING, LLC

FRANCHISEE: _____

By: _____

By: _____

_____, _____

_____, _____

Address: 2145 Eastridge Ctr
Eau Claire, WI 548701

Address: _____

GUARANTY AND ASSUMPTION OF OBLIGATIONS

In consideration of, and as an inducement to, the execution of the above Franchise Agreement (the "Agreement"), by SIMPLE PLAN FRANCHISING, LLC ("FRANCHISOR") in favor of _____ ("FRANCHISEE"), each of the undersigned ("GUARANTORS") hereby personally and unconditionally guarantees to FRANCHISOR, its Affiliates (as hereinafter defined), and their successors and assigns for the term of the Agreement and thereafter as provided in the Agreement, that FRANCHISEE will punctually pay and perform each and every undertaking, agreement and covenant set forth in the Agreement and agrees to be personally bound by, and personally liable for the breach of each and every provision in the Agreement. The GUARANTORS each agree to be personally and unconditionally bound by each and every undertaking, agreement and covenant set forth in the Agreement, including, the restrictive covenants and non-disclosure provisions contained in the Agreement, as well as the provisions in the Agreement relating to the Marks and Transfers (as defined in the Agreement) to the same extent as and for the same period of time as FRANCHISEE is required to comply with and abide by such covenants and provisions. All of the foregoing obligations of the undersigned will survive any expiration or termination of the term of the Agreement or this Guaranty and Assumption of Obligations. The GUARANTORS further hereby personally and unconditionally guarantee all debts and obligations FRANCHISEE incurs to FRANCHISOR, its successors, assigns, affiliated entities, parent corporation, and subsidiaries ("Affiliates"), as the case may be, as a result of any obligations under the Agreement and as a result of purchases of products or services from FRANCHISOR and its Affiliates. Each of the undersigned waives:

- (1) acceptance and notice of acceptance by FRANCHISOR or Affiliates of the foregoing undertakings;
- (2) notice of demand for payment of any indebtedness or nonperformance of any obligations hereby guaranteed;
- (3) protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations hereby guaranteed;
- (4) any right he or she may have to require that an action be brought against FRANCHISEE or any other person as a condition of liability;
- (5) all rights to payments and claims for reimbursement or subrogation which any of the GUARANTORS may have against the FRANCHISEE arising as a result of the GUARANTORS' execution of and performance under this Guaranty and Assumption of Obligations; and
- (6) any and all other notices and legal or equitable defenses to which he or she may be entitled.

Each of the undersigned consents and agrees that:

- (1) his or her direct and immediate liability under this guaranty will be joint and several;
- (2) he or she will render any payment or performance required under the Agreement upon demand if the FRANCHISEE fails or refuses punctually to do so;
- (3) such liability will not be contingent upon or conditioned upon pursuit by FRANCHISOR or its Affiliates of any remedies against the FRANCHISEE or any other person; and

(4) such liability will not be diminished, relieved or otherwise affected by any extension of time, credit or the indulgence which FRANCHISOR or its Affiliates may from time to time grant to the FRANCHISEE or to any other person, including, without limitation, the acceptance of any partial payment or performance or the compromise or release of any claims, none of which will in any way modify or amend this Guaranty and Assumption of Obligations, which will be continuing and irrevocable during the term of the Agreement.

If FRANCHISOR or any of its Affiliates are required to enforce this Guaranty and Assumption of Obligations in any judicial proceeding or appeal thereof, the GUARANTORS will reimburse FRANCHISOR and Affiliates for its costs and expenses, including, but not limited to, reasonable accountants', attorneys', attorney assistants', and expert witness fees, costs of investigation and proof of facts, court costs, other litigation expenses, and travel and living expenses, whether incurred prior to, in preparation for or in contemplation of the filing of any written demand, claim, action, hearing or proceeding to enforce this Guaranty and Assumption of Obligations.

The undersigned GUARANTORS also recognize that certain disputes relating to this Franchise Agreement are to be resolved by mediation and litigation and possibly arbitration, and hereby consent to such process in accordance with the terms of the Franchise Agreement. Further, undersigned GUARANTORS also hereby consent to the applicability of the venue and jurisdiction provision in the Franchise Agreement to this Guaranty and Assumption of Obligations.

IN WITNESS WHEREOF, each of the undersigned has hereunto affixed their signatures on the same day and year as the Agreement was executed.

Print Name: _____
Signature: _____
Date: _____
Address: _____

Print Name: _____
Signature: _____
Date: _____
Address: _____

EXHIBIT I
ASSIGNED TERRITORY

Your site / specific location of your Simple Business will be:

Your Territory will be:

SIMPLE PLAN FRANCHISING, LLC

Franchisee: _____

Initial: _____ Date: _____

Initial: _____ Date: _____

EXHIBIT II
LEASE PROVISIONS

Any lease executed by you for the operation of your Simple Business will contain the following provisions or an addendum to the lease as follows.

ADDENDA TO LEASE

This lease addenda entered into this ____ day of _____, 20__, by and between _____ ("FRANCHISEE") and _____ ("LANDLORD") for the premises located at _____ in the City of _____, State of _____ (the "Premises");

WHEREAS, FRANCHISEE has executed a Franchise Agreement ("Franchise Agreement") with Simple Plan Franchising, LLC ("FRANCHISOR"), and as part of said Franchise Agreement, the lease ("Lease") for the franchised Simple Plan Business must contain certain provisions; and

WHEREAS, LANDLORD and FRANCHISEE agree that the terms contained herein will be applicable to the Lease, notwithstanding anything contained in the Lease to the contrary;

NOW, therefore, in consideration of the mutual promises contained herein and the execution of the Lease, which execution is made simultaneously with this Addendum, LANDLORD and FRANCHISEE hereby agree as follows:

1. LANDLORD agrees that FRANCHISEE will not otherwise assign the Lease or renew, amend or extend the term of the Lease without the prior written consent of FRANCHISOR.
2. LANDLORD agrees that FRANCHISEE will have the right to remodel, equip, paint and decorate the interior of the Premises and to display the proprietary marks and signs on the interior and exterior of the Premises as FRANCHISEE is reasonably required to do pursuant to the Franchise Agreement and any successor Franchise Agreement under which FRANCHISEE may operate a Simple Plan Business at the Premises.
3. LANDLORD agrees to furnish FRANCHISOR with copies of any and all letters and notices sent to FRANCHISEE pertaining to the Lease at the same time that such letters and notices are sent to FRANCHISEE. LANDLORD further agrees that, if it intends to terminate the Lease, the LANDLORD will give FRANCHISOR thirty (30) days advance written notice or such intent, specifying in such notice all defaults that are the case of the proposed termination. FRANCHISOR will have after the expiration of the period during which FRANCHISEE may cure such default, an additional fifteen (15) days (or if there is no cure period, at least fifteen (15) days to cure, at its sole option, any such defaults. FRANCHISOR, or an affiliate of FRANCHISOR, will have the right, but not obligation, upon giving written notice of its election to FRANCHISEE and LANDLORD, to cure the breach and succeed to FRANCHISEE's rights under the Lease, and any renewals or extensions thereof.
4. Upon default, expiration or termination of the Franchise Agreement, or the lease, and upon notice to LANDLORD, FRANCHISOR or its designee will have the option, without however any obligation, to assume the FRANCHISEE's lease obligations, on the same terms and conditions available to the FRANCHISEE. Further, if FRANCHISEE or any other party with an interest in FRANCHISEE transfers to FRANCHISOR or another party all of its or their interest in the Franchise Agreement, the FRANCHISEE or your Simple Business, the transferee will have the right to assume the lease on the same terms and conditions as contained in the Lease.

5. FRANCHISOR will have the right to enter the premises to make any reasonable modification or reasonable alteration necessary to protect FRANCHISOR's interest in its proprietary marks. LANDLORD agrees that in such event FRANCHISOR will not be liable for trespass or any other crime or tort. Further, FRANCHISOR or its designated agents will be permitted to enter the leased premises for purposes of making inspections in accordance with the terms of the Franchise Agreement.

6. FRANCHISEE may assign to FRANCHISOR all of its rights of further assignment at any time if the LANDLORD is given reasonable notice thereof. Such an assignment will be effective only if accepted in writing by FRANCHISOR.

7. Upon request of FRANCHISOR, the LANDLORD will provide FRANCHISOR with copies of all reports, information, or data in LANDLORD's possession with respect to sales made from the leased premises.

8. Copies of any and all notices pertaining to the Lease will also be sent to FRANCHISOR at the following address, or at such other address as may be designated by FRANCHISOR in writing: Simple Plan Franchising, LLC, Attn: Dan Beck, 2145 Eastridge Ctr, Eau Claire, WI 54701.

9. FRANCHISOR will be a third-party beneficiary of this Addendum to Lease and has the right independently of FRANCHISEE to enforce all of its rights hereunder.

10. To the extent of any conflict between the terms and conditions of this Addendum to Lease and the Lease, this Lease Addendum will govern.

FRANCHISEE

LANDLORD

By: _____

By: _____

EXHIBIT III
COLLATERAL ASSIGNMENT OF LEASE

FOR VALUE RECEIVED, the undersigned, _____ a _____ ("Assignor"), hereby assigns, transfers and sets over unto Simple Plan Franchising, LLC, a Wisconsin limited liability company ("Assignee") all of Assignor's right, title and interest as tenant in, to and under that certain lease, a copy of which is attached hereto as Exhibit A (the "Lease"), respecting the premises commonly known as _____.

This Assignment is for collateral purposes only and except as specified herein, Assignee shall have no liability or obligation of any kind whatsoever arising from or in connection with this Assignment or the Lease unless Assignee shall take possession of the premises demised by the Lease pursuant to the terms hereof and shall assume the obligations of Assignor thereunder.

Assignor represents and warrants to Assignee that it has full power and authority to so assign the Lease and its interest therein and that Assignor has not previously, and is not obligated to, assign or transfer any of its interest in the Lease or the premises demised thereby.

Upon a default by Assignor under the Lease or a default or expiration under the franchise agreement by and between Assignor and Assignee for a Simple Plan Business (the "Franchise Agreement"), or in the event of a default by Assignor under any document or instrument securing said Franchise Agreement or under any other agreement between Assignor and Assignee or its affiliates, Assignee shall have the right and is hereby empowered to take possession of the premises demised by the Lease, expel Assignor therefrom, and, in such event, Assignor shall have no further right, title or interest in the Lease.

Assignor agrees that it will not suffer or permit any surrender, termination, amendment or modification of the Lease without the prior written consent of Assignee. Throughout the term of the Franchise Agreement and any renewal thereto, Assignor agrees that it shall elect and exercise all options to extend the term of or renew the Lease not less than thirty (30) days prior to the last day that said option must be exercised, unless Assignee otherwise agrees in writing. Upon failure of Assignee to otherwise agree in writing, and upon failure of Assignor to so elect to extend or renew the Lease as stated herein, Assignor hereby appoints Assignee as its true and lawful attorney-in-fact to exercise such extension or renewal options in the name, place and stead of Assignor for the sole purpose of effecting such extension or renewal.

Assignee: Simple Plan Franchising, LLC

Assignor:

By: _____
_____, _____

By: _____

EXHIBIT IV
IRREVOCABLE POWER OF ATTORNEY

That _____ ("FRANCHISEE") does hereby irrevocably constitute and appoint Simple Plan Franchising, LLC ("FRANCHISOR"), FRANCHISEE's true and lawful attorney-in-fact and agent for FRANCHISEE and in FRANCHISEE's name, place and stead, to do or cause to be done all things and to sign, execute, acknowledge, certify, deliver, accept, record and file all such agreements, certificates, instruments and documents as, in the sole discretion of FRANCHISOR, shall be necessary or advisable for the sole purpose of assigning to FRANCHISOR all of FRANCHISEE's right, title and interest in and to any and all telephone numbers used in connection with your Simple Business and all related Yellow Pages, White Pages and other business listings, including, the execution and delivery of any Transfer of Service Agreement and any other transfer documentation required by the applicable telephone service company providing telephone services to FRANCHISEE, and to do or cause to be done all things and to sign, execute, acknowledge, certify, deliver, accept, record, and file all such agreements, certificates, instruments and documents as, in the sole discretion of FRANCHISOR, shall be necessary or advisable for the sole purpose of assigning to FRANCHISOR all of FRANCHISEE's right, title and interest in and to any Internet and website name pages, domain name listings, and registrations that contain the Marks, or any of them, in whole or in part, hereby granting unto FRANCHISOR full power and authority to do and perform any and all acts and things which, in the sole discretion of FRANCHISOR, are necessary or advisable to be done as fully to all intents and purposes as FRANCHISEE might or could itself do, and hereby ratifying and confirming all that FRANCHISOR may lawfully do or cause to be done by virtue of this Power of Attorney and the powers herein granted.

During the term of this Power of Attorney and regardless of whether FRANCHISEE has designated any other person to act as its attorney-in-fact and agent, no person, firm or corporation dealing with FRANCHISOR shall be required to ascertain the authority of FRANCHISOR, nor be responsible in any way for the proper application of funds or property paid or delivered to FRANCHISOR. Any person, firm or corporation dealing with FRANCHISOR shall be fully protected in acting and relying upon a certificate of FRANCHISOR that this Power of Attorney on the date of such certificate has not been revoked and is in full force and effect, and FRANCHISEE shall not take any action against any person, firm or corporation acting in reliance on such a certificate or a copy of this Power of Attorney. Any instrument or document executed on behalf of FRANCHISEE by FRANCHISOR shall be deemed to include such a certificate on the part of FRANCHISOR, whether or not expressed. This paragraph shall survive any termination of this Power of Attorney.

This Power of Attorney shall terminate 2 years following the expiration or termination of that certain Franchise Agreement dated of even date herewith by and between FRANCHISOR and FRANCHISEE. Such termination, however, shall not affect the validity of any act or deed that FRANCHISOR may have effected prior to such date pursuant to the powers herein granted.

This instrument is to be construed and interpreted as an irrevocable Power of Attorney coupled with an interest and such Power of Attorney shall not be affected by the subsequent disability or incapacity of the principal.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the undersigned has executed this Irrevocable Power of Attorney as of the ____ day of _____, 20__.

FRANCHISEE:

By: _____

Name: _____

Title: _____

THE STATE OF _____)

_____)

COUNTY OF _____)

BEFORE ME, the undersigned authority, on this day personally appeared _____ of _____, known to me to be the person whose name is subscribed to the foregoing instrument, who acknowledged to me that he executed the same for the purposes and consideration therein expressed and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the ____ day of _____, 20__.

Notary Public

My Commission Expires:

EXHIBIT V
FRANCHISEE DISCLOSURE QUESTIONNAIRE

As you know, Simple Plan Franchising, LLC, (the "Franchisor") and you are preparing to enter into a Franchise Agreement for the operation of a Simple Plan franchise. The purpose of this Questionnaire is to determine whether any statements of promises were made to you that the Franchisor has not authorized and that may be untrue, inaccurate or misleading. Please review each of the following questions and provide honest and complete responses to each question.

1. Have you received and personally reviewed the Franchise Agreement and each and schedule attached to it? Yes ___ No ___

2. Have you received and personally reviewed the Franchisor's Franchise Disclosure Document (the "FDD") that Franchisor provided to you?
Yes ___ No ___

3. Did you sign a receipt for the FDD indicating the date you received it?
Yes ___ No ___

4. Date on which you received the FDD and related Exhibits explaining Simple Plan franchise.
_____, 20__
(month, day)

5. Date on which you received a completed copy, other than signatures, of the Franchise Agreement.
_____, 20__
(month, day)

6. Date on which you signed the Franchise Agreement.
_____, 20__
(month, day)

7. Were you given the opportunity to discuss the benefits and risks of operating a Simple Plan franchise with an attorney, accountant, or other professional advisor, and do you understand those risks?
Yes ___ No ___

If the answer to Question 7 above was "No," would you like more time to do so?
Yes ___ No ___

8. Do you understand that the success or failure of your franchise will depend in large part upon your skills and abilities, competition from other businesses, interest rates, inflation, labor and supply costs, lease terms and other economic and business factors?
Yes ___ No ___

9. Has any employee or other person speaking on behalf of the Franchisor made any make any oral, written or visual claim, statement or , promise or representation to you regarding predicted or projected sales, revenues, earnings, income or profit levels that you may earn or that any of our Simple Plan Businesses earn in operating the business other than what is discussed in Item 19 of the FDD?

Yes ___ No ___

10. Has any employee or other person speaking on behalf of the Franchisor made any statement or promise concerning the likelihood of success that you should or might expect to achieve from operating the business?

Yes ___ No ___

11. Has any employee or other person speaking on behalf of the Franchisor made any statement, promise or agreement concerning the advertising, marketing, training, support service or assistance that the Franchisor will furnish to you that is contrary to, or different from, the information contained in the FDD?

Yes ___ No ___

12. I understand that this franchise business may be impacted by other risks, including those outside your or our control such as economic, political or social disruption, including pandemics. In addition, I understand that the aforementioned risks and any preventative or protective actions that federal, state, and local governments may take in response may result in a period of business disruption, reduced customer demand, and reduced operations for a Simple Plan Business. The extent to which an event impacts The Simple Plan system will depend on precise occurrences which are highly uncertain and which we cannot predict.

Yes ___ No ___

* * *

Please understand that your responses to these questions are important to us and that we will rely on them.

By signing this Questionnaire, you are representing that you have responded truthfully to the above questions. You are also representing that you have reviewed all of these questions and the answers with the other owners of the business and any of your representatives who had discussions with the Franchisor or any of its officers, agents, or employees. The responses from those people are also included by you above.

Dated on _____, 20__.

FRANCHISE APPLICANT

Name: _____

Signature: _____

EXHIBIT VI
STATE SPECIFIC ADDENDUM

EXHIBIT VII

SBA ADDENDUM

SBA ADDENDUM TO FRANCHISE AGREEMENT

THIS SBA ADDENDUM TO FRANCHISE AGREEMENT (“Addendum”) is made and entered into on _____, 20____ (the “Effective Date”), by and between Simple Plan Franchising, LLC (“us or “we”) and _____ (“you”).

RECITALS

- A. You and we entered into a Franchise Agreement dated the ___ day of _____, 20____ (along with any amendments, the “Franchise Agreement”).
- B. You are or applying or have applied for financing(s) from a lender in which funding is provided with the assistance of the U. S. Small Business Administration (“SBA”). SBA requires the execution of this Addendum as a condition for obtaining SBA-assisted financing.
- C. You and we wish to amend and modify the Franchise Agreement as provided herein.

THEREFORE, you and we agree as follows:

- 1. Any capitalized terms used but not defined in this Addendum have the same meanings assigned to them in the Franchise Agreement.
- 2. If any provision in this Addendum conflicts with any provision in the Franchise Agreement, the provision in this Addendum will control.
- 3. If you are proposing a transfer of a partial interest in the ownership of you or your Simple Business and we have an option to purchase or a right of first refusal within respect to that partial interest, we may exercise such option or right only if the proposed transferee is not a current owner or family member of a current owner of you.
- 4. We will not unreasonably withhold our consent to any Transfer. In the event we approve a Transfer of any interest in you or your Simple Business, the transferor will not be liable for the actions of the transferee.
- 5. If we have the option to purchase your business or personal assets upon default or termination of the term of the Franchise Agreement and you and we are unable to agree on the value of those assets, the value will be determined by an appraiser chosen by both you and us.
- 6. If you own the real estate where your Simple Business is operating, you will not be required to sell the real estate upon default or termination of the term of the Franchise Agreement, but you may be required to lease the real estate for the remainder of the original franchise term (excluding additional renewals) to a franchisee of ours for its fair market value.
- 7. If you own the real estate where your Simple Business is operating, we will not, during the term of the Franchise Agreement, record against the real estate any restrictions on the use of the real estate, including any restrictive covenants, branding covenants or environmental use restrictions. If any such

restrictions are currently recorded against that real estate, they must be removed in order for the you to obtain SBA-assisted financing.

8. We will not directly control (hire, fire or schedule) your employees.

9. As to the Franchise Agreement, this Addendum and its provisions and restrictions automatically terminate when SBA no longer has any interest in any SBA-assisted financing provided to you.

10. Except as amended by this Addendum, the Franchise Agreement remains in full force and effect according to its original terms.

11. You and we acknowledge that submission of false information to SBA, or the withholding of material information from SBA, can result in criminal prosecution under 18 U.S.C. 1001 and other provisions, including liability for treble damages under the False Claims Act, 31 U.S.C. §§ 3729 - 3733.

WHEREFORE, you and we have entered into this SBA Addendum to Franchise Agreement as of the Effective Date.

SIMPLE PLAN FRANCHISING, LLC

FRANCHISEE: _____

By: _____
_____, _____

By: _____
_____, _____

Address: 2145 Eastridge Ctr
Eau Claire, WI 54701

Address: _____

EXHIBIT B
LIST OF STATE ADMINISTRATORS / AGENTS FOR SERVICE OF PROCESS

Michigan:

Michigan Attorney General's Office
Consumer Protection Division, Franchise Unit
P.O. Box 30213
Lansing, Michigan 48909
(517) 373-7117

Wisconsin:

Department of Financial Institutions Div. of Securities
345 W. Washington Ave., 4th FL
Madison, WI 53703
(608) 261-9555

**EXHIBIT C
LIST OF FRANCHISEES**

Franchisees:

None

Affiliate-Owned Franchisees:

None but Midwest does operate a business pursuant to the System.

Franchisees Which Left the System:

None

EXHIBIT D
AUDITED AND UNAUDITED FINANCIALS

SIMPLE PLAN FRANCHISING LLC

As of December 31, 2022

And for the Period From June 15, 2022 (inception) to December 31, 2022

Financial Statement

Prepared by:

Erin L. Palmer, CPA, LLC

Certified Public Accountant

Columbia, MO

Table of Contents

<u>Description</u>	<u>Page Number</u>
Independent Auditor's Report	1
Balance Sheet	2
Statement of Income	3
Statement of Member's Equity	4
Statement of Cash Flows	5
Notes to Financial Statements	6 - 9

Erin L. Palmer, C.P.A., LLC

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
SIMPLE PLAN FRANCHISING LLC
2145 Eastridge Center
Eau Claire, WI 54701

I have audited the accompanying financial statements of SIMPLE PLAN FRANCHISING LLC (a Limited Liability Company), which comprise the balance sheet as of December 31, 2022, and the related statements of income, member's equity and cash flows for the period from June 15, 2022 (inception) to December 31, 2022, the related notes to the financial statements for the year then ended.

Responsibilities of Management for the Financial Statements

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Stead Franchise, LLC as of December 31, 2022, and the results of its operations and its cash flows for the period from June 15, 2022 (inception) to December 31, 2022 in accordance with accounting principles generally accepted in the United States of America.



Erin L. Palmer, CPA, LLC

Columbia, MO
April 8, 2023

Simple Plan Franchising, LLC
Balance Sheet
December 31, 2022

Assets

Current Assets

Cash	\$ -
------	------

Total Assets	<u>\$ -</u>
--------------	-------------

Liabilities and Member's Equity

Total Member's Equity	<u>\$ -</u>
-----------------------	-------------

Total Liabilities and Member's Equity	<u>\$ -</u>
---------------------------------------	-------------

Simple Plan Franchising, LLC
Statement of Income

For the Period From June 15, 2022 (inception) to December 31, 2022

Revenue	
Franchise Income	\$ -
Total Revenue	<u>-</u>
Operating Expenses	
General and Administrative Shared Expenses	-
Total Expenses	<u>-</u>
Net Income from Operating	<u>-</u>

The Accompanying Notes are an Integral Part of These Financial Statements

Simple Plan Franchising, LLC

Statement of Income

For the Period From June 15, 2022 (inception) to December 31, 2022

	Members Units		Additional Paid- In Capital	Net Income (Loss)	Total
	Units	Amount			
Issuance of Membership Units	\$ -	\$ -	\$ -	\$ -	\$ -
Net Income (Loss)	-	-	-	-	-
Balance, December 31, 2022	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

Simple Plan Franchising
Statement of Cash Flow

For the Period From June 15, 2022 (inception) to December 31, 2022

Net Cash Flow from Operating Activities	
Net Income (loss)	\$ -
Adjustments to reconcile net loss to net cash used by operating activities:	
Changes in operating assets and liabilities:	
Deferred Income	-
Net Cash Provided by Operations	<u>-</u>
Cash Flows from Investing Activities	
Purchase of fixed assets	-
Net Cash Flows Used in Investing Activities	<u>-</u>
Cash Flows from Financing Activities	
Capital Contributions	-
Net Cash Flows Provided by (Used in) Financing activities	<u>-</u>
Net Increase (Decrease) in Cash	<u>-</u>
Cash at Beginning of Period	<u>-</u>
Cash at End of Period	<u><u>\$ -</u></u>
 Supplemental disclosure of cash flow information:	
Cash Paid During the Year for:	
Interest	\$ -
Income Tax	<u><u>\$ -</u></u>

The Accompanying Notes are an Integral Part of These Financial Statements

SIMPLE PLAN FRANCHISING LLC
Notes to the Financial Statements
For the Period from June 15, 2022 (inception) to December 31, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

SIMPLE PLAN FRANCHISING LLC (“the Company”) was organized on June 15, 2022. The Company is a limited liability corporation based in the state of Wisconsin, offering franchises for the operation of a restaurant offering American-style food.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Revenue Recognition

The Company’s revenue recognition policies are in compliance with accounting standard ASC Topic 606, “Revenue from Contracts with Customers”. The new guidance includes the following five-step revenue recognition model:

- Identify the contract with the customer
- Identify the performance obligation in the contract
- Determine the transaction price
- Allocate the transaction price to the performance obligations
- Recognize revenue when (or as) each performance obligation is satisfied

In 2020, the Financial Accounting Standards Board (FAB) issued Accounting Standards Update (ASU), Franchisors—Revenue from Contracts with Customers (Subtopic 952-606) Practical Expedient. This new practical expedient will allow franchisors that are not public business entities to account for pre-opening services provided to a franchisee as a single performance obligation if the services are in line with the services listed within the guidance, and they meet certain other conditions.

Concentration of Credit Risk

The Company maintains cash in bank and deposit accounts, which at times may exceed federally insured limits. The Company has not experienced any losses in such accounts. The Company believes it is not exposed to any significant credit risk on cash and cash equivalents.

Cash and Cash Equivalents

The Company considers all highly liquid investments with original maturities of three months or less to be cash equivalents.

Property and Equipment

Property and equipment are stated at cost. Depreciation and amortization are generally provided using the straight-line method over the estimated useful lives of the related assets which ranges between 3 to 10 years.

Long-Lived Assets

The Company reviews long-lived assets to be held and used by an entity for impairment whenever changes in circumstances indicate that the carrying amount of an asset may not be recoverable. As there are no owned assets for the period ended December 31, 2022, no impairment of the carrying

SIMPLE PLAN FRANCHISING LLC
Notes to the Financial Statements
For the Period from June 15, 2022 (inception) to December 31, 2022

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

values of its long-lived assets existed at December 31, 2022. There can be no assurance, however, that demands for the Company's products or market conditions will not change which could result in impairment losses in the future.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP). The preparation of these financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Significant estimates made by the Company's management include, but are not limited to, allowances for doubtful accounts and contracts receivable, the allowance for losses on contracts in process and the percentage of completion on uncompleted contracts. Actual results could materially differ from those estimates.

Fair Value of Financial Assets and Liabilities

We measure and disclose certain financial assets and liabilities at fair value. ASC Topic 820, Fair Value Measurements and Disclosures, defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. ASC Topic 820 also establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

Level 1 - Quoted prices in active markets for identical assets or liabilities.

Level 2 - Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

We utilize the active market approach to measure fair value for our financial assets and liabilities. We report separately each class of assets and liabilities measured at fair value on a recurring basis and include assets and liabilities that are disclosed but not recorded at fair value in the fair value hierarchy.

Income Taxes

Deferred taxes are provided on liability method whereby deferred tax assets are recognized for deductible temporary differences and operating losses and tax credit carryforwards, and deferred tax liabilities are recognized for taxable temporary differences. Temporary differences are the

SIMPLE PLAN FRANCHISING LLC
Notes to the Financial Statements
For the Period from June 15, 2022 (inception) to December 31, 2022

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

differences between the reported amounts of assets and liabilities and their tax bases. The deferred tax liability relates primarily to differences in methods of accounting for long-term contracts for financial reporting and income tax purposes. The deferred tax asset is adjusted for the effects of changes in tax laws and rates on the date of the enactment.

Recently Issued and Adopted Accounting Pronouncements

The Company's management has evaluated recently issued accounting pronouncements through the date of this report and concluded that they will not have a material effect on the financial statements as of December 31, 2022.

In February 2016, the FASB issued a new accounting standard on leases. The new standard, among other changes, will require lessees to recognize a right-of-use asset and a lease liability on the balance sheet for all leases. The lease liability will be measured at the present value of the lease payments over the lease term. The right-of-use asset will be measured at the lease liability amount, adjusted for lease prepayments, lease incentives received and the lessee's initial direct costs (e.g., commissions). The Company does not believe that the adoption of this new accounting standard to have a material impact on its financial position and results of operations.

In June 2020, the Financial Accounting Standards Board released an accounting standard update providing a one-year effective date delay for private companies to apply the revenue recognition and lease standards, due to the COVID-19 pandemic. The update enables private companies that have not yet applied the revenue recognition standard to do so for annual reporting periods starting after December 15, 2019.

The Company does not believe that any other recently issued but not yet effective accounting pronouncements, if adopted, would have a material effect on the accompanying financial statements.

COVID-19

In March 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a pandemic which continues to spread throughout the United States. In response to the COVID-19 outbreak, "shelter in place" orders and other public health measures have been implemented across much of the United States.

The COVID-19 global pandemic continues to rapidly evolve. The Company is continually monitoring the outbreak of COVID-19 and the related business and travel restrictions and changes to behavior intended to reduce its spread and its impact on operations, financial position, cash flows, supply chains, purchasing trends, customer's payments, and the industry in general, in addition to the impact on its employees.

Due to the rapid development and fluidity of this situation, the magnitude and duration of the pandemic and its impact on the Company's operations and liquidity is uncertain as of the date of this report. While there could ultimately be a material impact on operations and liquidity of the

SIMPLE PLAN FRANCHISING LLC
Notes to the Financial Statements
For the Period from June 15, 2022 (inception) to December 31, 2022

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Company, at the time of issuance, the impact could not be determined. Due to the impact the Company has limited its operations as mandated by each state.

NOTE 3 – MEMBERS' EQUITY

During the period ended December 31, 2022, the Company's member contributed \$50,000 as additional paid-in capital.

NOTE 4 – INCOME TAXES

Income taxes are provided for the tax effects of transactions reported in the financial statements and consist of taxes currently due plus deferred taxes related to differences between the basis of assets and liabilities for financial and income tax reporting. The deferred tax assets and liabilities represent the future tax consequences of those differences, which will either be taxable or deductible when the assets and liabilities are recovered or settled. The provision differs from the expense that would result from applying federal statutory rates to income before income taxes primarily due to state income taxes and certain non-deductible expenses.

NOTE 5 – SUBSEQUENT EVENTS

The Company has evaluated subsequent events through April 8, 2023, the date which the financial statements were available to be issued and nothing has occurred that would require disclosure.

SIMPLE PLAN FRANCHISING LLC
Communication to Those Charged with Governance
December 31, 2022

Erin L. Palmer, CPA, LLC
9 West Blvd. N
Columbia, MO 65203

Erin L. Palmer, C.P.A., LLC

April 8, 2023

To the Board of Directors of
SIMPLE PLAN FRANCHISING LLC
2145 East Ridge Center
Eau Claire, WI 54701

I have audited the balance sheet of SIMPLE PLAN FRANCHISING LLC as of December 31, 2022, and have issued my report hereon dated April 8, 2023. Professional standards require that I provide you with information about my responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of my audit. I have communicated such information in my engagement letter dated March 22, 2023. Professional standards also require that I communicate to you the following information related to my audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Stead Franchise, LLC are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed as of December 31, 2022. I noted no transactions entered into by the Company during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by Management and are based on Management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. I noted no significant estimates made by Management impacting the current-year financial statements.

Difficulties Encountered in Performing the Audit

I encountered no significant difficulties dealing with Management in performing and completing my audit.

Corrected and Uncorrected Misstatements

Professional standards require me to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by Management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Erin L. Palmer, C.P.A., LLC

Disagreements with Management

For purposes of this letter, a disagreement with Management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statement or the auditor's report. I am pleased to report that no such disagreements arose during the course of my audit.

Management Representations

I have requested certain representations from Management that are included in the management representation letter dated April 8, 2023.

Management Consultations with Other Independent Accountants

In some cases, Management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Company's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, professional standards require the consulting accountant to check with me to determine that the consultant has all the relevant facts. To my knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

I generally discuss a variety of matters, including the application of accounting principles and auditing standards, with Management each year prior to retention as the Company's auditor. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to my retention.

This information is intended solely for the use of the Board of Directors of SIMPLE PLAN FRANCHISING LLC and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,



Erin L. Palmer, CPA, LLC

UNAUDITED FINANCIAL STATEMENTS

THESE FINANCIAL STATEMENTS ARE PREPARED WITHOUT AN AUDIT. PROSPECTIVE FRANCHISEES OR SELLERS OF FRANCHISES SHOULD BE ADVISED THAT NO CERTIFIED PUBLIC ACCOUNTANT HAS AUDITED THESE FIGURES OR EXPRESSED HIS/HER OPINION WITH REGARD TO THE CONTENT OR FORM.

Opening Balance Sheet

Assets

Cash	\$0
Total Assets	\$0

Liability and Members' Capital

Liabilities	\$0
Members' Capital	\$0
Total Liabilities and Members' Capital	\$0

EXHIBIT E
STATE SPECIFIC ADDENDUM

WISCONSIN ADDENDUM

The Securities Commissioner of the State of Wisconsin requires that certain provisions contained in franchise documents be amended to be consistent with Wisconsin Fair Dealership Law, Wisconsin Statutes, Chapter following, such provisions are hereby amended:

1. The Wisconsin Fair Dealership Law, among other things, grants franchisees the right, in most circumstances, to 90 days' prior written notice of termination or non-renewal and 60 days within which to remedy any claimed deficiencies. If the Franchise Agreement contains a provision that is inconsistent with these provisions of the Wisconsin Fair Dealership Law, the provisions of the Franchise Agreement shall be superseded by the Law's requirements and shall have no force or effect.
2. If the Franchise Agreement requires that it be governed by a state's law, other than the State of Wisconsin, to the extent that any provision of the Franchise Agreement conflicts with the Wisconsin Fair Dealership Law, such provision shall be superseded by the law's requirements.

Each provision of this State Law Addenda shall be effective only to the extent that the jurisdictional requirements of the Wisconsin law applicable to the provision are met independent of this State Law Addenda. This State Law Addenda shall have no force or effect if such jurisdictional requirements are not met.

As to any state law described in this State Law Addenda that declares void or unenforceable any provision contained in the Franchise Agreement, the franchisor reserves the right to challenge the enforceability of the state law by, among other things, bringing an appropriate legal action or by raising the claim in a legal action or arbitration that you have initiated.

SIMPLY PLAN FRANCHISING, LLC

FRANCHISEE

By: _____

By: _____

Its: _____

Its: _____

Date: _____

Date: _____

EXHIBIT F
Receipt

RECEIPT
(Your Copy)

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

If Simple Plan Franchising, LLC offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to the franchisor or an affiliate in connection with the proposed franchise sale. Under Iowa law, if applicable, we must provide this disclosure document to you at the earlier of your 1st personal meeting to discuss the franchise or 14 days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale. Under Michigan law, if applicable, we must provide this disclosure document to you at least 10 business days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale. Under New York law, if applicable, we must provide this disclosure document to you at the earliest of your 1st personal meeting to discuss the franchise or 10 business days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

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

The name, principal business address and telephone number of each franchise seller offering the franchise: Dan Beck 2145 Eastridge Ctr, Eau Claire, WI 54701.

Issuance Date: April 26, 2023

I have received a disclosure document dated April 26, 2023, that included the following Exhibits:

- A Franchise Agreement
- B List of State Administrators/Agents for Service of Process
- C List of Franchisees
- D Unaudited Financials
- E State Specific Addendum
- F Receipt

Date

Signature

Printed Name

Date

Signature

Printed Name

Please keep this copy of the Receipt for your records.

RECEIPT
(Our Copy)

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

If Simple Plan Franchising, LLC offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to the franchisor or an affiliate in connection with the proposed franchise sale. Under Iowa law, if applicable, we must provide this disclosure document to you at the earlier of your 1st personal meeting to discuss the franchise or 14 days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale. Under Michigan law, if applicable, we must provide this disclosure document to you at least 10 business days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale. Under New York law, if applicable, we must provide this disclosure document to you at the earliest of your 1st personal meeting to discuss the franchise or 10 business days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

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

The name, principal business address and telephone number of each franchise seller offering the franchise: Dan Beck 2145 Eastridge Ctr, Eau Claire, WI 54701.

Issuance Date: April 26, 2023

I have received a disclosure document dated April 26, 2023, that included the following Exhibits:

- A Franchise Agreement
- B List of State Administrators/Agents for Service of Process
- C List of Franchisees
- D Unaudited Financials
- E State Law Addendum
- F Receipt

Date

Signature

Printed Name

Date

Signature

Printed Name

Please sign this copy of the Receipt, date your signature and return it to Dan Beck 2145 Eastridge Ctr, Eau Claire, WI 54701.