

BOOSKERDOO FRANCHISE LLC

1321A Memorial Drive
Asbury Park, NJ 07712
A New Jersey limited liability company
732-439-1966



FRANCHISE DISCLOSURE DOCUMENT

The franchise being offered is for the right to operate BOOSKERDOO COFFEE & BAKING CO. cafés. BOOSKERDOO COFFEE & BAKING CO. franchises offer a variety of specialty coffees, baked goods and other designated food and drink items served quickly for dine-in or carry-out customers under the franchisor's designated marks (each a "café").

The total investment necessary to begin operation of a café ranges from \$298,372 to \$497,774. This includes between \$129,472 to \$180,974 that must be paid to the franchisor or affiliate.

The total investment necessary to begin operation of your first BOOSKERDOO café under an Area Development Agreement that requires the development and operation of 3 cafés ranges from \$318,372 to \$517,774. This includes \$149,472 to \$200,974 that must be paid to the franchisor or affiliate.

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 James Caverly, 1321A Memorial Drive, Asbury Park, NJ 07712, 732-439-1966.

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

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

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

Date of Issuance: March 22, 2022, as amended July 28, 2022

How to Use This Franchise Disclosure Document

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

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

What You Need To Know About Franchising Generally

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

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

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

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

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

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

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

Some States Require Registration

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

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

Special Risks to Consider About *This Franchise*

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

1. **Out-of-State Dispute Resolution.** The franchise agreement requires you to resolve disputes with the franchisor by mediation, arbitration and/or litigation only in New Jersey. Out-of-state mediation, arbitration, or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate, arbitrate, or litigate with the franchisor in New Jersey than in your own state.
2. **Financial Condition.** The franchisor's financial condition, as reflected in its financial statements (see Item 21), calls into question the franchisor's financial ability to provide services and support to you.
3. **Limited Operating History.** The Franchisor is at an early stage of development and has a limited operating history. This franchise is likely to be a riskier investment than a franchise in a system with a longer operating history.

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

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ITEM 1.

THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS AND AFFILIATES

The Franchisor is Booskerdoo Franchise LLC, which will be referred to as “Booskerdoo”, “we,” “our,” or “us.” The terms “you,” and “your,” refer to the person, corporation, limited liability company, partnership or other legal entity that is granted a franchise. If you are a legal entity, your direct and indirect owners must sign our form of personal guaranty agreement, which means that some or all of our franchise agreement provisions will also apply to your owners.

The Franchisor

We are a New Jersey limited liability company formed on September 23, 2019. Our principal place of business is located at 1321A Memorial Drive, Asbury Park, New Jersey. We conduct business as Booskerdoo Franchise LLC and no other business name. We first began offering *Booskerdoo* franchise opportunities in December of 2019. We have not conducted business in any other line of business and we have not offered franchises in any other line of business. We have never operated a *Booskerdoo* café (although certain of our affiliates do).

Our Parents, Predecessors and Affiliates

Booskerdoo Franchise LLC is wholly owned by Booskerdoo HoldCo LLC.

Our affiliate, Booskerdoo Coffee LLC, owns and operates five *Booskerdoo* cafés in New Jersey (Asbury Park, Fair Haven, Monmouth Beach, Holmdel, Red Bank). In 2019, Booskerdoo Coffee LLC authorized a third-party to operate a *Booskerdoo* café in New York under the *Booskerdoo* Marks pursuant to a licensing arrangement. Neither Booskerdoo Coffee nor Booskerdoo Franchise LLC currently offer licensing opportunities.

Our affiliate, Booskerdoo Production LLC, is currently the only authorized supplier of certain products and equipment that you will be required to use in your café. Booskerdoo Production LLC does not offer, and has never offered, franchises in any type of business and does not conduct any business other than as described in this Disclosure Document.

We are also party to an intellectual property license agreement with our affiliate, Booskerdoo IP LLC (“Booskerdoo IP”), a New Jersey limited liability company formed on September 23, 2019 solely to be the holder of Booskerdoo Franchise LLC’s intellectual property. Booskerdoo IP owns the Marks and licenses them to us for use in our franchise program.

Other than what is set forth here, we do not have any parent companies, predecessors, or other affiliates that offer franchises in any line of business, or that offer, sell or provide products or services to our franchisees.

The Franchised Business

We offer franchise rights to develop and operate casual cafés offering a variety of specialty coffee drinks, baked goods, and other designated food and drink items made fresh and served quickly for dine-in or carry-out customers; as well as bags of fresh roasted coffee for retail sale, certain designated catering services for on-premises pick up and such other products and services as we may designate under the trademarks, service marks, trade names and commercial symbols (“Mark”) we designate, currently including the marks *Booskerdoo* and BOOSKERDOO COFFEE & BAKING CO. (each a “Café”). We have the right to change, substitute, alter, modify and/or supplement any of the Marks at any time, in our sole discretion. There is no limitation on our right to do so.

For reference purposes in this franchise disclosure document, we refer to all businesses using the System and the Marks as Booskerdoo Outlets or “System Cafés”, and we call the Booskerdoo business that you will operate the “Café” or the “Business.”

Franchisees operating Booskerdoo Outlets provide the goods and services we designate or approve in writing, and use our business formats, methods, procedures, signs, designs, layouts, standards, specifications and Marks (the “System”). We may change, improve, modify and further develop the System in our discretion. If you are awarded a franchise, you must operate your Café in accordance with the System.

You must sign a Franchise Agreement for each Café you develop and open. The Franchise Agreement grants you the right to operate a Café at a specific location and licenses you the right to use the designated Marks. The typical System Café will consist of approximately 800 to 1500 square feet in size. You must operate your Café in accordance with the Franchise Agreement, System and standards and specifications we may designate including through our Confidential Operations Manual (the “Manual”).

We may, at our sole discretion, periodically make changes to the system and brand standards, including, without limitation, changes to: the products and services Cafés are required to offer; standards; facility requirements; signage; equipment; and fixture requirements. You may have to make additional investments in the franchised business periodically during the term of the franchise if changes are made, or if your Café’s equipment or facilities wear out or become obsolete, or for other reasons, including changes in the system and/or brand standards. All Cafés must be developed and operated to our mandatory and suggested specifications, standards, operating procedures and rules that we periodically specify for Cafés (the “Brand Standards”, “System”, or the “System Standards”). You have no discretion in the types of products or services you sell.

The typical Cafés will be "in-line" stores or pad sites, meaning they are developed in strip malls or a retail lot adjacent to businesses, office buildings, train stations, schools and/or fitness

facilities. Cafés tend to perform best when located in middle to upper income neighborhoods in a highly trafficked area with ample parking or considerable pedestrian traffic in an attractive building with exceptional visibility and signage.

System Cafés are to feature our standards, specifications and procedures for operations; distinctive exterior and interior design, signage, decor, color scheme, fixtures and furnishings; proprietary recipes and methods of preparation and cooking; training and assistance; and marketing programs; all of which we may change, improve upon, further develop or discontinue at our sole discretion at any time.

Area Development Agreement

We may, in our sole discretion, offer opportunities to develop multiple cafés (currently a minimum of three (3) cafés) within a designated geographic area according to a pre-determined development schedule to interested and qualified candidates who meet our then-current criteria for multiple-unit development. If you are interested and qualify, and we elect to offer you the opportunity, you will enter into our then-current form of Area Development Agreement for the development of multiple cafés. Currently, we do not anticipate granting development rights for the development of less than three cafés, but we reserve the right to do so. You and we will mutually agree on an area to be defined in the Area Development Agreement as the “Development Area.” You will be required to develop and open, directly or through affiliated entities that are owned entirely by you (or your owners, if you are a legal entity), a pre-determined number of cafés within the Development Area. You (or your approved affiliate) will sign our then-current Franchise Agreement, which may be different from the franchise agreement included in this offering, for each café you are obligated to open under the Development Agreement. You will be required to pay us a Development Fee of \$50,000 (Fifty Thousand Dollars) at the time you enter into the Area Development Agreement as well as discounted a initial franchise fee of \$10,000 (Ten Thousand Dollars) for each café you are obligated open under the Development Agreement at the time you sign the Franchise Agreement.

A copy of our current Area Development Agreement is attached to this Disclosure Document as Exhibit C.

General Description of the Market and Competition

The restaurant business is mature and competitive. You will compete with independent, franchised, national and local restaurants and retail shops offering similar products and services. The market for the types of goods and services offered by *Booskerdoo* Cafés is well established and competitive. You will face other business risks that could have an adverse effect on your business, including pricing policies of competitors, changes to laws or regulations, changes in supply, cost of and demand for products, new technologies and competition that provide related products or services.

Regulations Specific to the Industry

We know of no trade or license regulations which specifically affect only the coffee or bakery

industries apart from other segments of the food service industry. You must, however, comply with all local, state, and federal laws and licensing requirements that apply to your Café operations, including EEOC, OSHA, discrimination, employment and sexual harassment laws. The regulations and requirements concern, among other things: the fitness and adequacy of buildings and equipment; the appropriateness of materials and supplies; qualifications of staff members; staff training and licensing; record-keeping; health, fire and safety standards; disabilities of your employees and customers. The Americans with Disability Act of 1990 requires readily accessible accommodation for disabled persons and therefore may affect your building construction, site elements, entrance ramps, doors, seating, bathrooms, drinking facilities, etc. For example, you must obtain real estate permits (such as zoning permits), real estate licenses and operational licenses. There are also regulations that pertain to sanitation, labeling, food preparation, food handling, food storage and food service. You are required to investigate and comply with all applicable laws, rules and regulations, including local zoning requirements, which vary from jurisdiction to jurisdiction. You alone are responsible for complying with all applicable laws and regulations despite any advice or information that we may give you. You are strongly encouraged to consult with an attorney concerning these and other local laws and ordinances that may affect your Café's construction and operation.

Agents for Service of Process

Our agents for service of process are listed on Exhibit A to this Disclosure Document.

ITEM 2.

BUSINESS EXPERIENCE

CEO: James Caverly

James Caverly currently serves as the CEO of Booskerdoo Franchise LLC in Asbury Park, New Jersey; he has held this role since our inception in September of 2019. In April of 2011, Mr. Caverly and his wife (see below) opened their first *Booskerdoo* and co-founded Booskerdoo Coffee LLC. Since April 2011, together they have co-owned and operated four *Booskerdoo* locations in New Jersey, as well as an extensive wholesale and equipment tech operation.

President/Director of Food Product Development: Amelia Caverly

Amelia Caverly serves as our President and Director of Food Product Development. Mrs. Caverly co-founded Booskerdoo Coffee LLC in April of 2011 with her husband James, and today they co-own and operate the four existing *Booskerdoo* locations in New Jersey. She has served as Head Baker since the inception of the role in October of 2013.

Vice President of Franchise Operations: Brynne Devlin

Brynne Devlin serves as our Vice President of Franchise Operations. Ms. Devlin began at *Booskerdoo* as a wholesale account manager in March of 2017 and soon moved into the role of retail district manager of Booskerdoo Coffee LLC in February of 2018

Vice President of Beverage Product Development and Coffee Training: Mitchell Warren

Mitchell Warren serves as our Vice President of Beverage Product Development since November of 2016. In November of 2015, Mr. Warren began at *Booskerdoo* as a barista and trainer

ITEM 3.

LITIGATION

No litigation is required to be disclosed in this Item.

ITEM 4.

BANKRUPTCY

No bankruptcy information is required to be disclosed in this Item.

ITEM 5.

INITIAL FEES

Initial Franchise Fee

If we award you a franchise, you must pay an Initial Franchise Fee of \$40,000 to us when you sign the Franchise Agreement (the “Initial Franchise Fee”). The Initial Franchise Fee is due in full upon signing and is non-refundable upon payment. The Initial Franchise Fee is uniform for all franchisees purchasing a *Booskerdoo* franchise under this disclosure document. The Initial Franchise Fee will also cover your first lease review, as well as Initial Training for up to ten employees.

During our fiscal year ended December 31, 2021, the Initial Franchise Fees were uniform.

Initial Inventory and Coffee Equipment Package:

In addition, prior to opening your Café, you must purchase an initial inventory and certain coffee/bar equipment package from our affiliate, Booskerdoo Production LLC (the “Initial Inventory and Coffee Equipment Package”). Booskerdoo Production LLC will install the initial water filtration system and the initial espresso and coffee brewing equipment. The cost of your Initial Inventory and Coffee Equipment Package will range from \$89,472 to \$140,974 depending on the size of your Café and amount of customization required. The Initial Inventory and Coffee Equipment Package is due prior to opening your Café and is non-refundable upon payment.

Development Fee

If you are granted the opportunity to enter into an Area Development Agreement, as disclosed in Item 1, you and we will mutually agree on an area to be defined in the Area Development Agreement as the “Development Area.” The Area Development Agreement will specify the total number of cafés you are required to open and operate in the Development Area. When you sign the Area Development Agreement that requires the development of three cafés, you will pay us a Development Fee equal to \$50,000 at the time you sign the Area Development Agreement. The Development Fee is nonrefundable. When you sign the Franchise Agreement for each café you are obligated to develop pursuant to the Area Development Agreement, you will also pay us a discounted initial franchise fee of \$10,000 for each café. You will also be obligated to pay us the Initial Inventory and Coffee Equipment Package as set forth above for each café you are required to develop under the Area Development Agreement. You (or your approved affiliate) will sign our then-current Franchise Agreement for each café you are obligated to open under the Development Agreement.

Except as disclosed in this Item, you are not required to pay any other fees to us and/or our affiliates before you open your Café.

ITEM 6.

OTHER FEES

Type of Fee	Amount	Due Date	Remarks
Royalty Fee (Note 1)	6% of gross sales	Payable weekly, every Tuesday	You must pay the weekly royalty fee directly to us. See definition of gross sales.

Type of Fee	Amount	Due Date	Remarks
Marketing Fee	Up to 2% of gross sales	Payable weekly, every Tuesday	You pay the weekly Marketing Fee to us.
Local Marketing Requirement	Up to 1% of Gross Sales	Payable Monthly.	You must expend the specified amount on local advertising, marketing, sponsorships, public relations and promotions in accordance with the guidelines we provide. You must use only approved materials that we provide to you.
Local Marketing Deficiency Fee	Up to 1% of Gross Sales	Monthly expenditures required to be spent by you on local marketing/advertising.	Uniformly Imposed. If you fail to expend the Local Marketing Requirement, we have the right to require you to pay us any unexpended amounts.
Technology Fee	\$90/week, currently	Payable Weekly.	Paid to us or our designated supplier to provide you with a Booskerdoo mobile application. This fee may be increased annually by no more than five percent (5%).
Audit	Cost of audit, plus 18% interest on the underpayment from the date of the underpayment	Immediately upon receipt of invoice.	We will have the right, at any time, to audit or to have an independent audit made of your books and records. If an inspection shows that any payments have been understated by you in any report to us, then you must pay to us the amount understated plus interest in the amount of 18% per annum, or the maximum rate permitted by law, whichever is less. Audits are conducted at our expense, however, if an audit shows an underpayment by you of 2% or more, then, in addition to repayment of monies owed, with

Type of Fee	Amount	Due Date	Remarks
			interest, you must reimburse us for all costs and expenses we incur for the audit, including travel, lodging and wage expenses, and reasonable accounting and legal costs.
Interest on Past Due Amounts	18% per year or the highest amount allowed by applicable law, whichever is less.	Upon invoice.	Charges will be uniformly imposed on a state-by-state basis in conformance with applicable state laws regulating interest rates.
Bank Charges and Fees	Charges and Fees assessed by banks and third parties as a result of default in EFT payments	When assessed	If any EFT payment is not honored by your bank for any reason, you are responsible for the dishonored payment plus any bank or other charges incurred by or assessed upon us.
Costs of Enforcement	All costs, including total amount of attorney's fees incurred as a result of any act or omission as well as fees incurred for enforcing this agreement.	Upon invoice.	You are obligated to reimburse us for costs and attorney's fees incurred as a result of any act or omission as well as for fees incurred for enforcing this agreement.
Product, Equipment and Services Purchases	See Item 8	See Item 8	You must buy products, equipment and services from us or our designated and approved suppliers ("Designated Suppliers") whose items or

Type of Fee	Amount	Due Date	Remarks
			services meet our standards and specifications. We reserve the right to be the sole supplier of any product, equipment and/or service. If we exercise this right, you must purchase the designated product, equipment, and/or services from us and/or our affiliates, as applicable, at the prices we specify, which may include a mark-up.
System Modifications	Cost of implementation, unlimited.	As required	If we make changes to our System, you must adapt your business to conform to the changes. Some examples of changes include new equipment, fixtures, signage, software or incorporation of new Marks. Some of your costs in connection with a System Modification may be payable to us or our affiliates.

Type of Fee	Amount	Due Date	Remarks
Approval of Products or Suppliers	Actual Expenses Incurred in Connection with our Evaluation (plus the actual cost of training provided by our designated architects and contractors in the event you seek approval to use a non-designated contractor or architect).	At the time of evaluation or training	Applies to the costs we expend in our evaluation of new suppliers you wish to purchase from or products you wish to purchase; Training fee only applies when we require an architect or contractor selected by you to be trained by our designated suppliers.

Type of Fee	Amount	Due Date	Remarks
Additional Hourly Training Fee (Note 2)	Our designated hourly training rate (currently \$15 per hour for each barista and \$25 per hour for each manager); all out-of-pocket expenses incurred by our training staff for additional training; and all wage/benefit, travel and living expenses for you or your employees during additional training.	As incurred before beginning Additional Training.	We may require you or your employees to attend or undergo additional training at our Asbury Park training facility (or at your Café in our sole discretion at an increased rate of \$30 per hour for each barista or \$50 per hour for each manager) during the term of your franchise and we may charge you a fee for this additional training. You will also be responsible for all travel, living, wage and benefit expenses for you and your employees during any initial and additional training, as well as for all out of pocket expenses (including travel, food, lodging) for any <i>Booskerdoo</i> training staff during additional training. The Additional Hourly Training Fee would apply if you choose to send more than ten employees to Initial Training. The Additional Hourly Training Fee will also apply to any new or replacement managers who do not participate in Initial Training. Until such time that we require you to have a Certified Barista Trainer at your Café, we will train up to six new baristas each year in our Asbury Park training facility at no additional charge to you; however, to the extent more than six baristas require training, this Additional Hourly Training Fee would also apply.

Type of Fee	Amount	Due Date	Remarks
“Train the Trainer” Training (Note 2)	Our designated “Train the Trainer” hourly rate (currently \$35 per hour); plus all wage/benefit, travel and living expenses for your employees during training.	As incurred.	This is not currently required; however, in the event that we subsequently require you to maintain a Booskerdoo Certified Barista Trainer on staff at your Café, your employee will need to attend Certified Barista Trainer Training at our Asbury Park (or your Café in our sole discretion). See Item 11 for additional information.
Training Fee for Make Up Training	\$75/hour for each employee that misses scheduled training	As incurred.	If a required attendee fails to attend any required training, or fails to provide at least 24 hours’ notice that they are unable to attend any required training, the missed training session(s) must be made up at our convenience at our training facility and you will be charged a increased \$75/hour fee for each hour the of missed training for each person who missed the training.
Temporary Management Assistance	Currently, \$30 per hour, plus our expenses and costs	Each day that it applies	If you breach the Franchise Agreement or following the death or incapacity of an owner of the franchise, we may temporarily manage your franchised Café.
Failure to Maintain Essential Staff Penalty	\$500/day	Each day that it applies	For each day that you do not have (a) a certified barista on the floor during business hours or (b) a baker available for your Café’s morning bake, and there is no trained manager or owner who is able to perform their job, we reserve the right to charge you \$500/day for failure to adequately staff your café in accordance with Booskerdoo standards.

Type of Fee	Amount	Due Date	Remarks
Insurance Policies	Amount of unpaid premiums plus 10% of the cost of the insurance procured to reimburse us for our time and expense in obtaining the policies	Upon demand	Payable to us only if you fail to maintain required insurance coverage and we elect to obtain coverage for you.
Transfer Fee	Up to \$6000	Prior to consummation of the transfer.	Payable to us when you transfer your franchise. There is a \$3000 charge if you submit a proposed transfer to us for our approval, but do not affect the transfer. No charge if your franchise is transferred to an entity that you wholly own and control during the first six months of the Term. A \$2000 charge if you transfer your franchise to any entity in which you own an interest, but less than a 100% interest.
Successor Franchise Fee	\$2500, non-refundable	Upon signing Successor Franchise Agreement.	Payable upon signing of your Successor Franchise Agreement.
Relocation Fee	\$2000, non-refundable	Upon receipt of our approval to relocate.	If you request the right to relocate your Café, and we approve the relocation, you must pay us a relocation fee.
Lease Review Fee	\$2500	Upon invoice.	You are required to present all leases to us for review and approval prior to signing; one lease review is covered as part of the Initial Franchise Fee. If you request us to review any other leases, we will charge you a lease review fee.

Type of Fee	Amount	Due Date	Remarks
Replacement of Operations Manual	Cost of Manual	Upon invoice.	We will provide you with access to one copy of the Operations Manual; if it is provided in written format and you require a new copy, you shall pay the then-current replacement fee established by Booskerdoo.
Indemnification	All costs including actual attorneys' fees	Upon demand	You must defend lawsuits at your cost and hold us harmless against lawsuits arising from your operation of the franchised Café or any noncompliance of any agreement or covenant in the Franchise Agreement. We provide indemnification to you for any lawsuits or claims arising from your authorized use of the Marks.
Liquidated Damages	Aggregate Royalty Fees and Marketing Fees due to us during the 36-month period immediately preceding termination	Upon termination	If the Franchise Agreement is terminated as a result of your default prior to the expiration of the Term, you must pay us liquidated damages equal to the aggregate Royalty Fees and Marketing Fees accrued under your Franchise Agreement during the 36 full calendar months during which the Café was open and operating immediately before the termination date. If the Café has not been open and operating for 36 months before the termination date, liquidated damages shall be equal to the average monthly Royalty Fees and Marketing Fees accrued under the Franchise Agreement for all months during which the Café was open and operating multiplied by 36. If there are less than 36 months remaining on the Term, the liquidated damages shall be

Type of Fee	Amount	Due Date	Remarks
			calculated by multiplying the amount calculated above by a fraction, the numerator of which is the number of calendar months (including partial months) remaining on the Term, and the denominator of which is 36.
Taxes (Note 3)	Amount of tax or fee	When assessed	If any tax or fee (other than federal or state income tax) is imposed on us by any government or governmental agency due to our receipt of fees you pay to us under the Franchise Agreement, you must pay us the amount of such tax or fee as an additional franchise fee.

NOTES

GENERAL NOTE: Unless otherwise stated, all fees imposed by, paid to and collected by us are non-refundable. Except as otherwise disclosed in this Item, for all franchises offered pursuant to this disclosure document, all fees described in this Item 6 are uniformly imposed, however, in some circumstances under which we deem appropriate, we reserve the right to waive or reduce some or all of these fees for a particular franchisee. No such reduction or waiver of a single fee shall imply that any other fee or fees be waived. We require that all fees payable to us be paid through an electronic fund transfer (EFT), including automatic debits from your bank account(s), unless we specify otherwise. You must provide us all of the bank and other forms we need to set up or change EFT authorization. We reserve the right, in our sole discretion, to change the payment procedure that you will be required to follow.

Note 1: "Gross Sales" shall mean all revenue derived from the sale of any and all products and services, and all other income of every kind and related in any way to the Franchised Business, whether for cash or credit (and regardless of collection in the case of credit) and whether or not such sales are made at or by the Franchised Business; *provided, however*, that you may deduct any sales taxes which were collected by you as required by law and paid to the appropriate taxing authority.

We will require you to report your Gross Sales to us in the manner we designate in our sole discretion. Currently, Gross Sales are automatically reported to us through Toast, your required POS System; however, we reserve the right to change this reporting method in our sole discretion and you must comply. You must have computer equipment capable to accessing and using any electronic form currently or subsequently required to facilitate such payment.

We reserve the right to, in writing, approve granting franchises with lower royalty fees in certain limited circumstances. Before varying from standard fees, we will take into account many factors, including prior experience and financial capabilities. We may offer incentives in new or developing markets. Incentives may be offered to new and/or existing franchisees. We anticipate that any reduced fees will only apply to franchisees who are in compliance with all of our agreements and requirements. We are not currently offering an incentive program, but may do so in the future. We reserve the right to cancel or modify any future incentive program we may offer. You will not be entitled to receive the benefits of any such incentive programs unless agreed by us in writing.

Note 2: Booskerdoo will not charge for the attendance of your Training Team at the initial training program; however, if you elect to bring additional employee(s) to the initial training program or are required by us to participate in additional training during the term of your Franchise, we will charge you the Additional Training Fee. For all training activities you or your employees participate in at any time, you will be required to pay all personal expenses incurred

by you and/or your employees during such training including, without limitation, costs and expenses of transportation, lodging, meals, wages and employee benefits.

Note 3: If your state, or any governmental body in your state, charges a tax on the royalty we receive from you, then you are required to pay an additional earned service fee equal to the amount of this tax. This does not apply to any federal or income taxes we have to pay.

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ITEM 7.

ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

TYPE OF EXPENDITURE	AMOUNT	METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS TO BE MADE
Initial Franchise Fee (Note 1)	\$40,000	Lump Sum	At the Signing of the Franchise Agreement	Us
Initial Equipment & Inventory Package	\$89,472 - \$140,974	Lump Sum	Before Opening; As Invoiced	Our Affiliates
Pre-paid Rent / Real Estate Fees (Note 2)	\$7,000 – \$12,000	As Incurred	Before Opening; As Incurred	Per agreement with Landlord
Leasehold Improvements/Build Out (Note 3)	\$75,000 – \$150,000	Lump Sum	As Incurred	Designated Suppliers, Third Parties
Utility Deposits	\$0 – \$2000	As Arranged	Before Beginning Operations	Utility Company
Licenses & Permits (Note 4)	\$1,000 – \$10,000	Lump Sum	Before Opening	Third Parties
Furniture, Fixtures & Equipment (Note 5)	\$32,400 – \$45,300	As Arranged	Before Beginning Operations	Designated Suppliers
Opening Inventory (Note 6)	\$1,400 - \$6,000	Lump Sum	As Incurred	Designated Suppliers
Signage	\$5,600 – \$8,000	As Arranged	Before Beginning Operations	Designated Suppliers

TYPE OF EXPENDITURE	AMOUNT	METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS TO BE MADE
Grand Opening Advertising	\$12,000 – \$25,000	As Incurred	As Incurred/Before Opening	Designated Suppliers
Legal Expenses & Accounting	\$3,000 – \$5,000	As Incurred	Before Opening	Third Parties
Insurance (Note 7)	\$1,500 – \$3,500	As Incurred	Before Opening	Third Parties
Additional Funds (Prior to opening and for first three months) (Note 8)	\$30,000 - \$50,000	Lump Sum	As Incurred	Us; Designated Suppliers; Third Parties
TOTAL	\$298,372- \$497,774			

NOTES

GENERAL NOTE: The above chart lists estimates of the initial investment funds necessary to open a *Booskerdoo* Café and does not include ongoing marketing and advertising expenses or percentage rent payable under the terms of your lease. We cannot, and do not, guarantee that your costs will fall within the stated ranges nor do we guarantee that you will not have different or additional expenses starting your business. These estimated ranges are based on market research and our affiliate's experience in developing the affiliate-owned Cafés. Accordingly, these estimates are likely to vary based on a number of factors, including your specific location, market and size of your Café. Most of these costs are not within our control and may change at frequent intervals; your costs may be higher. Your costs will depend on your management skill, experience and business acumen; local economic conditions; the local market for the Café's goods and services; competition; and the sales level reached during the initial period. You are strongly advised to diligently investigate all potential costs with a qualified business advisor before proceeding with this investment to gain a better understanding of your expected individual costs and expenses. All fees payable to us are non-refundable. The terms you negotiate with outside suppliers or third parties govern the refundability of all payments to them. We do not offer financing directly or indirectly for any part of the initial investment.

Note 1. The Initial Franchise Fee for a Café is \$40,000. The Initial Franchise Fee is due and payable in full when you sign the Franchise Agreement and is non-refundable under any circumstances. See

Item 5 for more details regarding the Initial Franchise Fee.

Note 2. The rental and real estate estimate provided in the chart is based on our affiliate's experience in operating the affiliate-owned Cafés in New Jersey; the estimate provided contemplates that your lease may require you to pay the security deposit and rent for the first and last month up front. It also includes your estimated rental expense for months two and three. Rent may vary extensively depending upon your area and specific location, as well as the square footage of the rental space. You are strongly advised to consult with a business advisor to determine a more appropriate estimate of the real estate rental fees, costs and expenses you are likely to incur in the area in which you wish to open a Café before signing the franchise agreement.

Note 3. The architecture, construction and leasehold improvements fees vary depending on a number of factors including the size, location, existing leasehold improvements and costs of construction in the area of the Café. Your location must conform to our specifications. Costs are influenced by local building standards and labor rates. If the premises are leased, the lessor's contribution toward the cost of construction, if any, may be a factor that will affect initial costs as well as on-going rent. These costs will vary based on building size, configuration and condition of the premises, material costs, construction costs, labor costs, installation costs, geographic location, requirements imposed by government and distance from suppliers. Architectural or Contractor fees for building or leasehold improvements are paid to our Designated Suppliers (or, if approved by us in advance, by third party architects or contractors selected by you). Payments to these contractors and suppliers are typically made as the services are received or when the stages of work are completed. These payments are usually not refundable. Real estate/space development costs vary considerably. Your costs can be higher depending on the site and code requirements, and other factors. See also Item 6, 8 and 11 regarding the additional evaluation and training fees you may incur if you want to have an architect or contractor selected by you approved by us.

Note 4. You are solely responsible for obtaining all necessary permits and licenses required for the development, opening and operation of the Café including, but not limited to, building permits, zoning permits, certificates of occupancy, and business licenses. The type of permits and licenses required, as well as their cost, vary by location.

Note 5. The range includes an estimate of equipment costs not supplied by our affiliate as part of the Initial Inventory and Coffee Equipment Package. It includes refrigeration and freezer equipment, display cases, tables, chairs, countertops, counters, decor and lighting. Your costs may vary and will depend upon, among other things, the location and size of your Café.

Note 6. The range in this chart represents an estimate for opening inventory not supplied by our affiliate as part of the Initial Inventory and Coffee Equipment Package. It includes certain drinks and bakery items. Your costs may vary depending on factors such as the size and the location of your Café and any upgrades or changes in the specifications.

Note 7. You must obtain insurance policies protecting both yourself and us, and your and its respective officers, directors, partners, and employees, against any demand or claim for personal injury, death, or property damage, or any loss, liability, or expense arising from the operation of your Café. These policies must be written by a responsible carrier or carriers acceptable to us, and must include, at a minimum (unless we required additional coverage and higher policy limits), the following:

1. Comprehensive General Liability Insurance, including broad form contractual liability, broad form property damage, personal injury, completed operations and products liability, in the amount of \$2,000,000 combined single limit, and fire damage coverage in the amount of \$50,000.00, and naming us as an additional insured; and
2. "All Risks" coverage for the full cost of replacement of the Café and the leasehold improvements and all other property in which we have an interest, with no coinsurance clause, a replacement cost clause attached, agreed amount endorsement equal to 100% of the value of the property; and
3. Employer's Liability, Workers' Compensation and any other insurance required by statute or rule of the state or locality in which your Café is located; and
4. Business Interruption Insurance, including coverage for royalty payment obligations, for a minimum of 24 months of Gross Sales, excluding ordinary payroll expenses, and naming us as an additional insured; and
5. If we require you to provide delivery services, you may be required to purchase or lease a vehicle, in which event you must also obtain and maintain "automobile liability" insurance, including coverage of vehicles owned by you, vehicles used in the business, and vehicles owned by the business, with a combination of primary and excess limits of at least \$1,000,000. Your vehicle insurance coverage requirements will be specified in more detail in the manual. You must carry minimums higher than those imposed under applicable law. Your policy must include the amendment for hired non-owned auto for vehicles you do not own.
6. We recommend that you obtain and maintain cyber coverage, and umbrella coverage, the amount of which will vary depending on the number of Cafés you open and operate.

You may, with our consent, have reasonable deductibles for the coverages described in sub-paragraphs 1 and 2 above. If you perform any construction, renovation, refurbishment or remodeling of your Café, you must also obtain Builder's All Risks insurance and performance and completion bonds in forms and amounts, and written by a carrier or carriers, reasonably satisfactory to us. You must provide us with a Certificate of Insurance evidencing these insurance coverages on an ongoing basis. You acknowledge that these obligations are self executing and you are required to submit copies of the

Certificates of Insurance naming us as an additional insured automatically on an ongoing basis, regardless of whether we request them from you, which we are not obligated to do.

Note 8. The “Additional Funds” category includes estimated start-up costs calculated prior to, and for a period of three months following, the opening of your Café, with additional operating capital to be available as may be needed during the initial phase. This amount includes estimated expenses for travel, payroll and benefits that you may incur for your employees prior to opening (including during training) and prior to, and during the initial three-month period after, opening; however, these expenses do not include owner’s salary or draw. These estimates were determined by experience of the Franchisor’s experience in operating its affiliate-owned Cafés as well as with industry norms and trends. We cannot and do not estimate when, or whether any franchisee will achieve a positive cash flow or profits during this period, or any period. These amounts are estimates only and specific amounts will vary based upon many factors including, but not limited to, the number of employees.

TABLE 2

AREA DEVELOPMENT AGREEMENT

TYPE OF EXPENDITURE	AMOUNT	METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS TO BE MADE
Development Fee (Note 1)	\$50,000 <i>[if you sign an Area Development Agreement for three cafés.]</i>	Lump Sum	At the Signing of the Development Agreement	Us
Discounted Franchise Fee	\$10,000 [for your first café]			
Initial Investment for your first café to be developed under the Development Agreement (Note 2)	\$258,372 - \$457,774 <i>[The initial investment range disclosed in Table 1 for the first café Developer is obligated to open under the Development Agreement, less the \$40,000 initial franchise fee disclosed in Table 1.]</i>	See Item 7 Chart above for Franchise Agreement	See Item 7 Chart above for Franchise Agreement	See Item 7 Chart above for Franchise Agreement

TYPE OF EXPENDITURE	AMOUNT	METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS TO BE MADE
TOTAL (Notes 1 & 2)	\$318,372 - \$517,774 <i>[Total Amount includes an Area Development Agreement for three cafés, and the Initial Investment for your first café.]</i>			

Notes.

Note 1. If you are granted the opportunity to enter into an Area Development Agreement, as disclosed in Item 1, you and we will mutually agree on an area to be defined in the Area Development Agreement as the “Development Area.” The Development Agreement will specify the number of cafés you are required to open under the Development Agreement (the “Development Area Cafés”), with a minimum of three cafés. The Development Fee you will pay to us under the Development Agreement will be equal to \$50,000; plus, a discounted initial franchise fee of \$10,000 for the first and each subsequent café you are required to develop under the Development Agreement. You (or your approved affiliate) will sign our then-current Franchise Agreement for each café you are obligated to open under the Development Agreement. You will also be required to pay the Initial Inventory and Coffee Equipment package to us for each café you agree to develop under the Area Development Agreement. If you are unable to open the cafés you are obligated to open under the Development Agreement, or if the Development Agreement is terminated for any reason, you will not receive any refund of any portion of the Development Fee.

Note 2. As set forth above in Table 2, the Initial Investment estimate for the first café to be developed under a Development Agreement was derived from the Total Estimated Initial Investment range set forth above in Table 1, less the initial franchise fee of \$40,000); the Initial Investment estimate set forth in Table 2 will apply to the first café you are obligated to open and operate under the Area Development Agreement. With the exception of the one-time Development Fee which will be paid at the time you sign the Area Development Agreement, you will incur similar investment expenses as shown on Table 2 for your second and each subsequent café you are required to open and operate under the Area Development Agreement. These expenses may increase over time.

ITEM 8.

RESTRICTIONS ON SOURCES OF SERVICES AND PRODUCTS

We have spent considerable time, effort and financial resources to develop the *Booskerdoo* System. You must operate your *Booskerdoo* Café according to our System's standards and specifications. This includes but is not limited to purchasing or leasing all goods, services, supplies, fixtures, equipment, inventory, computer hardware and software, professional services, and advertising in accordance with our specifications, which may include requiring you to purchase these items from: (i) us; (ii) our affiliates or (iii) our Designated Suppliers. You must not deviate from these methods, standards and specifications without our prior written consent or otherwise operate in any manner which reflects adversely on our Marks or the System.

The System is subject to modification, change and improvement at any time, including the opportunity to offer new products and services. You must at all times conform to our brand standards, including high standards of quality, safety, cleanliness, appearance and customer service. We anticipate that our standards and specifications will change over time. You must adhere to these changes. These requirements are critical to assure the quality, safety and consistency of the goods and services provided by Cafés in our System, and to protect and enhance the image of the Marks.

Our Confidential Operations Manual sets forth our standards, specifications and guidelines for all products and services we require you to obtain in establishing and operating your *Booskerdoo* Café, as well as approved Designated Suppliers for these products and services. We will notify you of new or modified standards, specifications or guidelines through periodic amendments or supplements to the Manual or through other written communication (including electronic communication such as e-mail or through a system-wide intranet). You may incur additional expenses and may be required to make additional investments to comply with changes and modifications.

You must, at your expense, construct, improve, remodel and operate your Café in accordance with the System standards and specifications, as set forth in our Manual (as it may be updated from time to time) and in other publications we issue from time to time. You must, at your expense, purchase or lease, install and use all fixtures, signage, equipment, décor, furnishings, improvements, supplies, other products and items (including point of sale, computer hardware and software, security systems), decor items, related items and services we require, all of which must conform to the Manual and our standards, specifications and other publications we issue from time to time. At our request, you must sign a Security Agreement which creates a security interest for our benefit in your inventory items, fixtures and equipment and other assets owned by you and used for the operation of, or related to, your Café, in order to secure your obligations to us. The Security Agreement is included in Item 22 below of

this Disclosure Document. You may not install or permit to be installed at the Café any fixtures, furnishings, equipment, decor items, signs, games, vending machines or other items that we have not approved or designated without our prior written consent. We may communicate our System standards and specifications directly to suppliers who wish to supply you with furniture, fixtures, equipment, inventory and signage under our specifications.

You must maintain in sufficient supply, use and sell at all times only the services, items, products, materials, supplies and goods designated by us. You may not deviate from our standards and specifications in any way without obtaining our written consent first, which we are not required to give. You must sell and offer for sale only those items, products and services that we expressly approve for sale in writing. You must offer for sale all programs, products and services we require in the manner and style we require.

We restrict your sources of certain items and services to protect trade secrets and other intellectual property rights, help assure quality, help assure a reliable supply of products that meet our standards, achieve better terms of purchase and delivery service, control third parties' use of the Marks, and monitor the manufacture, packaging, processing and sale of these items.

We require you to purchase certain products, services (including architectural and contractor services), signs, furnishings, supplies, fixtures, inventory, and equipment (including approved POS system) (collectively, "Required Purchases") from (i) us, (ii) our affiliates, or (iii) suppliers, distributors or service providers that we have approved ("Designated Suppliers"). We will provide you with a list of Required Purchases and Designated Suppliers before you open your Café. Currently, you must purchase the Grand Opening program, Reputation Management and Social Media services, Streaming Music Services, Equipment Repair Service and Parts, POS/Computer System and computer tech services, furniture and fixtures, signage, cold pre-packaged beverages, paper products, certain equipment and architectural and contractor services from our Designated Suppliers. As of the issuance date of this Disclosure Document, you currently are required to purchase the following items from us or our affiliate Booskerdoo Production LLC: all coffee, tea and bakery items, coffee and bar equipment, certain branded retail items and certain technologies including mobile application services. Certain of our officers and employees listed in Item 2 have an indirect ownership interest in Booskerdoo Production LLC.

We may designate additional Designated Suppliers or remove any Designated Supplier at any time; we may designate additional Required Purchases or remove any Required Purchases at any time. We will notify you if we revoke our approval of a Required Purchase or Designated Supplier, and upon receipt of such notice, you must immediately stop purchasing the good or service or must immediately stop purchasing from a disapproved supplier. We reserve the right to require you to purchase additional items from us and/or our affiliates in the future.

We may, but are not required to, negotiate pricing arrangements, including volume discounts on behalf of our franchisees with our Designated Suppliers. Volume discounts may not be available to

franchisees located in outlying markets that a particular supplier does not serve in significant volume. As of the issuance date of this Disclosure Document, there are no purchase or supply agreements (including pricing terms) in effect and no purchasing or distribution cooperatives that you must join. We may enter into new purchasing arrangements or cancel existing purchasing arrangements at any time in our sole discretion. We are not obligated to negotiate or maintain these relationships and we are not required to pass discounts on to our franchisees. Our negotiated terms do not necessarily indicate that the prices we negotiate are lower than pricing available from other suppliers. We do not provide material benefits to franchise owners (for example, renewal or granting of additional franchises) based on their purchase of particular products or services or use of particular suppliers.

We do not guarantee the availability of independent sources of supply for any particular item, product or service required to establish or operate your Café. There are minimum lead times for order fulfillment on many of these items and while we may currently stock some or all of these items, there is no obligation on our part to ensure that they are always in-stock and on-hand. There may be delays in delivery. You are required to maintain an inventory of some or all of these items, as we specify. The pricing for these items may vary over time, including variations based on volume orders.

If you would like to purchase any goods or services in establishing and operating the Café that we have not approved, you must first send us sufficient information, specifications and samples for us to determine whether the goods or services comply with our standards and specifications or the supplier meets our approved supplier criteria. You must pay our expenses to evaluate goods, services or suppliers. We will decide within a reasonable time (usually 15 days) after receiving the required information whether you may purchase or lease the goods or services from the supplier. Our criteria for approving or revoking approval of suppliers includes, but is not limited to: the supplier's ability to provide sufficient quantity of goods; quality of goods or services at competitive prices; production delivery and capability; and dependability and general reputation. Our decision, however, to approve or revoke approval of suppliers is subject to our sole and absolute discretion, without regard to any standard of reasonableness or other standards of care limiting our rights. In the event that you request approval for an architect or contractor that is not a Designated Supplier, we may, in addition to charging you any expenses we incur in our evaluation of the proposed supplier, also require that your proposed supplier attend training with one of our Designated Suppliers and will require you to pay the actual cost of such training to the Designated Supplier.

As of the Issuance Date hereof, Booskerdoo Franchise LLC did not have any franchisees; accordingly, neither we nor our affiliates have received any revenue from required purchases or leases by franchisees. However, in the future, we and/or our affiliates may derive revenue and other material consideration, including through mark-ups on your purchases, on account of any and all items, products and services. We may also derive revenue on account of your purchases from us, our affiliates and any other Designated Supplier without limitation. The amount of markup and pricing for Required Purchases is subject to the absolute discretion of *Booskerdoo*.

We estimate that the cost of the equipment, supplies, services and goods for resale that must be purchased from us, Our Affiliates, or Designated Suppliers, or in accordance with our specifications, will represent approximately 90% to 100% of your total purchases in connection with the establishment of your franchised Café, and will represent between 90% and 100% of your total purchases in connection with the ongoing operation of your franchised Café.

Area Development Agreement

Under the Area Development Agreement, you are required to find sites that meet our then-current standards and specification for each of the cafés you are obligated to open under the Area Development Agreement. You are not permitted to sign any lease agreement before you submit the agreement to us for our review and approval. We have the right to require you to incorporate certain terms and agreements with the lease for the café premises. We have the right to require you to use our designated site selection and real estate service providers at any time.

Except as stated in this Item 8 (or in Items 5, 6 and 7), there are no goods, services, supplies, equipment, computer hardware and software or real estate which you must purchase or lease from us or our affiliate or from Designated Suppliers approved by us.

ITEM 9.

FRANCHISEE'S OBLIGATIONS

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

OBLIGATION		SECTION IN FRANCHISE AGREEMENT	DISCLOSURE DOCUMENT ITEM
a.	Site Selection And Acquisition/Lease	Article 2	Item 7 and 11
b.	Pre-Opening Purchases/Leases	Section 4.03, 8.04 and 9.01	Item 6, 7 and 8
c.	Site Development And Other Pre-Opening Requirements	Article 2 and 4	Item 6, 7 and 11

OBLIGATION		SECTION IN FRANCHISE AGREEMENT	DISCLOSURE DOCUMENT ITEM
d.	Initial And Ongoing Training	Article 7	Item 11
e.	Opening	Section 4.01.10	Item 7, 8 and 11
f.	Fees	Article 5	Item 5, 6 and 11
g.	Compliance With Standards And Policies/Operating Manual	Article 8	Item 8, 11, 14 and 16
h.	Trademarks And Proprietary Information	Article 10	Item13 and 14
i.	Restrictions On Products/Services Offered	Article 9	Item 16
j.	Warranty And Customer Service Requirements	None	Item 11
k.	Territorial Development And Sales Quotas	None	Item 12
l.	Ongoing Product/ Service Purchases	Article 9	Item 8 and 16
m.	Maintenance, Appearance And Remodeling Requirements	Articles 4	Item 8 and 11
n.	Insurance	Article 15	Items 7
o.	Advertising	Article 14	Item 6 and 11
p.	Indemnification	Section 22.03	Item 6
q.	Owner's participation/ Management/ Staffing	Article 8	Item11 and 15
r.	Records/Reports	Article 13	Item 6
s.	Inspections/Audits	Section 13.05	Item 6 and 11
t.	Transfer	Article 16	Item 17
u.	Renewal	Section 3.02	Item 6 and 17
v.	Post-Termination Obligations	Article 18	Item 6 and 17
w.	Non-Competition Covenants	Article 19	Item 12, 15 and 17

OBLIGATION		SECTION IN FRANCHISE AGREEMENT	DISCLOSURE DOCUMENT ITEM
x.	Dispute Resolution	Article 25	Item 17
y.	Security Interest	Exhibit H	Item 8

DEVELOPMENT AGREEMENT

OBLIGATION	SECTION IN DEVELOPMENT AGREEMENT	DISCLOSURE DOCUMENT ITEM
A. Site Selection and Acquisition/Lease	Section 4	Items 11 & 12
B. Pre-Opening Purchase/Leases	Section 4	Items 5, 7 & 8
C. Site Development and other Pre-Opening Requirements	Section 4	Item 11
D. Initial and Ongoing Training	Not Applicable	Item 11
E. Opening	Section 4	Item 11
F. Fees	Section 3	Items 5, 6 & 7
G. Compliance with Standards and Policies/ Operations Manual	Section 4	Item 11
H. Trademarks and Proprietary Information	Section 1	Items 13 & 14
I. Restrictions on Products/Services Offered	Not Applicable	Items 8 & 16
J. Warranty and Customer Service Requirements	Not Applicable	Not Applicable
K. Territorial Development and Sales Quotas	Sections 2, 4	Item 12
L. Ongoing Product/Service Purchases	Not Applicable	Item 16
M. Maintenance, Appearance and Remodeling	Not Applicable	Not Applicable

OBLIGATION	SECTION IN DEVELOPMENT AGREEMENT	DISCLOSURE DOCUMENT ITEM
Requirements		
N. Insurance	Not Applicable	Item 8
O. Advertising	Not Applicable	Item 11
P. Indemnification	Section 9	Not Applicable
Q. Owner's Participation/Management/ Staffing	Section 2	Item 15
R. Records and Reports	Not Applicable	Not Applicable
S. Inspections and Audits	Not Applicable	Not Applicable
T. Transfer	Section 8	Item 17
U. Renewal	Not Applicable	Item 17
V. Post-Termination Obligations	Section 9	Item 17
W. Non-Competition Covenants	Section 9	Item 17
X. Dispute Resolution	Section 9	Item 17

ITEM 10.

FINANCING

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

Area Development Agreement

We have no obligation under the Area Development Agreement other than to (a) designate your Development Area, which is the area within which you must open and operate the designated number of cafés you are required to open under the Area Development Agreement; and (b) approve or disapprove of your proposed sites for each café you are required to open and operate under the Area Development Agreement within the thirty (30) day period after you provide to us the site report, application and all materials and information we require relating to the proposed site.

Pre-Opening Obligations

Before you open your Café, we will do the following:

1. We will make available to you, at no charge, standard specifications for the construction of a prototypical Café, including exterior and interior design and layout, display requirements, fixtures, equipment and signage. You shall, at your expense, adapt the standard specifications to the Café. (Franchise Agreement Section 6.01.1).
2. We will provide an initial training program prior to the opening of the Franchised Business for your initial Training Team at our training facility in Asbury Park, NJ, your Café or place we designate. (Franchise Agreement, Section 6.01.2).
3. We will provide to you, on loan, one copy of the Manual. (Franchise Agreement, Section 6.01.4).
4. We will give you information and the identification of source from which you may purchase certain products, signage and location collateral material. (Franchise Agreement, Section 6.01.5).

Although not obligated to do so, we may also:

1. Provide such other training programs, after the opening of the Café as we, in our sole discretion, deem appropriate. (Franchise Agreement, Section 6.02.1).

2. Provide such continuing advisory assistance to you in the operation of the Franchised Business, after the opening of the Café, as we, in our sole discretion, deem advisable. (Franchise Agreement, Section 6.02.2).

3. Provide to you, periodically, as we, in our sole discretion, deem appropriate, advice and written materials concerning techniques of managing and operating the Franchised Business, including required and suggested inventory and sales instructions, new developments and improvements in Café layout and design, and new developments in services, merchandising and packaging of products and services, however, we are not obligated to assist you in obtaining your inventory. (Franchise Agreement, section 6.02.3).

4. Provide to you preventative maintenance services (not including the cost of any parts) on the coffee and bar equipment included as part of the Initial Inventory and Coffee Equipment Package. (Franchise Agreement, Section 6.02.4).

Area Development Agreement

If you sign an Area Development Agreement, you must: (a) find an approved location for each café you are obligated to open and enter into a valid and binding lease agreement on or before the “Lease Execution Deadline” identified in Exhibit A attached to the Area Development Agreement; and (b) open each café on or before the Opening Deadline identified in Exhibit A to the Development Agreement. We will mutually agree on the Opening Deadlines before signing the Area Development Agreement. As stated under the disclosures applicable to the Franchise Agreement, each proposed site must meet or then-current criteria, standards and specifications. We will approve or disapprove of a proposed site within the thirty (30) day period following our receipt of the site application package and all material we require to evaluate the proposed site. If we do not approve or disapprove the proposed site before the expiration of this thirty (30) day period, it will be deemed disapproved. We also reserve the right to require you to include the lease provisions disclosed under the Franchise Agreement disclosures. The site development, build-out and pre-opening obligations, as well as ongoing obligations for each of the cafés you are obligated to open under the Development Agreement are governed by the terms and conditions of the individual Franchise Agreement you sign for each café.

Site Selection

You must secure an approved location and execute a lease for the Café within 90 days after you sign your Franchise Agreement. We do not select your site, however your location must be approved by us. We will approve or disapprove the proposed location within thirty (30) days after the date that we receive all information that we request regarding the proposed location. In approving your site, we consider the general location, size of your proposed space, neighborhood, traffic patterns, signage visibility, area demographics and population density, parking, physical characteristics (including

“healthiness” of location and neighboring businesses) and lease terms. Once you find an approved location and secure a lease for the location, you will have 180 days to open your Café. If you do not find a site (or if we are unable to agree on an acceptable site) and open your Café within the time periods required under your Franchise Agreement, we have the right to terminate your Franchise Agreement. The Franchise Agreement requires you to open for business no later than (a) 270 days after you sign the Franchise Agreement, or (b) 180 days after you enter into a lease agreement for the Café. (Franchise Agreement, Section 17.02.1).

At your request, we may assist you in finding an approved location, however, our assistance will in no way constitute an assurance, representation or warranty of any kind as to the suitability of the location or for any other purpose. (Franchise Agreement, Section 2.02). We generally do not own premises that we lease to franchisees; however, we reserve the right to do so in the future.

You must negotiate and obtain a lease agreement for the approved location at your expense and sign and deliver to us a Collateral Assignment of your rights under the lease agreement in order to secure your obligations and our rights under your Franchise Agreement (see Item 22 also). You must submit to us a copy of your lease before signing and, if more than one lease is presented to us for review, pay to us a Lease Review Fee. Any assistance we may provide in negotiating your lease agreement, will in no way constitute an assurance, representation or warranty of any kind as to the suitability for the lease agreement for the operation of the Café or for any other purpose. (Franchise Agreement, Section 2.02).

We require the inclusion of the following provisions in the lease agreement: (Franchise Agreement, Section 2.02)

1. A provision that restricts the use of the premises solely to the operation of your Franchise;
2. A provision that, if you fail to timely pay all amounts due to us, or the landlord, we have the right to charge and collect from you all resulting costs and expenses incurred by and penalties imposed on us;
3. A provision that prohibits you from subleasing or assigning all or any part of your rights or extending the term of or renewing the lease agreement without our prior written consent;
4. A provision giving us the right to enter the premises to make modifications necessary to protect the Proprietary Marks or the System or to cure any default under your Franchise Agreement or the lease agreement;
5. A provision reserving to us the right to receive an assignment of the leasehold interest upon the termination or expiration of the lease agreement or your Franchise Agreement;

6. A provision requiring the landlord to provide Booskerdoo with written notices of any defaults issued to you under the lease; and

7. Any other provision that Booskerdoo believes is necessary to protect its interests.

Plans and Specifications for your Café

We provide to you, at no charge, standard, generic, prototypical plans and specifications for the construction of your Café, including design and layout, display requirements, fixtures, equipment and signage. (Franchise Agreement, Section 6.01). You will then, at your expense, have specific plans and specifications for construction or conversion of the space for the Café prepared by a licensed architect selected by us. You may request our assistance with the design layout for the Café, which we may provide at our discretion. We are not contractually obligated to assist you with the design layout. Before you may begin construction, these plans and specifications must be approved by us in writing. Any changes or modifications must also be approved by us in writing. All construction, architecture and build-out costs will be at your sole expense. In the event that you wish to utilize the services of an architect or contractor who is not a Designated Supplier, you may request that we approve an architect and/or contractor/builder selected by you; however, we reserve the right, in our sole discretion, to approve, deny or condition the use of your selected architect or builder and to require, in our sole discretion, that your selected architect or contractor attend training provided by one of our designated suppliers. Any such training will be at your sole expense and shall be billed to you at the actual rates charged by our designated suppliers. You will also be required to reimburse us for our actual costs incurred in connection with our evaluation of your proposed architect or contractor.

You must ensure, before opening, that your Café is accessible to, and useable by, persons with disabilities, meets the Standards for Accessible Design for new construction in the ADA Accessibility Guidelines (“ADAAG”) as may be amended from time to time, or any more stringent accessibility standard under federal, state or local law. It is your responsibility to ensure that your Café is constructed in compliance with all applicable laws, rules and regulations.

You must perform all necessary construction of your Café, and you must purchase and install all fixtures, equipment and signs designated by us, at your expense. You must completely remodel or refurbish your Café, at our request, no more frequently than every 5 years unless you are required by your lease or applicable law to do so more frequently. We are a start-up franchisor and, as of the issuance date of this Disclosure Document, we have not imposed any remodeling or refurbishment requirements. We cannot predict the range of costs and expenses associated with any remodeling or refurbishment requirements. There are no limits on the costs and expenses you may incur in complying with any remodeling or refurbishment requirements. We do not expect that your costs and expenses you will incur in remodeling or refurbishing your Café will exceed the cost you incur in initially building out your Café.

Estimated Opening Time Period

We expect that franchisees will typically open their Cafés within 9 months after they sign their franchise agreements and typically two to five months after they find an approved location and secure a lease for the location. The factors that affect this time are the ability to locate a suitable site and obtain a lease, financing or building permits, zoning and local ordinances, construction schedules, obtaining licenses and permits, weather conditions, shortages, and delayed installation of equipment, fixtures and signs.

Computer/POS System

We will designate, and you must purchase, specific computer hardware and software to be used in the operation of your Café. You must only POS and computer applications that meet our specifications. You will use the computer to, among other things, keep sales, inventory and customer information. We may independently access the information in your computer system to audit your sales or analyze your operations. There are no contractual limitations on our rights to access your computer or POS information.

Currently, the POS system includes the following components which you will be required to purchase from a Designated Supplier: Toast POS, 10” ELO Terminal (Android I-Series), Armor Active Flip Stand, Standard Cash Drawer, Epson TMT-T20 Thermal Receipt Printer and Meraki Z3 Router. We reserve the right to change our computer/POS system or requirements at any time. You must comply with all such changes and conform to our new standards at your sole cost and expense.

The POS software was not manufactured or produced specifically for our franchise system. Such updates and upgrades shall be done as necessary and are to be done solely at your expense. You must make reasonable upgrades and updates to your computer system, at our request and at your expense. We estimate that these updates and upgrades may cost you between \$0 and \$500 each year. We need not assist you to obtain your computer hardware, software or related services, i.e. maintenance, upgrades or repairs. Except as provided by the manufacturer's warranties, neither we nor any third party has a contractual obligation to provide ongoing repairs, upgrades or updates to your hardware or software. There is no contractual limitation on the frequency and cost of maintaining, upgrading, updating or repairing your computer system.

As of the issuance date of this disclosure document, the anticipated cost of the computer/POS system is \$2488. At this time, we do not require you to purchase computer/IT tech support services from a designated supplier; however, we reserve the right to require you to do so in the future from our designated supplier.

Manual

We provide to you, on loan, one copy of the Manual, which contains mandatory and suggested specifications, standards and procedures. (Franchise Agreement, Section 6.01.4). This Manual is confidential, contains our trade secrets and remains our property. You are not permitted to disclose any part of the Manual to any person other than to employees of yours who need to know the specific information in the Manual in connection with the performance of their duties in operating the Café and who agree to maintain the Manual's confidentiality by signing a confidentiality agreement. You may not, at any time, copy, duplicate, record or otherwise reproduce any part of the Manual. We may designate the form of Confidentiality Agreement you must use with employees who may have access to any of our confidential information to ensure adequate protection of our confidential information, including the contents of the Manual. We do not, however, control the forms or terms of your employment agreements with your employees. You are solely responsible for these forms and for your employment and labor relations. You understand that if the Manual includes any suggestions or optional forms relating to any security policies or personnel policies, it is your responsibility to determine to what extent, if any, these policies or procedures might apply to your operation at the Café. We do not mandate, dictate or otherwise directly or indirectly control labor or employment matters for franchisees of the System and their employees. You are solely responsible for the safety and security of your employees and customers. It is your responsibility to hire and train all of your employees.

We may modify the Manual, but the modification will not alter your status and rights under your Franchise Agreement. (Franchise Agreement, Article 11). The Table of Contents to our Manual as of the issuance date of this Disclosure Document is attached as Exhibit I. You are permitted to view the Manual at our offices before signing the Franchise Agreement, but you must sign a confidentiality agreement before doing so.

We give you advice as to products and supplies, however, we are not required to assist you in obtaining any products or supplies. (Franchise Agreement, Article 6)

We have no obligation to develop new products or services to be offered by you to your customers, hire or train employees, improve or develop the franchised business, establish prices, establish or use administrative, bookkeeping, accounting or inventory control procedures, or to resolve operating problems encountered by you in the operation of your Café. We need not provide you with any other service or assistance before you open your Café.

Opening and Ongoing Support

We will provide you with onsite support during your "Friends and Family" opening party and during your first five days of operations after opening.

During your ongoing operation of the Café, we provide you with advice regarding the management,

marketing and operation of your Franchise, to the extent that we deem necessary and desirable.

As we deem appropriate, we also issue updated information and revisions to the Manual as new and improved methods, recipes, products, systems and procedures for the operation of your Franchise are developed or adopted by us. (Franchise Agreement, Article 11).

Grand Opening

You must spend at least \$12,000 on a Grand Opening advertising and marketing program, including print or digital media and/or direct mail advertising, and other solicitation and promotional efforts. The Grand Opening program shall begin one month prior to opening and continue for one month after opening. We may identify an approved Designated Supplier to provide Grand Opening advertising and marketing services and may require you to engage that Designated Supplier's services in connection with the Grand Opening of your Café. We or our Designated Supplier will provide you with guidance for conducting your Grand Opening and will provide all necessary tools and materials you use in your Grand Opening Advertising. As of the issuance date of this Disclosure Document, there are three Grand Opening packages for you to select from; the cost of the packages range from \$12,000 - \$25,000.

We reserve the right to change the Grand Opening program or Designated Supplier at any time and you shall comply immediately with any such request. (Franchise Agreement, Section 14.05)

Pricing and Promotional Programs

We have the right to create national, regional and/or local promotional programs that involve giveaways and/or sales at specified prices, and other incentives or benefits for the time periods we designate. We may develop digital promotions, social media promotions, customer loyalty programs, gift card programs, coupons and similar programs for the time period we designate. We have the right to make participation in these promotional programs mandatory and, if we do, you must participate. We are not required to compensate you for participation in any such promotional programs.

We will provide recommended pricing for all products and services offered at your Café. You may sell your products at prices you determine; however, prior to offering products at prices that are above or below our recommended pricing, you must submit your proposed pricing to us for approval, which we may grant or deny in our sole discretion. In determining your prices, you should consider the general image of the *Booskerdoo* System. We reserve the right to prohibit you from offering products at prices below or above our recommended pricing in the future (subject to applicable law).

Reputation Management

The protection of *Booskerdoo*'s brand name and reputation is of the utmost importance. Accordingly, you must purchase reputation management services from our Designated Supplier. We may, in our

sole discretion, provide these services ourselves. We reserve the right to modify or eliminate this requirement at any time. In the event we eliminate this service, you shall be required to actively and timely monitor and manage your online reputation and ratings in accordance with the guidelines that we may establish in our sole discretion.

Technology Fee

We will charge you \$70 each week to provide you with certain technologies which will include, at minimum, a mobile application that will be accessible to your customers and will facilitate online ordering and loyalty programs. We reserve the right to increase the cost of this fee by no more than five percent (5%) annually and add, modify or eliminate certain technologies including the existence, features and/or functionality of the mobile application at any time. We may identify an approved Designated Supplier to provide technological services or may provide these services ourselves in our sole discretion.

Local Marketing Requirement

Each month, you must spend at least 1% of your Gross Sales on advertising, public relations, promotions, charitable donations and/or sponsorships in the local area surrounding your Café (your “Local Marketing Requirement”). You will pay for your ads and promotions directly, but we will provide you with approved local marketing, advertising and promotional plans, marketing and guidelines. All local advertising and marketing must be approved by us and you may not develop your own marketing or advertising collateral. Expenses for employee salaries, wages, travel expenses, and menu printing and/or distribution do not count towards your Local Marketing Requirement. (Franchise Agreement Section 11.2)

We reserve the right to require you to submit to us, on a quarterly or monthly or weekly basis as we designate, a report detailing your Local Marketing expenses (including invoices upon request). If you do not meet your Local Marketing Requirement, or if you fail to otherwise comply with your local marketing obligations, we have the right, in addition to any and all other rights and remedies available to us under the Franchise Agreement and applicable law, to (a) require you to immediately pay all sums you were required to, but failed to expend (“Local Marketing Deficiency”), to the Marketing Fund, (b) require you to spend the Local Marketing Deficiency in the manner designated or approved by us for local marketing purposes, or (c) require you to immediately pay the Local Marketing Deficiency to us to be expended by us or our designee directly in your Café’s area for local marketing purposes.

Marketing Funds

Currently, you must contribute up to 2% of your Gross Sales (“Marketing Fee”) to our Brand Marketing Fund (“Brand Marketing Fund”) on a weekly basis. (Franchise Agreement Section 5.02)

The Brand Marketing Fund is the only marketing fund established as of the issuance date of this Disclosure Document; however, we reserve the right in the future to create other advertising or marketing funds and to direct a portion of your Marketing Fee towards those new funds (collectively with the Brand Marketing Fund, the “Funds”). We may change, dissolve or merge the Funds at any time, in our sole discretion.

You must pay the Marketing Fee to us on a weekly basis on Tuesday of each week. Payments shall be made to us via ACH, electronic funds transfer, or, if we designate, by separate checks made payable to us or the Fund. As of the issuance date of this Disclosure Document, we do not yet have any System franchisees in operation and therefore we have not collected Marketing Fees for the 2021 calendar year, or for any prior years.

All franchisees are required to contribute to the Funds at an equal rate. All cafés owned by us or our affiliates may, but are not required to, make similar contributions to the Funds as required of franchisees.

We may administer the Funds ourselves, or designate or license a third party to do so. We have sole discretion over the creative concepts, materials, media, type, nature, scope, frequency, place, form, copy, layout and content of all national, regional, and local advertising or marketing paid out of the Funds and we will determine the placement and allocation of any and all marketing, advertisements or promotions. We may use print, television, radio, Internet or other media for advertisements and promotions.

The Funds are intended to maximize general public recognition and acceptance of the Booskerdoo brand and the Marks for the benefit of the System, and neither we, nor the Funds, are obligated to make expenditures for you that are equivalent or proportionate to your contributions. We are not required to ensure that you benefit directly or pro-rata from the placement of advertising. The Funds are not currently used (although they could be in the future in our discretion) to directly market any particular franchisee’s business on a local level. Local marketing is your responsibility and obligation.

We currently utilize a combination of in-house and third-parties to develop and place all marketing and advertising, but we reserve the right to make changes to our marketing sources at any time in the future. The Funds will be maintained and administered by us, or our designee, as set forth herein and we reserve broad discretion in how the Funds will be spent. Among other things, and without limiting our ability to direct the Funds otherwise, we may use your contributions to pay for or reimburse us for any cost of creating, producing, procuring, maintaining, hosting, administering, directing and circulating any advertising, marketing, sponsorships, public relations and/or promotional campaigns, programs and/or materials in any and all types of media (including any television, radio, newspaper, magazine, direct mail, social media, mobile application, Internet (e.g. search engines, banner ads, web pages or e-commerce sites)); employing advertising, marketing, brand and/or public relations agencies or consultants; purchasing and providing promotional brochures, items or materials; conducting market research; providing marketing materials to franchisees; and administering visual merchandising,

promotions and merchandising programs. Marketing Fees may, in our sole discretion, also be used to provide rebates or reimbursements to you for local expenditures on products, services or improvements, approved in advance by us, which we believe will promote general public awareness and favorable support for the System. Activities engaged in by the Marketing Funds may be local, regional or national.

We may use the Marketing Fee to pay: the salaries and benefits of personnel who manage, administer and/or work for the Funds and its activities; administrative costs, travel expenses, meeting costs, overhead costs and expenses; a management fee payable to us, an affiliate and/or our designee; taxes on Marketing Fees and contributions; market research; public relations; and the creation, preparation and production of advertising, promotions and marketing materials.

We do not expect to use Marketing Fees specifically to develop materials and programs that will be used principally to solicit franchisees; however, we reserve the right to do so in the future. Media, materials and programs, including our website and social media pages (which may be prepared using Marketing Fees) may describe our franchise program, reference availability of franchises and related information, and process franchise leads.

We have no obligation to segregate Marketing Fee payments or maintain accounts separate from our other funds. Marketing Fees may be commingled with funds in our general accounts. We expect to use an amount equal to all contributions made in any fiscal year, but any monies remaining in the Funds at the end of any year will carry over to the next year. We expect to use any interest or other earnings of the Funds before using current contributions, but are not required to do so.

We are not required to prepare or provide you with any statements relating to the contributions to or expenditures of the Funds, although we may do so at our option. The Funds will not be audited, unless we decide, in our sole discretion, to require an audit. If we choose to require an audit, all expenses for the audit will be paid out of the Funds. Any findings from such an audit may only be disclosed to you if we, in our sole and absolute discretion, permit such a disclosure. We may, but are not required to, create internally prepared, periodic statements of operations for the Funds. These statements, if created, may be made available to you, upon your reasonable prior written request.

We have the right to terminate the Funds at any time. If one or more Fund is terminated, we are not required to return any Marketing Fees contributed to any such terminated fund by you and will expend any retained contributions for the terminated fund for System advertising purposes. None of the Marketing Fees paid to us are refundable at any time, including upon termination or expiration of the Franchise Agreement.

The Funds are not a trust. We have no fiduciary obligation to you for administering the Funds or for any other reason.

We may structure the Funds organization and administration in any way that we determine. We may organize or reorganize the Funds into a separate entity or create new entities as we deem appropriate and we may transfer all Marketing Fees and assets to the entity. We may require you to pay the Marketing Fees directly to the entity.

We currently do not have a franchise owner advisory council that advises us on advertising policies but we reserve the right in our sole discretion to establish one and require your participation.

Cooperative Advertising

We encourage the formation and operation of franchisee cooperative advertising associations (each a “Co-op”). If formed, each Co-op will coordinate advertising, marketing efforts and programs, and attempt to maximize the efficient use of local advertising media. If a Co-op is formed for your region, you must participate in the Co-op or lose your right to vote as to decisions regarding advertising and marketing efforts and programs. In no event will you be required to be a member of more than one Co-op. We have the right to require any Co-op to be organized and governed (a) in a form and manner approved in advance by us in writing, and (b) for the exclusive purpose of administering regional advertising programs and developing, subject to our approval, standardized promotional materials for use by the members in local advertising.

No advertising or promotional plans or materials may be used by any Co-op, or furnished to its members, without our prior approval. We, in our sole discretion, may grant to any franchisee an exemption for any length of time from the requirement of membership in a Co-op, and/or from the obligation to contribute to the Co-op (including a reduction, deferral or waiver of such contribution), on written request of the franchisee stating reasons supporting the exemption. Our decision concerning such request for exemption shall be final. As of the issuance date of this Disclosure Document, you are not required to participate in any local or regional advertising cooperatives; however, we reserve the right to require your participation in the future.

Use of Your Own Advertising Material including Electronic Media

You are prohibited from developing your own advertising and promotional materials and from using the Marks and listing, marketing, advertising, or otherwise promoting your Booskerdoo Café on or through the Internet, any social media site, mobile application, networking website, electronic media, or any emerging or future developed media outlet or platform, or any similar sites, without our prior written consent in each instance. We may withhold our consent for any reason and we may condition our consent on your compliance with our designated guidelines, methods, procedures, rules and regulations. You may not post any content on the Internet, electronic media, mobile applications, social media or any future developed media outlet relating to the Café or the System without first (a) obtaining our prior written consent (which we may grant or refuse in our sole and absolute discretion) and (b) complying with any and all restrictions, terms and conditions we impose. You must comply with any and all policies, terms and conditions we designate, including those related to privacy and security. We have the right to establish any requirement we deem appropriate, including a requirement that your only presence on the Internet will be through one or more web pages that we establish on our website.

We have the right to establish a website or other electronic system providing private and secure communications between us, our franchisees and other persons and entities that we deem appropriate. If we require, you must establish and maintain access to the extranet in the manner we designate. We may periodically prepare agreements and policies concerning use of any extranet that you must acknowledge and sign. If we include information about your Café on any site, you must give us the information and materials we request and otherwise participate in the manner we specify. If you post any information or materials, or provide us with any information or materials to post, you are representing that the information and materials are accurate and not misleading and do not infringe on any third party's rights.

We own all of the intellectual property and other rights in any website, application or other site for the brand and/or the System and all information it contains, including domain names, URLs, visitor data and information (including information relating to visitor "hits") and any and all other data that any visitor to any such site or application may supply either by entering such information or by virtue of visiting the site or using the application.

Training

The training program we currently offer, which is subject to modification by us at any time, consists of the following:

We provide you an initial training program that covers material aspects of the operation of the Café. The topics covered are listed in the chart below. The persons required to attend each training session vary by training topic but will include you (or one of your owners if you are a legal entity), your managers and assistant managers, and your baristas (collectively, your "Training Team"). Prior to training, we will inform you which members of your Training Team need to attend each session.

We provide the initial training program simultaneously to up to ten members of your Training Team as part of your Initial Franchise Fee. Your Training Team must complete the initial training program to our satisfaction. Initial training must be started at least six weeks prior to opening your Café. Unless we agree otherwise, your Training Team must satisfactorily complete the initial training program no later than 15 days before the opening of the franchised Café. We expect that each Training Team will advance through the training program at different rates depending on a variety of factors, including background and experience. The time frames provided in the chart are an estimate of the time it will take to complete training. Except as otherwise disclosed in this Item, we do not charge for initial training. You must pay for all travel costs and living expenses, as well as any applicable wages, salaries, and benefits for yourself and the Training Team. These costs (not inclusive of living expenses, travel, wages, salaries or benefits) are estimated in ITEM 7. If you replace your designated manager, your new designated manager must attend our training program. You may be charged fees for additional training. Our current fees for additional training are described in ITEM 6. You are responsible for training your own employees and other management personnel who do not receive initial training.

For the opening of the Café, we will provide you with one of our trained representatives. The trained representative will provide on-site pre-opening and opening training, supervision, and assistance to you during your “Friends and Family” opening and for up to 5 days following your Café’s opening. You must reimburse the expenses our representative incurs while providing opening assistance, such as travel, lodging and meals.

Your Café must have a Booskerdoo Certified Barista (BCB) on the floor during all hours of operation and your Café must have a baker available each morning to handle the morning bake. Additionally, you or your designated manager who has satisfactorily completed our training program must be available at all times. In the event that a BCB or baker becomes unavailable to work at any time, and you are unable to immediately replace them with another BCB or baker to report to work, your designated manager (or you) must perform their duties. If it becomes necessary to replace your designated manager, the replacement manager has 30 days to complete the initial training program to our satisfaction and you must perform the designated manager’s duties until such time that he or she has successfully completed the initial training program. We may permit the replacement manager to complete the initial training program at your Café, in which case, you must pay our trainer(s) on an hourly basis at the Additional Training Fee set forth in Item 6.

If, at any time, one of your BCB’s employment terminates (for whatever reason), you must ensure that you are able to meet your BCB scheduling requirements with other existing BCBs at your Café to ensure that there is always a BCB on the floor during all business hours; if you are unable to do so, you or your designated manager must perform the BCB’s duties until such time that the BCB has been replaced and has successfully completed the initial certified barista training with us at our Asbury Park training facility. This training shall be completed within fourteen (14) days of the new barista being hired. We will train up to six new baristas each year for no charge; if training is required for more than six new

baristas, you will be charged for the Additional Training Fee as set forth in Item 6. For each day that you do not have (a) a BCB on the floor during business hours or (b) a baker available for your Café's morning bake, and there is no trained manager or owner who is able to perform their job, we reserve the right to charge you \$500/day for failure to adequately staff your Café in accordance with Booskerdoo standards.

We reserve the right to require you to maintain at least one BCB Trainer on staff who would be responsible for training new or replacement baristas. We also reserve the right to require the staff member whom you nominate to become a BCB Trainer to meet certain criteria that we may establish from time to time in our sole discretion (including, but not limited to, minimum time as *Booskerdoo* employee). In the event that we require you to have a BCB Trainer on staff, we will provide "Train the BCB Trainer" training to the staff member that you nominate (and we approve) in our Asbury Park location on an hourly basis at a rate of \$35 per hour. You will be responsible for all travel costs and living expenses, as well as any applicable wages, salaries, and benefits incurred by your nominee during "Train the BCB Trainer" training program. The "Train the BCB Trainer" training program will not exceed 40 hours. Upon your nominee's satisfactory completion of the BCB Trainer Program, he or she may provide barista training to any new barista you may hire at your Café and the new barista shall not need to attend, nor shall we provide, barista training at our Asbury Park training facility.

TRAINING PROGRAM

<u>Subject</u>		<u>Hours of Classroom Training</u>	<u>Hours of On- The-Job Training</u>	<u>Location</u>
Cultural and Managerial Training		8 hours		Asbury Park, NJ
Coffee Training		24 hours		Asbury Park, NJ
Manager Training - classroom		16 hours		Asbury Park, NJ
Manager Training - onsite			320 hours	Asbury Park, NJ or a Booskerdoo location to be determined
Equipment Training			8 hours	Your Café
Bakery			25 hours	Your Café
Barista Training			16 hours	Your Café

Training will be conducted by some or all of the following experienced members of the *Booskerdoo* team; however, this list is subject to change at any time in *Booskerdoo*'s sole discretion.

Mitch Warren

Mitch is *Booskerdoo*'s Vice President of Beverage Product Development and Coffee Training. He has been with *Booskerdoo* since 2014 and has more than 10 years' experience in the food and beverage industry. Mitch will facilitate training relating to coffee and espresso, as well as equipment.

Brynne Devlin

Brynne is *Booskerdoo*'s Vice President of Franchise Operations. She has been with *Booskerdoo* since 2016 and has more than 10 years' experience in the food and beverage industry, including 8 years' experience in retail food management and two years' experience as *Booskerdoo*'s Retail District Manager of *Booskerdoo* Coffee LLC. Brynne will facilitate training topics relating to managerial roles, customer service, and café set up.

Amelia Caverly

Amelia is the Co-Founder of *Booskerdoo* and currently serves as the President and Director of Food Product Development. She has been with *Booskerdoo* since it first opened in 2011 and has more than six years of commercial bakery experience. Amelia is the Head Baker and created the *Booskerdoo* bakery program. She will facilitate all baking related training.

We may use various materials during the training program, which may include the Operations Manual, Barista Handbook and other informational materials or presentations.

We reserve the right to name additional trainers or remove any trainer at any time. There are no limits on our right to assign a substitute trainer to provide training, or to remove one of the named trainers. We expect that any new trainers we name will have experience similar to those listed above; however, we reserve the right to determine, in our sole discretion, whether a new trainer has sufficient skill and/or experience such that he/she is able to competently provide training to franchisees.

The training will occur in Asbury Park, New Jersey, and, in our sole discretion, at your Café or other *Booskerdoo* Café location. We reserve the right to change the location of training in our sole discretion. We will inform you of the dates and location of the training. Training sessions are offered on an "as needed" basis. In the event that one of your employees fails to attend a scheduled Initial Training session, the employee will need to attend a make-up training session and you will be charged \$75/hour for such make-up training session.

We may require you or your employees to attend additional training programs or refresher courses in our discretion. Attendance will be mandatory and shall be at your sole cost and expense. We may also require you to attend an annual conference and to charge you a fee to attend.

You will be responsible for training your employees who do not attend the Initial Training. We may make tools and/or recommendations for implementing such training, but we are not required to do so.

ITEM 12.

TERRITORY

Your franchised Café is to be located at a location to be approved by us. Once we approve your location, a “Protected Territory” will be assigned. We will not establish or license another to establish a Café within a specified area (your “Protected Territory”), during the term of your Franchise Agreement, with the exception of Cafés (including alternate business formats) located in Special Venues.

Minimum Protected Territory

We will describe your Protected Territory in your Franchise Agreement when we approve your site for the Café. We will determine the size and boundaries of your Protected Territory in our discretion, based upon factors including geographic area, population density, character of neighborhood, location and number of competing businesses in the surrounding area, and other factors. While there is no minimum territory size and the exact size of each territory varies based on the applicable factors, a typical territory will cover an area that consists of (a) approximately a 1 mile radius surrounding your Café if your Café is located in a suburban area; (b) a 4-block radius surrounding your Café if your Café is located in an urban area; or (c) the boundaries of the shopping center or mall premises, if your Café is located within a shopping center or mall.

You must comply with your royalty payment obligations in order to retain your limited exclusivity. If you do not comply with your royalty payment obligations, subject to the notice and cure periods stated in your Franchise Agreement, we have the right to terminate your Franchise Agreement, which will eliminate all rights, including territorial protection. You are not required to achieve or maintain any given level of sales or to satisfy any other contingency in order to retain your limited exclusivity with respect to your Protected Territory and, provided that you are not otherwise in default under your Franchise Agreement, this limited exclusivity will continue to apply even if the population in your Protected Territory increases, or you sell or transfer your Franchise.

Special Venues

We reserve the right to establish and operate, or license others to establish and operate, Café(s) in “Special Venues”, including Special Venues located in your Protected Territory. The term “Special

Venues” shall mean non-traditional venues, including, without limitation, travel centers, airports, schools, railroad/railway stations, bus stations, government institutions and facilities, hospitals, military installations, race tracks, stadiums, sports arenas, convention centers, boardwalks, casinos, amusement parks, theaters, shopping malls, food courts, “big box” retail stores, and other locations within institutional or public service operations.

Relocation of Your Café

Under the terms of the Franchise Agreement, you do not have the right to relocate your Café without our prior written consent.

If the lease agreement for your Approved Location expires or is terminated before the expiration of your Franchise Agreement, you must use best efforts to secure a renewal of the existing lease. If you are unable to secure a renewal of the existing lease (despite using best efforts), you have up to 180 days after the termination or expiration of the lease agreement within which to: (i) find a new location for your Franchise which is acceptable to us and does not conflict with any rights granted by us to others; and (ii) secure a lease for the premises. You must open your Café for business at the new Approved Location within 180 days after you secure the lease for the Approved Location. If you are unable to secure a renewal of your existing lease and/or you do not find an Approved Location and open your Franchised Business, then your Protected Territory will terminate and we may elect to terminate your Franchise Agreement.

Your Franchise Agreement will remain in effect following the expiration or termination of the lease; provided, however, that you do not have to make royalty payments to us until the earlier of: (i) the date you find an Approved Location and secure a lease for the premises; or (ii) the expiration of 180 days from the date your lease expires or is terminated.

Development Agreement

If you are interested and qualify, and we elect to offer you the opportunity, you will enter into our then-current form of Area Development Agreement for the development of multiple cafés. Currently, we do not anticipate granting development rights for the development of less than three cafés. You and we will mutually agree on an area to be defined in the Development Agreement as the “Development Area” before you sign the Development Agreement.

We expect that a typical Development Area will consist of a list of cities or counties within a designated State, or within an area covered by identified zip codes. Your Development Agreement will specify the total number of cafés you are required to develop in the Development Area. You must sign lease agreements and open each café that you are required to open under the Development Area by the deadlines stated in the Agreement. If you fail to do so, we have the right to terminate the Area

Development Agreement, in which case you will lose all rights granted under the Area Development Agreement.

We will not establish or license another to establish a café within the Development Area during the term of the Area Development Agreement, with the exception of cafés located in Special Venues. We, or our affiliate(s), may: (i) establish and license others to establish cafés under the System at any location outside of your Development Area; (ii) establish and license others to establish restaurants, cafés or the like under other systems, using other proprietary marks, which offer or sell other products or services and are located either within or outside of your Development Area; (iii) market, distribute and sell, directly or indirectly, or license others to market, distribute or sell, directly or indirectly, any products from any location or to any purchaser (whether the purchaser is located within or outside your Development Area) under any proprietary mark, including *Booskerdoo*® and BOOSKERDOO COFFEE & BAKING CO® through alternative channels of distribution, within or outside your Protected Territory, including through the Internet and wholesale distribution centers; (iv) establish or operate and license others to establish or operate a café at any location outside the Development Area, regardless of the café's proximity to your Development Area; and (v) acquire, be acquired by, merge or affiliate with, or engage in any transaction with other businesses (whether or not those businesses are competitive), including competing franchise systems with units operating in your Development Area. If we acquire a competitive business or a competitive franchise system with units operating in your Development Area, we have the right to operate the business under the Proprietary Marks in your Development Area without affording any rights to you or providing any compensation to you. We also reserve the right to establish and operate, and to license others to establish and operate, café(s) in "Special Venues", including Special Venues located in your Development Area.

Non-Competition

If we terminate your Franchise Agreement, you may not, for a period of two years thereafter, operate, engage in, provide assistance to, or have any interest in any Competitive Business that is located, or is intended to be located: (a) at the Approved Location; (b) within a 25-mile radius of the Approved Location; (c) within a 25 mile radius of any other café; or (d) anywhere in the state of New Jersey. You further covenant that you shall not engage in unfair competition with Booskerdoo or any of its System Cafés. The term "Competitive Business" means any business operating, or granting franchises or licenses to others to operate: any store, café or foodservice business that offers, as its primary offerings, coffee, tea and/or baked goods.

Reservation of Rights

We, or our affiliate(s), may: (i) establish and license others to establish *Booskerdoo* Cafés under the System at any location outside of your Protected Territory; (ii) establish and license others to establish retail stores, kiosks or the like under other systems, using other proprietary marks, which offer or sell other products or services which are located either within or outside of your Protected Territory; (iii)

market, distribute and sell, directly or indirectly, or license others to market, distribute or sell, directly or indirectly, any products from any location or to any purchaser (whether the purchaser is located within or outside your Protected Territory) under any proprietary mark, including “*Booskerdoo*” through alternative channels of distribution, within or outside your Protected Territory, including through the Internet, catalog, direct or tele-marketing, and wholesale distribution centers; (iv) establish or operate and license others to establish or operate a *Booskerdoo* Café or kiosk at any location outside the Protected Territory, regardless of the Café’s proximity to your Protected Territory; and (v) acquire, be acquired by, merge or affiliate with, or engage in any transaction with other businesses (whether or not those businesses are competitive), including competing franchise systems with units operating in your Protected Territory. If we acquire a competitive business or a competitive franchise system with units operating in your Protected Territory, we have the right to operate the business under the Proprietary Marks in your Protected Territory without affording any rights to you or providing any compensation to you. Neither we nor our affiliates currently plan to operate or franchise any business under any different trademarks or that sells or distributes similar goods or services to those that you will offer.

You are not granted a right of first refusal related to the sale of other franchises in proximity to your Protected Territory or the right to acquire additional franchises under the Franchise Agreement.

Restrictions on Solicitations

You are not permitted to solicit customers or advertise outside of your Protected Territory without our prior written approval. We may condition its approval on your agreement to offer other *Booskerdoo* franchisees who are operating Cafés in territories encompassed by the circulation base of the proposed advertising, the opportunity to participate in, and share the expense of your solicitation and/or advertising. You are not permitted to use other channels of distribution such as the Internet, catalog sales, telemarketing or other direct marketing, to make sales outside of your Protected Territory without our prior written approval. We have the right to condition our approval on the terms that we determine necessary, such as requiring that your domain name and home page belong to us and be licensed to you for your use during the term of your agreement.

While we will not establish or license another to establish a Café within your Protected Territory, nothing in the Franchise Agreement prohibits us from soliciting or accepting business within your Protected Territory through alternative channels of distribution (e.g. the Internet, catalog sales, telemarketing or other direct marketing). We are not under any obligation to pay you compensation for any business we solicit or accept inside your Protected Territory.

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

ITEM 13.

TRADEMARKS

We grant our franchisees the right to operate under the name “*Booskerdoo*” which is the principal Mark used to identify our System. You may also use any other current or future Mark to operate your Franchised Business that we designate in writing, including the logo on the front of this Disclosure Document. By “Mark,” we mean any trade name, trademark, service mark or logo used to identify *Booskerdoo* Cafés.

The following marks are registered on the Principal Register of the U.S. Patent and Trademark Office (“PTO”) and all required affidavits and renewals have been filed:

Mark	Registration Number	Registration Date	Owner
	5679577	February 19, 2019	Booskerdoo IP LLC
BOOSKERDOO	5675008	February 12, 2019	Booskerdoo IP LLC
COFFEE RULES	5679629	February 19, 2019	Booskerdoo IP LLC
JERSEY DINER-STYLE (coffee type)	88450435	June 16, 2020	Booskerdoo IP LLC

The following marks (the “Pending Marks”) are pending registration with the Principal Register of the U.S. Patent and Trademark Office (“PTO”):

Mark	Serial Number	Filing Date
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AFTER DARK (coffee type)	88/450380	May 29, 2019
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We do not have a federal registration for the Pending Marks. Therefore, the Pending Marks do not have many legal benefits and rights as federally registered trademarks. If our right to use the Pending Marks is challenged, you may have to change to an alternative trademark, which may increase your expenses.

We may require you to use other current or future developed trademarks to operate your Café. We are not restricted in the way we use these trademarks, and we have all the rights to license or franchise others to use these trademarks. Throughout this Disclosure Document, our trademarks, including those developed in the future and licensed to you for use in connection with the operation of your Café, may be referred to as the “Proprietary Marks.”

You are required to follow our rules when using our trademarks. You are not permitted to use any of our trademarks as part of a corporate, limited liability company, or other entity name, email address, electronic identifier or Internet domain name. You cannot use any of our trademarks, except for those we license to you. You may not use any of our trademarks for the sale of any unauthorized product or service, or in any manner we have not authorized in writing. The trademarks licensed to you may only be used by you for the purpose of operating a Café in accordance with the Franchise Agreement, Manual and System.

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

We know of no infringing or prior superior uses that could materially affect the use of the Marks in the State of New Jersey or any other state in which the franchised Café is to be located. There are no determinations of the US Patent and Trademark Office, the trademark administrator of any state or any court; nor any pending material litigation involving principal marks that are material to the franchise.

You do not receive any rights to the Marks other than the non-exclusive right to use them in the operation of your franchised Café. You must use the Marks as the sole trade identification of the franchised Café. You cannot use a name or Marks as part of a corporate name or with modifying words, designs or symbols except for those which we license to you. You must obtain a fictitious or assumed name registration if required by your state or local law. You must not use the Marks as part of any email address. Any unauthorized use of the Marks by you is a breach of the Franchise Agreement and an infringement of our rights in the Marks. You must not contest the validity or ownership of the Marks, including any Marks that we license to you after you sign the Franchise Agreement. You must not assist any other person in contesting the validity or ownership of the Marks.

You must immediately notify us when you learn about an infringement of, or challenge to your use of, any Marks, or any claim by any person of any rights in any Marks, and you must 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, however, you may communicate with your own counsel at your own expense. We will take the action we think appropriate in these situations; we have exclusive control over any settlement or proceeding concerning any Marks. You must take any actions that, in the opinion of our counsel, may be advisable to protect and maintain our interests in any proceeding or to otherwise protect and maintain our interests in the Marks.

While we are not required to defend you against a claim arising from your use of our Marks, we will reimburse you for all of your expenses reasonably incurred in any legal proceeding disputing your authorized use of any Marks, but only if you notify us of the proceeding in a timely manner and you have complied with our directions with regard to the proceeding. We have the right to control the defense and settlement of any proceeding. We will not reimburse you for your expenses and legal fees for separate, independent legal counsel and for expenses in removing signage or discontinuing your use of any Marks. We will not reimburse you for disputes where we challenge your use of a Mark.

If we require, you must modify or discontinue the use of any Marks and use other trademarks or service marks we designate. We do not have to reimburse you for modifying or discontinuing the use of a Mark or for substituting another trademark or service mark for a discontinued Marks. If we adopt and use new or modified Marks, you must add or replace equipment, signs, supplies and fixtures, and you must make other modifications we designate as necessary to adapt your franchised Café for the new or modified Marks. There is no limitation on the costs you may be required to incur in complying with any designated changes or modifications. We do not reimburse you for any loss of goodwill associated with modified or discontinued Marks.

You must notify us if you apply for your own trademark or service mark registrations. You must not register or seek to register as a trademark or service mark, either with the USPTO or any state or foreign country, any of the Marks or a trademark or service mark that is confusingly similar to any of our Marks.

You may not advertise on the Internet using, or establish, create or operate an Internet site or website using any domain name containing, the word “Booskerdoo” or any variation thereof without our prior written consent.

ITEM 14.

PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

No patents are material to the franchise. We own copyrights in the Manual, textbooks, our website, our social media pages, our marketing materials and other copyrightable items that are part of the System. While we claim copyrights in these and similar items, we have not registered these copyrights with the

United States Register of Copyrights. You may use these items only as we specify while operating the franchised Café and you must stop using them if we direct you to do so.

We know of no effective determinations of the U.S. Copyright Office or any court regarding any of our copyrighted materials. Our right to use or license copyrighted items is not materially limited by any agreement or known infringing use.

We may develop certain trade secrets and other confidential information, including methods of operation and business management, recipes and techniques (including but not limited to recipes and techniques for our drinks and baked goods, espresso, roasting, pour overs, and cold brews), sales and promotion techniques, and know-how, knowledge of, and experience in, operating a *Booskerdoo* Café. We may provide our trade secrets and other confidential information to you during training, in the Manual and as a result of the assistance we furnish you during the term of the franchise. You may only use the trade secrets and other confidential information for the purpose of operating your franchised Café. You may only divulge trade secrets and other confidential information to employees who must have access to it to operate the franchised Café. You are responsible for enforcing the confidentiality provisions as to your employees.

Certain individuals with access to trade secrets or other confidential information, including your shareholders (and members of their immediate families and households), officers, directors, partners, members, if you are a corporation, limited liability company or other business entity, and your managers, executives, employees and staff may be required to sign nondisclosure and non-competition agreements in a form the same as or similar to the Non-disclosure and Non-Competition Agreement attached to the Franchise Agreement. We will be a third-party beneficiary with the right to enforce those agreements.

All ideas, concepts, techniques or materials concerning the franchised Café and/or the System, 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 our sole and exclusive property and a part of the System that we may choose to adopt and/or disclose to other franchisees, and you agree to assign to us all right, title and interest in any intellectual property so developed. Likewise, we will disclose to you concepts and developments of other franchisees that we make part of the System. You must also assist us in obtaining intellectual property rights in any concept or development if requested.

Your use of the Manual, trade secrets or other confidential information in an unauthorized manner is a default of the Franchise Agreement that may result in automatic termination of the Franchise Agreement. Further information about termination of the Franchise Agreement following a default is included in ITEM 17.

ITEM 15.

OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION

OF THE FRANCHISED CAFÉ

While we do not require you to operate the franchised Café, we strongly encourage the owner-operator model and, if you are an individual, unless we approve otherwise in writing, you will be required to act as the designated manager of the franchise. If you are a corporation or other business entity, one of your owners shall act as the operating owner and perform the role of designated manager unless we approve otherwise in writing. The franchised Café must always be under the direct, full-time, day-to-day supervision of a designated manager. If you or your operating principal to be the designated manager, you must request our consent to select another individual to replace you as the designated manager. The designated manager must attend and satisfactorily complete our initial training program before opening the franchised Café. You must keep us informed at all times of the identity of your designated manager. If you must replace the designated manager, your replacement must attend and satisfactorily complete our initial training program. You must, at all times, faithfully, honestly and diligently perform your contractual obligations and use best efforts to promote and enhance the franchised business.

As described in ITEM 14, certain individuals associated with your franchised Café, including your owners (and members of their immediate families and households), officers, directors, partners, and your managers, executives, employees and staff may be required to sign nondisclosure and non-competition agreements the same as or similar to the Non-Disclosure and Non-Competition Agreement attached to the Franchise Agreement.

If you are a corporation, limited liability company or other business entity, anyone who owns an interest in the entity must personally guarantee the performance of all of your obligations under the Franchise Agreement and agree to be personally liable for your breach of the Franchise Agreement by signing the Personal Guarantee attached to the Franchise Agreement. Your spouses and your owners' spouses may also be required to sign the Personal Guarantee and Confidentiality Agreement.

ITEM 16.

RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must offer the products, services and items we specify. You may not sell any products or services that we have not authorized and you must discontinue offering any services or products that we disapprove. We will not compensate you for products or materials that you are unable to sell. We may take action, including terminating your franchise if you purchase or sell unapproved products or services, or if you make purchases from unapproved suppliers. We may periodically change required or authorized services or products. There are no limits on our right to do so.

Periodically, we may allow certain services or products that are not otherwise authorized for general use as a part of the System to be offered locally or regionally based on factors, including test marketing, your qualifications, and regional or local differences.

We do not place restrictions on you with respect to who may be a customer of your franchised business.

ITEM 17.

THE FRANCHISE RELATIONSHIP

This table lists certain important provisions of the franchise and related agreements. You should read these provisions in the agreement attached to this Disclosure Document. You should refer to your state’s specific addendum attached to this Disclosure Document for exceptions to this ITEM 17.

	PROVISION	SECTION IN FRANCHISE AGREEMENT <i>(Area Development Agreement section references, where applicable, shown in parentheses below)</i>	SUMMARY
a.	Length of the Franchise Term	Section 3.01 (ADA – Section 6)	The term is 10 years.
b.	Renewal Or Extension Of The Term	Section 3.02 (ADA – Sections 4, 6)	We will grant you a successor Franchise Agreement for a successor term of 10 years, subject to your eligibility and compliance with certain obligations.
c.	Requirements For You To Renew Or Extend	Sections 3.02.1 through 3.02.9 (ADA – Section 4)	If you wish to obtain a successor franchise, you must pay a successor franchise fee equal to \$2500, sign a new agreement with materially different terms or conditions than your original contract, replace, upgrade or update equipment, sign a release, notify us in advance, not less than 180 days prior to the expiration of your then-current term, of your desire to obtain a successor franchise, be in compliance with all terms and conditions of your existing Franchise Agreement, and complete any refresher training programs we may require.

	PROVISION	SECTION IN FRANCHISE AGREEMENT <i>(Area Development Agreement section references, where applicable, shown in parentheses below)</i>	SUMMARY
d.	Termination By You.	Not applicable.	
e.	Termination By Us Without Cause	Not applicable.	
f.	Termination By Us With Cause	Article 17 (ADA – Section 7)	We can terminate if you default.
g.	"Cause" Defined - Curable Defaults	Section 17.02, 17.03	You have a designated time period within which to cure certain defaults, i.e., non-payment of fees (10 days) , non-submission of reports (5 days), default under other agreements between you and us, and other defaults under the Franchise Agreement (30 days).
h.	"Cause" Defined - Non- Curable Defaults	Sections 17.02.1- 17.02.26	Non-curable defaults include: failure to timely obtain an approved location and all licenses, permits and approvals; failure to open the Café timely; failure to complete training; if you file for bankruptcy, seek reorganization, liquidation or dissolution; abandonment of your Café; conviction of felony, repeated defaults even if cured, loss or suspension of your business license, abandonment, trademark misuse, unapproved transfers; termination of other franchise agreements between you and us; and other defaults listed in Section 16.2.

	PROVISION	SECTION IN FRANCHISE AGREEMENT <i>(Area Development Agreement section references, where applicable, shown in parentheses below)</i>	SUMMARY
i.	Your Obligations On Termination/Non-Renewal	Article 18	Obligations include complete de-identification and payment of all amounts due (see also r. below).
j.	Assignment Of Contract by Us	Article 16 (ADA – Section 8)	There is no restriction on our right to assign.
k.	"Transfer" By You – Defined	Sections 16.02 and 16.03 (ADA – Section 8)	Includes transfer of contract or assets or ownership change.
l.	Our Approval Of Transfer By You	Section 16.02 (ADA – Section 8)	We have the right to approve all transfers but will not unreasonably withhold our approval.
m.	Conditions For Our Approval Of Transfer By You	Section 16.04 (ADA – Section 8)	New franchisee qualifies, transfer fee paid, training arranged, release signed by you and current agreement signed by new franchisee (also see r. below).
n.	Our Right Of First Refusal To Acquire Your Franchise	Section 16.05	We can match any offer for your franchise.
o.	Our Option To Purchase Your Franchise	Section 18.02.	We have the option to purchase your franchise upon expiration or termination of the Franchise Agreement.
p.	Your Death Or Disability	Section 16.07	Franchise must be assigned by your estate to an approved buyer within 6 months.

	PROVISION	SECTION IN FRANCHISE AGREEMENT <i>(Area Development Agreement section references, where applicable, shown in parentheses below)</i>	SUMMARY
q.	Non-Competition Covenants During The Term Of The Franchise	Section 19.02 (ADA - Section 9)	No involvement in a competing business.
r.	Non-Competition Covenants After The Franchise Is Terminated Or Expires	Section 19.03 (ADA - Section 9)	No involvement in a competing business for 2 years at the Approved Café Location, within a 25 mile radius of the Approved Café Location, within a 25 mile radius of any other Café (including after assignment), or within the state of New Jersey.
s.	Modification Of The Agreement	Section 26.05 (ADA - Section 9)	No modifications to the Franchise Agreement unless the modifications are in writing and signed by both parties. We may change the Manual and System Standards at any time.
t.	Integration/ Merger Clause	Section 26.05 (ADA - Section 9)	Only the terms of the Franchise Agreement are binding (subject to state law). Any representations or promises made outside the disclosure document and franchise agreement may not be enforceable. Nothing in the Franchise Agreement or in any related agreement is intended to disclaim the representations we made in the franchise disclosure document.
u.	Dispute Resolution By Arbitration Or Mediation	Section 25.02 and 25.03 (ADA -Section 9)	With the exception of actions by Booskerdoo under Section 24.4 of the Franchise Agreement, all claims must first be mediated prior to arbitration or litigation. Except for certain claims, all disputes must be arbitrated in Monmouth County, New Jersey. The arbitration will occur with each respective party paying their own costs.

	PROVISION	SECTION IN FRANCHISE AGREEMENT <i>(Area Development Agreement section references, where applicable, shown in parentheses below)</i>	SUMMARY
v.	Choice Of Forum	Section 25.01 (ADA - Section 9)	Litigation must be in the state or Federal courts in the State of New Jersey. (Subject to state law. See the state specific addenda attached to this Disclosure Document)
w.	Choice Of Law	Section 25.01 (ADA - Section 9)	New Jersey law. (Subject to state law. See the state specific addenda attached to this Disclosure Document)

ITEM 18.

PUBLIC FIGURES

We do not presently use any public figures to promote our franchise.

ITEM 19.

FINANCIAL PERFORMANCE REPRESENTATIONS

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

This is a historic financial performance representation.

All information reported in this Item 19 pertains to the Asbury Park Café owned and operated by our affiliate, Booskerdoo Coffee LLC, and reflects the gross revenue and expenses as reported by our affiliate. While our affiliate, Booskerdoo Coffee LLC, operates four other Booskerdoo cafés, only gross revenue information is provided for the Asbury Park café because this café is the only affiliate-owned café that has an on-site coffee roastery which is required for franchised cafes being offered pursuant to this Disclosure Document. Unless otherwise explained in the notes below, the café was

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open for each respective full reporting period.

Table 1 QUARTERLY GROSS REVENUE¹ – 2019, 2020, 2021 Asbury Park Café			
	2019	2020	2021
Quarter 1	\$150,464	\$125,389²	\$154,852.97
Quarter 2	\$167,980	\$67,045²	\$174,093.47
Quarter 3	\$188,611	\$148,096.27²	\$224,228
Quarter 4	\$162,828	\$154,876.29²	\$220,424

Note 1: "Gross Revenue" shall mean all revenue derived from the sale of any and all products and services, and all other income of every kind and related in any way to the Café, whether for cash or credit (and regardless of collection in the case of credit) and whether or not such sales are made at or by the Café *less* any sales taxes which were collected in accordance with applicable law and paid to the appropriate taxing authority and the amount of any documented refunds and credits.

Note 2: As a result of the COVID-19 pandemic, and the various state regulations which prohibited or greatly restricted the café's ability to operate, the Asbury Park Café was completely closed from March 18, 2020 through April 2, 2020. From April 3, 2020 through May 11, 2020, the café was open only for bagged coffee sales purchased through the Booskerdoo Mobile Application. Beginning on May 12, 2020 and continuing through May 11, 2021, the café had reopened with a full menu available for outdoor pickup for orders placed through the Mobile App or at our exterior walk-up window. On May 12, 2021 and continuing through the issuance date of this Disclosure Document the café was fully open for traditional café service for walk in café customers.

Table 2 ANNUAL OPERATING COSTS¹ AS A PERCENT OF GROSS REVENUE 2019, 2020², 2021 Asbury Park Café (adjustments shown in italics where a franchised café would expect different costs)			
	2019	2020²	2021

Royalty Fee	6%	6%	6%
Advertising Fund Fee	2%	2%	2%
Local Advertising Expenses	N/A (+1% for Franchised Cafes)	N/A (+1% for Franchised Cafes)	N/A (+1% for Franchised Cafes)
Cost of Goods Sold, including Technology Fee (COGS)	31.5%	34%	30.5%
Wages, Payroll Tax, Worker's Comp, and Health Insurance	19.5%	21%	20%
Facility Expenses³	7%	9%	8%
Credit Card Fee	1.2%	4%	4%
Operations Expenses⁴	2%	2.5%	2.5%

Note 1. Franchised restaurants are anticipated to incur costs similar to the Asbury Park Café location shown above. Specifically, the Asbury Park Café pays royalty, marketing fund and tech fees similar to franchised outlets; however, there are no 1% local advertising requirements for corporate affiliate cafés.

Note 2. As a result of the COVID-19 pandemic, and the various state regulations which prohibited or greatly restricted the café's ability to operate, the Asbury Park Café was completely closed from March 18, 2020 through April 2, 2020. From April 3, 2020 through May 18, 2020, the café was open only for bagged coffee sales purchased through the Booskerdoo Mobile Application. Beginning on May 19, 2020 and continuing through May 11 2021, the café had reopened with a full menu available for outdoor pickup only for orders placed through the Mobile App or at our exterior walk-up window. On May 12, 2021 and continuing through the issuance date of this Disclosure Document the café was fully open for traditional café service for walk in café customers.

Note 3. Facility expense as set forth in Table 2 reflects the rent allocated to the cafe's operations; the rental space is shared with Booskerdoo Production which operates the corporate bakery and roaster on the same premises. The rent is allocated 2/3 for the café and 1/3 for Booskerdoo Production. Facility expenses also include insurance, repairs, maintenance, and utilities.

Note 4. Operations Expenses includes operations, cleaning supplies, kitchen supplies, professional fees, bank fees, licensing, and other miscellaneous expenses incurred by our affiliate in connection with its operation of the Asbury Park café.

Affiliates and franchisees are required to report sales and cost data to Booskerdoo Franchise LLC. As such, the figures included above are derived from reports generated from the POS system in accordance with the information input by our affiliate. We have undertaken no independent investigation to verify the amounts reported to us.

Your individual results may differ. There is no assurance you will sell as much or that your costs will be the same as those provided in this Item.

You should conduct an independent investigation of the costs and expenses you will incur in operating your *Booskerdoo* Café. Franchisees or former franchisees, listed in the Disclosure Document, may be one source of this information.

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

Other than the preceding historic financial performance representation, we do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting James Caverly, Chief Executive Officer, 1321A Memorial Drive, Asbury Park, NJ 07712, 732-439-1966, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20.

OUTLETS AND FRANCHISEE INFORMATION

Table No. 1

SYSTEMWIDE OUTLET SUMMARY FOR YEARS 2019 TO 2021				
Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
	2019	0	0	0

Franchised	2020	0	0	0
	2021	0	0	0
Company-Owned*	2019	4	4	0
	2020	4	5	+1
	2021	5	5	0
Total Outlets	2019	4	4	0
	2020	4	5	+1
	2021	5	5	0

*As of the end of 2021, the company-owned outlets listed above were owned and operated by our affiliate, Booskerdoo Coffee LLC, at the following locations in New Jersey: Asbury Park, Holmdel, Monmouth Beach, Red Bank and Fair Haven.

Table No. 2

TRANSFERS OF OUTLETS FROM FRANCHISEES TO NEW OWNERS (OTHER THAN THE FRANCHISOR) FOR YEARS 2019 TO 2021		
State	Year	Number of Transfers
All States	2019	0
	2020	0
	2021	0
Total	2019	0
	2020	0
	2021	0

Table No. 3

STATUS OF FRANCHISE OUTLETS FOR YEARS 2019 TO 2021								
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
All States	2019	0	0	0	0	0	0	0
	2020	0	0	0	0	0	0	0
	2021							

STATUS OF FRANCHISE OUTLETS FOR YEARS 2019 TO 2021								
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
		0	0	0	0	0	0	0
Total	2019	0	0	0	0	0	0	0
	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0

Table No. 4

STATUS OF COMPANY-OWNED* OUTLETS FOR YEARS 2019 TO 2021							
State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired From Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of the Year
New Jersey	2019	4	0	0	0	0	4
	2020	4	1	0	0	0	5
	2021	5	0	0	0	0	5
Total	2019	4	0	0	0	0	4
	2020	4	1	0	0	0	5
	2021	5	0	0	0	0	5

*As of the end of 2020, the company-owned outlets listed above were owned and operated by our affiliate, Booskerdoo Coffee LLC, at the following locations in New Jersey: Asbury Park, Holmdel, Monmouth Beach, Red Bank and Fair Haven.

Table No. 5

PROJECTED OPENINGS AS OF DECEMBER 31, 2021			
State	Franchise Agreements Signed But Outlet Not Yet Opened	Projected New Franchised Outlets In The Next Fiscal Year	Projected New Company-Owned Outlet in the Next Fiscal Year

New Jersey	0	1	0
New York	0	2	1
TOTAL	0	3	1

Notes to Tables 1 - 5:

Note 1: All numbers are as of the fiscal year ending on December 31st for each year. As of December 31, 2021, there were no area development agreements in place.

In some instances, current and former franchisees may sign provisions restricting their ability to speak openly about their experience with us. During the last three years, no franchisees have signed confidentiality clauses. As disclosed in Exhibit E, there are no former franchisees. Accordingly, during the last three fiscal years, no former franchisees have signed confidentiality clauses.

Current franchisee information, including store addresses and telephone numbers, is disclosed in Exhibit D to this Disclosure Document. Franchisees who had their franchised business terminated, canceled, transferred, or not renewed, or otherwise voluntarily or involuntarily ceased to do business under our franchise agreement during our last fiscal year, from our last fiscal year through the issuance date, or who have not communicated with us within ten weeks of this Disclosure Document's issuance date will be provided in Exhibit E.

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

As of the Issuance Date of this Disclosure Document, there were no trademark-specific franchisee organizations associated with the System that have either been created, sponsored or endorsed by us, or that have been incorporated or otherwise organized under state law and have requested us to be included in this Disclosure Document within the 60-day period following the close of our fiscal year.

[The remainder of this page is intentionally left blank.]

ITEM 21.
FINANCIAL STATEMENTS

THE FOLLOWING FINANCIAL STATEMENTS ARE ATTACHED TO THIS DISCLOSURE DOCUMENT AS EXHIBIT F:

Our Audited Financial Statements For the Periods Ending December 31, 2021, December 31, 2020 and December 31, 2019.

Our fiscal year end is December 31.

ITEM 22.
CONTRACTS

THE FOLLOWING AGREEMENTS PROPOSED FOR USE IN THIS STATE ARE ATTACHED AS EXHIBITS TO THIS DISCLOSURE DOCUMENT:

Franchise Agreement
Area Development Agreement
Personal Guarantee
Security Agreement
Assignment & Assumption Agreement
Nondisclosure and Noncompetition Agreement
Sample Release
State Specific Addenda

ITEM 23.
RECEIPTS

Exhibit J of this Disclosure Document is a list of the State Effective Dates for each registration state. Attached as Exhibit K of this Disclosure Document are duplicate Receipts acknowledging receipt of this Disclosure Document to be signed by you. You should sign both copies of the Receipt. You should retain one signed copy for your records and return the other signed copy to: James Caverly, Chief Executive Officer, 1321A Memorial Drive, Asbury Park, NJ 07712, 732-439-1966.

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Exhibit A

**TO BOOSKERDOO FRANCHISE LLC FRANCHISE DISCLOSURE
DOCUMENT**

List of State Administrators/Agents for Service of Process

EXHIBIT A
To BOOSKERDOO FRANCHISE LLC FRANCHISE DISCLOSURE DOCUMENT
STATE ADMINISTRATORS

We may register this disclosure document in some or all of the following states, if required by applicable state law. If and when we pursue franchise registration (or otherwise comply with the franchise investment laws) in these states, the following are the state administrators responsible for the review, registration and oversight of franchises in these states:

CALIFORNIA Commissioner of Business Oversight Department of Business Oversight 320 West Fourth Street, Suite 750 Los Angeles, California 90013-2344 (213) 576-7500 Toll Free: (866) 275-2677	NEW YORK NYS Department of Law Investor Protection Bureau 28 Liberty Street, 21 st Fl New York, NY 10005 (212) 416-8222
HAWAII Commissioner of Securities of the State of Hawaii Department of Commerce & Consumer Affairs Business Registration Division Securities Compliance Branch 335 Merchant Street, Room 203 Honolulu, Hawaii 96813 (808) 586-2722	NORTH DAKOTA North Dakota Securities Department 600 East Boulevard Avenue, State Capitol Fifth Floor, Dept. 414 Bismarck, North Dakota 58505- 0510 (701) 328-4712
ILLINOIS Illinois Office of the Attorney General Franchise Bureau 500 South Second Street Springfield, Illinois 62706 (217) 782-4465	RHODE ISLAND Department of Business Regulation Securities Division Bldg. 69, First Floor John O. Pastore Center 1511 Pontiac Avenue Cranston, Rhode Island 02920 (401) 462-9527
INDIANA Secretary of State Franchise Section 302 West Washington, Room E-111 Indianapolis, Indiana 46204 (317) 232-6681	SOUTH DAKOTA Division of Insurance Securities Regulation 124 South Euclid Avenue, Suite 104 Pierre, South Dakota 57501 (605) 773-3563
MARYLAND Office of the Attorney General Securities Division 200 St. Paul Place Baltimore, Maryland 21202-2020 (410) 576-6360	VIRGINIA State Corporation Commission Division of Securities and Retail Franchising 1300 East Main Street, 9th Floor Richmond, Virginia 23219 (804) 371-9051
MICHIGAN Michigan Attorney General's Office Consumer Protection Div., Franchise Section 525 West Ottawa Street G. Mennen Williams Building, 1st Floor Lansing, Michigan 48913 (517) 373-7117	WASHINGTON Department of Financial Institutions Securities Division – 3 rd Floor 150 Israel Road, S.W. Tumwater, Washington 98501 (360) 902-8760
MINNESOTA Commissioner of Commerce Department of Commerce, Securities Unit 85 7 th Place East, Suite 280 St. Paul, Minnesota 55101 (651) 539-1500	WISCONSIN Office of the Commissioner of Securities 201 W. Washington Ave., Suite 300 Madison, WI 53703 (608) 261-9555

STATE AGENTS FOR SERVICE OF PROCESS

We may register this disclosure document in some or all of the following states, if required by applicable state law. If and when we pursue franchise registration (or otherwise comply with the franchise investment laws) in these states, we will designate the following state offices or officials as our agents for service of process in these states:

CALIFORNIA Commissioner of Business Oversight Department of Business Oversight 320 West Fourth Street, Suite 750 Los Angeles, California 90013-2344 (213) 576-7500 Toll Free: (866) 275-2677	NEW YORK New York Secretary of State New York Department of State One Commerce Plaza, 99 Washington Avenue, 6th Floor Albany, NY 12231- 0001 (518) 473-2492
HAWAII Commissioner of Securities of the State of Hawaii Department of Commerce & Consumer Affairs Business Registration Division Securities Compliance Branch 335 Merchant Street, Room 203 Honolulu, Hawaii 96813 (808) 586-2722	NORTH DAKOTA North Dakota Securities Commissioner 600 East Boulevard Avenue, State Capitol Fifth Floor Bismarck, North Dakota 58505- 0510 (701) 328-4712
ILLINOIS Illinois Attorney General 500 South Second Street Springfield, Illinois 62706 (217) 782-4465	RHODE ISLAND Director of Department of Business Regulation Department of Business Regulation Securities Division Bldg. 69, First Floor John O. Pastore Center 1511 Pontiac Avenue Cranston, Rhode Island 02920 (401) 462-9527
INDIANA Secretary of State Franchise Section 302 West Washington, Room E-111 Indianapolis, Indiana 46204 (317) 232-6681	SOUTH DAKOTA Division of Insurance Director of the Securities Regulation 124 South Euclid Avenue, Suite 104 Pierre, South Dakota 57501 (605) 773-3563
MARYLAND Maryland Securities Commissioner 200 St. Paul Place Baltimore, Maryland 21202-2020 (410) 576-6360	VIRGINIA Clerk of the State Corporation Commission 1300 East Main Street, 1 st Floor Richmond, Virginia 23219 (804) 371-9733
MICHIGAN Michigan Attorney General's Office Consumer Protection Div., Franchise Section 525 West Ottawa Street G. Mennen Williams Building, 1st Floor Lansing, Michigan 48913 (517) 373-7117	WASHINGTON Director of Department of Financial Institutions Securities Division – 3 rd Floor 150 Israel Road, S.W. Tumwater, Washington 98501 (360) 902-8760

MINNESOTA Commissioner of Commerce 85 7 th Place East, Suite 280 St. Paul, Minnesota 55101 (651) 539-1500	WISCONSIN Commissioner of Securities 201 W. Washington Ave., Suite 300 Madison, WI 53703 (608) 261-9555
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Exhibit B

**To BOOSKERDOO FRANCHISE LLC FRANCHISE
DISCLOSURE DOCUMENT**

Franchise Agreement

BOOSKERDOO FRANCHISE LLC FRANCHISE AGREEMENT

THIS AGREEMENT (this “Agreement”) is made and entered into this ____ day of _____ 20____, by and between BOOSKERDOO FRANCHISE LLC, a New Jersey limited liability company with its principal place of business at _____, New Jersey (“Franchisor,” “Booskerdoo,” “we,” “us,” or “our”), and _____, a _____ with its principal address at _____) (“Franchisee,” “you,” or “your”).

BACKGROUND

A. Booskerdoo, as the result of the expenditure of significant time, skill, effort, and money, owns and continues to develop the *Booskerdoo* franchise system (the “System”), which System involves the establishment and operation of quick service cafés (each, a “System Café”) offering a variety of specialty coffees, baked goods and designated food, drink or other items as Booskerdoo now or hereafter designates.

B. The characteristics of the System include, among others: sales and operating methods; interior and exterior design; décor; layout; fixtures and furnishings; food and beverage preparation and presentation techniques; customer service and development techniques; procedures for inventory and management control; standards and procedures for efficient business operations; training and assistance; marketing programs; and menu items and pricing, all of which may be changed, improved and further developed from time to time by Booskerdoo, as Booskerdoo deems appropriate.

C. Booskerdoo identifies the System by means of certain trade names, service marks, trademarks, logos, emblems and indicia of origin, including, without limitation, the Booskerdoo and BOOSKERDOO COFFEE & BAKING CO. marks and the Booskerdoo and BOOSKERDOO COFFEE & BAKING CO. logos, and/or such other different and/or additional trade names, trademarks, and service marks as are now designated and may hereafter be designated by Booskerdoo in writing for use in connection with the System (collectively, the “Marks”).

D. Booskerdoo has the right to establish System standards and specifications for various aspects of the System (as may be prescribed and/or modified by Booskerdoo from time to time, the “Standards and Specifications”), including, but not limited to, standards and specifications related to: location selection; the Café’s physical characteristics; operating procedures; products and services offered; supplier qualifications; training; marketing and promotions; and other aspects that affect and/or relate to the experience of System customers. As a franchisee, you are required to comply with the Standards and Specifications, which Booskerdoo has the right to change and modify over time. Booskerdoo’s Standards and Specifications shall be communicated to you in writing through Booskerdoo’s Operations Manual (as defined in Section 11.01 below) or in any other form that Booskerdoo may deem necessary or desirable from time to time. You acknowledge that complete uniformity may not be possible or practical throughout the System.

E. You desire to enter into the business of operating a Café under the System and to obtain a franchise from Booskerdoo for such purpose.

F. You have had a full and adequate opportunity to be thoroughly advised of the terms and conditions of this Agreement and have had sufficient time and opportunity to evaluate and investigate the business concept and the procedure and financial requirements associated with the business, as well as the competitive market in which the business franchised under this Agreement shall operate.

G. You understand and acknowledge the importance of Booskerdoo's high standards of quality, cleanliness, appearance, and service, and the necessity of operating the business franchised under this Agreement in conformity with Booskerdoo's Standards and Specifications.

AGREEMENT

NOW, THEREFORE, the parties, in consideration of the undertakings and commitments of each party set forth in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, hereby agree as follows:

ARTICLE 1. GRANT OF LICENSE; RESERVATION OF RIGHTS

1.01 Grant of License. Subject to the terms and conditions contained in this Agreement, Booskerdoo hereby grants to you, and you hereby accept, a nonexclusive license to operate a single Café (the "Franchised Café") at the Approved Café Location (as such term is defined in the Contract Data Sheet attached hereto as Exhibit A (the "Contract Data Sheet")), and to use the Marks and the System solely in connection with the operation of the Franchised Café. You acknowledge and agree that you are obligated to operate the Franchised Café for the duration of the Term (as defined in Section 3.01 below) and that you shall not engage in any other business at the Approved Café Location during the Term. The background paragraphs A through G set forth at the beginning of this Agreement are hereby incorporated by reference as if set forth fully herein.

1.02 Protected Territory Rights. During the Term of this Agreement, so long as you are in compliance with your obligations under this Agreement, and subject to Booskerdoo's Reservations of Rights set forth in Sections 1.03 and 1.04 below, Booskerdoo shall not establish, nor license to any other person the right to establish, a Café under the System at any location within the geographic area described in the Contract Data Sheet (the "Protected Territory"). Booskerdoo maintains the right to revoke your Protected Territory upon a material breach of this Agreement, including, without limitation, your failure to comply with your continuing obligation to pay the Royalty Fee.

1.03 Reservation of Rights. You expressly acknowledge that the license granted to you under this Agreement is nonexclusive and that any territorial protection afforded to you in connection therewith relates solely to your use of the Marks and the System in connection with the operation of the Franchised Café at the Approved Café Location during the Term. Booskerdoo retains all other rights. Specifically, but not

exclusively, and without limiting the generality of the foregoing, Booskerdoo, and/or its affiliates, has the right, without granting you any rights therein, to:

1.03.1 establish, and/or license to others the right to establish Cafés and/or businesses under other systems using other proprietary marks which offer or sell other products and services within the Protected Territory;

1.03.2 market, sell and distribute, directly or indirectly, or license to others the right to market, sell and distribute, directly or indirectly, any products, from any location or to any purchaser (whether within or outside the Protected Territory), using the Marks or other trademarks or service marks through alternative channels of distribution, including through the Internet, supermarkets and wholesale distribution centers;

1.03.3 advertise and promote the System within the Protected Territory;

1.03.4 establish and/or operate, and/or license others to establish and/or operate, a Café or business at any location outside the Protected Territory, notwithstanding such business's proximity to the Protected Territory; and

1.03.5 acquire, be acquired by, merge or affiliate with, or engage in any transaction with any other business (whether or not these businesses are competitive), including competing franchise systems with Cafés operating in the Protected Territory. You acknowledge that, in the event that Booskerdoo acquires a competitive business or a competitive franchise in the Protected Territory, Booskerdoo has the right to operate, or license to a third party the right to operate, such competitive business in the Protected Territory under the Marks without affording you any rights thereto or providing you with any compensation therefor.

1.04 Special Venue Accounts. Booskerdoo shall have the right to develop, open and operate, and to license to others the right to develop, open and operate, Café(s) in any Special Venues, including any Special Venue located within the Protected Territory, without providing you any rights thereto or compensation therefor. The term "Special Venues" shall mean non-traditional venues, including, without limitation, travel centers, airports, schools, railroad/railway stations, bus stations, government institutions and facilities, hospitals, military installations, race tracks, stadiums, sports arenas, convention centers, boardwalks, casinos, amusement parks, theaters, shopping malls, food courts, "big box" retail stores, and other locations within institutional or public service operations.

1.05 Modifications to the System.

1.05.1 You understand and agree that the System shall not remain static, even in the face of, among other things, unforeseen changes in technology, competitive circumstances, economic circumstances, demographics, populations, consumer trends, societal trends, regulations, and other marketplace variables. Accordingly, you expressly understand and agree that Booskerdoo may, in its sole and absolute discretion, supplement, improve, and otherwise modify the System at any time in the future. In the interest of preserving the integrity of the System, Booskerdoo shall have full control and discretion

over such developments, and you shall comply with all Booskerdoo's requirements in that regard, including, without limitation, offering and selling new or different products or services, participating in specific promotions or discontinuing the sale of certain products or the offering of certain services. Upon reasonable notice by Booskerdoo of any System modifications, you shall be required to comply with any such modifications within the time period specified in the notice. Booskerdoo shall not be liable to you for any expenses, losses or damages sustained by you as a result of any of the modifications contemplated hereby.

1.05.2 If you or any of your owners are a Legal Entity (as defined in Section 20.01 below), or any of your employees, develop any new modification, concept, process, improvement or slogan related to the operation or promotion of the Franchised Café or the System, the same shall be deemed a work made for hire. You shall promptly notify Booskerdoo of, and provide Booskerdoo with all necessary information regarding, such modification, concept, process, improvement or slogan. You acknowledge that any such modification, concept, process, improvement or slogan shall become Booskerdoo's sole and exclusive property and that Booskerdoo may use, and allow other franchisees to use, the same in connection with the System and the operation of Cafés, without compensation to you.

1.06 No Additional Rights. You acknowledge and agree that this Agreement relates solely to, and is limited to, the operation of the Franchised Café at the Approved Café Location, and affords you no right, title or interest in any additional franchises to be operated at any other location (subject to relocation of the Franchised Café, if authorized, in accordance with the terms and conditions of this Agreement). You shall not, without the express written permission of Booskerdoo, which permission may be withheld in Booskerdoo's sole and absolute discretion, offer or sell products or services through any other means or locations, including, without limitation, retail or wholesale stores, supermarkets, grocery stores, convenience stores, temporary locations, portable carts, kiosks or trailers, catalogs, mail order or electronic means (including the Internet).

ARTICLE 2. APPROVED CAFÉ LOCATION

2.01 Site Selection Process.

2.01.1 If you have not secured an Approved Café Location as of the Effective Date (as such term is defined in the Contract Data Sheet), you shall at your sole cost and expense: (a) find a location within the Designated Area (as such term is defined in the Contract Data Sheet), which location shall be subject to Booskerdoo's prior approval in accordance with Section 2.01.2 below; (b) within ninety (90) days after signing this Agreement, enter into a binding lease agreement for the location in accordance with the terms and conditions set forth in Section 2.02 below; and (c) as soon as possible after execution of the lease agreement, begin constructing and equipping the Franchised Café in strict accordance with Article 9 hereof and each of Booskerdoo's then-current standards, procedures, plans and specifications.

2.01.2 You shall submit a proposed location for the Franchised Café in writing in advance to Booskerdoo for approval of the location, which approval may be granted or withheld in Booskerdoo's sole and absolute discretion. Booskerdoo shall approve

or disapprove the proposed location within thirty (30) days after the date that Booskerdoo receives all information that Booskerdoo requests regarding the proposed location. If Booskerdoo does not approve or disapprove the proposed location within this 30-day period, the proposed location shall be deemed disapproved.

2.01.3 You acknowledge that the selection, procurement and development of the site for the Franchised Café is your responsibility. You further acknowledge that Booskerdoo's approval of a site and/or rendering of assistance in the selection of any site does not constitute a representation, promise, warranty or guarantee, express or implied, by Booskerdoo, its officers, employees, directors or agents, as to the potential likelihood of you being approved for various permits, sales volume, profits, or success of the Franchised Café to be developed, opened and operated by you at such location. Booskerdoo shall not be liable to you in any way with respect to any assistance that Booskerdoo provided to you during the site selection process, and/or in Booskerdoo's recommendation or approval of any site location.

2.01.4 If you do not execute a lease for an Approved Café Location within ninety (90) days after signing this Agreement, Booskerdoo has the sole right to immediately terminate this Agreement.

2.01.5 Once the location for the Franchised Café is secured in accordance with the terms of this Agreement, the parties shall amend the Contract Data Sheet to identify the approved location as the "Approved Café Location."

2.02 Lease Requirements.

2.02.1 You shall acquire or lease the Approved Café Location at your sole expense. If you lease the Approved Café Location, you shall obtain Booskerdoo's prior written approval, which may be granted or withheld in Booskerdoo's sole and absolute discretion, before entering into a lease agreement. Before you sign any lease agreement, you shall provide a copy of the proposed lease agreement to Booskerdoo to review. If Booskerdoo is required to review more than one lease agreement in connection with your Franchised Café, you shall pay Booskerdoo or its designated supplier a lease review fee that will not exceed Two Thousand Five Hundred Dollars (\$2,500) (the "Lease Review Fee"). The Lease Review Fee covers internal and external expenses that Booskerdoo incurs in its sole discretion to have the lease agreement reviewed on Booskerdoo's behalf. You are not a third party beneficiary of the lease review. You agree that Booskerdoo does not guarantee that the terms, including rent, shall represent the most favorable terms available in the market. Booskerdoo is not required and has no obligation to negotiate the terms of your lease. You shall provide Booskerdoo with a copy of your fully executed lease agreement immediately after signing.

2.02.2 At a minimum, Booskerdoo requires the inclusion of the following provisions in the lease:

(1) The requirement that you and the landlord execute and deliver to Booskerdoo a collateral assignment of your rights under the lease (in substantially the form attached hereto as Exhibit B, the "Collateral Assignment of Lease"), pursuant to which you

shall, at Booskerdoo's option, assign all of your rights under the lease to Booskerdoo or its designee upon termination or expiration of this Agreement;

(2) A provision that if you fail to timely pay all amounts due to Booskerdoo or the lessor, Booskerdoo has the right to charge and collect from you all resulting costs and expenses incurred by, and penalties imposed on, Booskerdoo;

(3) A provision which restricts the use of the premises solely to the operation of the Franchised Café;

(4) A provision which prohibits you from subleasing or assigning all or any part of your occupancy rights, or extending the term of or renewing the lease, without Booskerdoo's prior written consent, which Booskerdoo may withhold in its sole and absolute discretion;

(5) A provision giving Booskerdoo the right to enter the premises to make modifications necessary to protect the Marks and/or the System, or to cure any default under this Agreement, including the right to de-identify the Approved Café Location as a Café and to remove and/or destroy any objects or other materials bearing any of the Marks; and

(6) Any other provision which Booskerdoo deems necessary in its sole and absolute discretion.

2.03 Lease Renewal Efforts. If the term of the lease for the Franchised Café is shorter than the Term, you agree to use your best efforts to negotiate for an additional option term, obtain a renewal of the existing lease of the Franchised Café premises, or a new lease for the Franchised Café premises, to enable you to continue to operate the Franchised Café at the Approved Café Location for the duration of the Term. You shall provide Booskerdoo with written notice of your lease expiration no later than eight (8) months prior to the expiration of your lease term.

2.04 Relocation. You may not relocate the Franchised Café unless you: (1) obtain Booskerdoo's prior written consent, which may be granted or withheld in Booskerdoo's sole and absolute discretion; and (2) meet and satisfy each of the following conditions at the time of such relocation: (a) you are not in default under this Agreement or any other Agreement with Booskerdoo or any of its affiliates; (b) you and all persons and entities that have executed the personal guarantee (in substantially the form attached hereto as Exhibit C, the "Personal Guarantee") agreeing to be bound by your obligations under this Agreement (each a "Guarantor", collectively "Guarantors") have agreed to cancel this Agreement and to execute the then-current form of franchise agreement, which shall include a term equal to the then-remaining term of this Agreement; (c) you have secured a site which meets with Booskerdoo's then-current size and demographic requirements, and if you are leasing the space, you have submitted the proposed lease agreement for Booskerdoo's review and have paid Booskerdoo's then-current Lease Review Fee; (d) you have agreed to equip and furnish your new Franchised Café so that it meets the then-current standards, procedures, plans and specifications applicable to new Cafés; (e) you and your Guarantors and owners have executed a general release, in a form satisfactory to

Booskerdoo, of any and all claims against Booskerdoo, its affiliates, parents, subsidiaries and their respective members, managers, directors, officers, shareholders, partners, agents, representatives, servants, and employees, in both their corporate and individualized capacities, including, without limitation, claims arising under this Agreement, any other agreement between you and Booskerdoo or its affiliates, and all federal, state, and local laws and rules, to the fullest extent permitted by law; and (f) you have agreed that you shall require no more than one (1) day to move all equipment from the old Approved Café Location to the new Approved Café Location and shall not cease operations of the Franchised Café for any period longer than such one (1)-day period. If Booskerdoo consents to the relocation, Franchisee shall pay to Booskerdoo a “Relocation Fee” of Two Thousand Dollars (\$2,000) immediately upon receipt of Booskerdoo’s written consent, and shall timely comply with any and all conditions imposed by Booskerdoo in connection with any such approved relocation, including, without limitation, compliance with site selection criteria, construction and build-out requirements, lease requirements, and opening requirements. For the avoidance of doubt, Franchisee shall be solely responsible for all costs incurred to relocate its business from the old Approved Café Location to the new Approved Café Location.

ARTICLE 3. TERM & SUCCESSOR FRANCHISE

3.01 Initial Term. The initial term of this Agreement shall commence on the Effective Date and shall expire ten (10) years from the Effective Date, unless sooner terminated by Booskerdoo in accordance with the terms of this Agreement (the “Initial Term” or “Term”).

3.02 Successor Franchise Agreement. Upon the expiration of the Initial Term, Franchisee shall have the option to obtain a Successor Franchise Agreement for an additional ten (10)-year term (the “Successor Term”), providing that this Agreement has not yet been terminated and you comply with each of the conditions set forth below:

3.02.1 You deliver written notice to Booskerdoo of your desire to obtain a Successor Franchise Agreement no later than one hundred eighty (180) days prior to the expiration of the Initial Term;

3.02.2 You are not in default of any provision of this Agreement, any amendments to this Agreement, or any other agreement between you (or any of your owners, Guarantors or affiliates) and Booskerdoo and/or its subsidiaries and affiliates at the time you deliver the notice required under Section 3.02.1 above, or on the date that the Initial Term expires;

3.02.3 You have not received more than three (3) written notices of default of this Agreement during the Initial Term, nor more than two (2) such notices during the five (5) years immediately preceding the expiration of the Initial Term;

3.02.4 You have satisfied all monetary obligations owed by you to Booskerdoo and Booskerdoo’s subsidiaries and affiliates;

3.02.5 You agree to make any renovations and improvements to the Franchised Café as Booskerdoo may deem necessary or advisable to modernize, renovate, equip, and decorate the Franchised Café to reflect Booskerdoo's then-current System standards;

3.02.6 At least thirty (30) days before the Initial Term expires, you execute Booskerdoo's then-current form of franchise agreement (the "Successor Franchise Agreement"), which agreement shall supersede this Agreement in all respects, and the terms of which may differ from the terms of this Agreement and may include increased fees (including an increased Royalty Fee and Marketing Fee); *provided, however*, that you shall not be required to pay another initial franchise fee;

3.02.7 You execute a general release, in a form prescribed by Booskerdoo, of any and all claims against Booskerdoo, its officers, directors, managers, employees and agents, as well as Booskerdoo's affiliates, parents and subsidiaries and their respective officers, directors, managers, employees and agents;

3.02.8 You comply with Booskerdoo's then-current qualification and training requirements; and

3.02.9 You pay to Booskerdoo a successor franchise fee equal to Two Thousand Five Hundred Dollars (\$2,500).

For the avoidance of doubt, you understand and agree that the option to obtain a Successor Franchise Agreement shall be forfeited if you fail to comply with any one of the conditions set forth in this Section 3.02.

ARTICLE 4. CONSTRUCTION AND OPENING

4.01 Construction Requirements.

4.01.1 Plans and Specifications. Booskerdoo shall provide you with Booskerdoo's then-current generic, prototypical plans for a typical Café, including a sample layout for the interior of a typical franchised location. You acknowledge that such plans and specifications shall not contain the requirements of any federal, state, or local law, code, or regulation (including, without limitation, those concerning the Americans with Disabilities Act (the "ADA") or similar rules governing public accommodations or commercial facilities for persons with disabilities), nor shall such plans contain the requirements of, or be used for, construction drawings or other documentation necessary to obtain permits or authorization to build the Franchised Café. It shall be your sole and absolute responsibility to construct the Franchised Café in accordance with all applicable laws, including the ADA and the local laws, rules and regulations governing public accommodations.

4.01.2 Adaptation of Plans and Specifications. You shall, at your sole cost and expense, employ architects, designers, engineers, or others as may be necessary to complete, adapt, modify or substitute the sample plans and specifications of Booskerdoo prior to commencing construction of the Franchise Café. Booskerdoo shall review such plans and specifications and shall either approve the plans and specifications, in the

manner specified in Section 4.01.3 below, or disapprove them and provide comments thereon.

4.01.3 Booskerdoo Approval. You shall not commence construction of the Franchised Café until Booskerdoo approves, in writing, the final plans and specifications to be used in constructing the Franchised Café. Once the final plans are approved, you shall cause the Café to be completed in full accordance therewith.

4.01.4 Alterations and Modifications. If Booskerdoo determines that the Franchised Café is not being built, or was not built, in full accordance with the final plans, Booskerdoo shall have the right to require you to cause to be made all alterations or modifications of the Franchised Café that Booskerdoo deems necessary. Booskerdoo may consult with you, to the extent Booskerdoo deems necessary, on the construction and equipping of the Franchised Café, but it shall be and remain your sole responsibility to diligently design, construct, equip, and otherwise ready and open the Franchised Café.

4.01.5 Zoning and Permits. You shall be responsible, at your sole expense, for obtaining all zoning classifications, permits, clearances, certificates of occupancy, and Franchised Café clearances, which may be required by federal, state, and/or local governmental authorities for the Franchised Café.

4.01.6 Insurance Coverage. You shall obtain and maintain in force, during the entire period of such construction, such insurance policies and for such amounts as set forth in this Agreement and as Booskerdoo may designate in its sole and absolute discretion.

4.01.7 Licensed Contractors. You shall only use licensed general contractors, designers and architects to perform any and all construction work at the Franchised Café, including in connection with any remodeling or renovations. Booskerdoo expressly disclaims any warranty of the quality or merchantability of any goods or services provided by architects, contractors, or any other persons or entities to which Booskerdoo may refer to you. Booskerdoo is not responsible for delays in the construction, equipping, or decoration of any Franchised Café or for any loss resulting from the Franchised Café design or construction. You acknowledge that Booskerdoo has no control over the landlord or developer and numerous construction and/or any related problems that could occur and delay the opening of the Franchised Café.

4.01.8 Booskerdoo Access to Café and Progress Reports. Booskerdoo shall have access to the Franchised Café at all times during the Term, including while work is in progress, and shall require alterations or modifications of the construction of the Franchised Café as Booskerdoo may deem necessary or appropriate in its sole and absolute discretion.

4.01.9 Final Inspection; Approval. You shall promptly notify Booskerdoo of the date of completion of the construction of the Franchised Café and, within ten (10) days thereafter, Booskerdoo shall have the right to conduct a final inspection of the Franchised Café. You shall not open the Franchised Café for business without the express written authorization of Booskerdoo, and Booskerdoo's authorization to open may be conditioned

upon your strict compliance with the specifications of the approved final plans and with the standards of the System.

4.01.10 Completion and Opening Requirements. You shall complete construction of the Franchised Café (including all exterior and interior carpentry, electrical, plumbing, painting, and finishing work, and installation of all furniture, fixtures, equipment, and signs) in accordance with the plans approved in writing by Booskerdoo, at your sole expense, and open the Franchised Café no later than the earlier to occur of: (a) two hundred seventy (270) days after the Effective Date; or (b) one hundred eighty (180) days after the date on which you enter into a valid and binding lease agreement or purchase agreement, as applicable, for the Approved Café Location (the “Required Opening Date”).

4.02 Installation of Equipment, Furnishings, Fixtures and Signs / Decor.

4.02.1 You shall install and use in and about the Franchised Café only such equipment, fixtures, furnishings, interior and exterior signage, and other personal property which strictly conforms to the appearance, uniform standards, specifications and procedures of Booskerdoo and the System, as may be revised from time to time in Booskerdoo’s sole and absolute discretion. Such items are sometimes referred to herein collectively as the “Equipment and Furnishings”. You shall purchase and install all Equipment and Furnishings only from those suppliers which Booskerdoo designates or approves in its sole and absolute discretion. Booskerdoo shall have the right to retain any rebates or incentives offered by such vendors or suppliers. Booskerdoo reserves the right to be one of the suppliers, or the sole supplier, of any Equipment and Furnishings and may derive revenue, benefits, or other material consideration from such purchases. Booskerdoo shall have the right to inspect and approve all Equipment and Furnishings and their installation to ensure your compliance with Booskerdoo’s Standards and Specifications.

4.02.2 You agree that all décor of the Franchised Café shall be previously approved by Booskerdoo and shall comply with Booskerdoo’s Standards and Specifications, as described in the Operations Manual, this Agreement, or in such other written communications provided to you by Booskerdoo, which communications may be periodically revised. Booskerdoo owns all intellectual property rights, including, without limitation, all copyrights, in and to all forms of art or other visual media displayed in your Franchised Café including pictures, drawings, photographs and all other items that Booskerdoo directs you to display (the “Art”). You shall not, without Booskerdoo’s prior written consent, allow any of the Art to become a fixture of your Franchised Café and you shall not display or use the Art in any other business, including any Competitive Business (as defined in Section 19.02.2 below). Your failure to maintain your Franchised Café’s décor in compliance with Booskerdoo’s Standards and Specifications, the Operations Manual, or any other policy of Booskerdoo constitutes a material breach of this Agreement.

4.03 Inventory Package, Equipment, Furniture and Supplies.

4.03.1 After you sign this Agreement, Booskerdoo shall give you a list of the start-up inventory, furniture, fixtures, software, equipment, and supplies that Booskerdoo

requires you to obtain before you open your Franchise, together with a list of any designated or approved suppliers (the “Initial Required Items”).

4.03.2 You shall purchase the Initial Required Items from Booskerdoo, or the supplier(s) designated by Booskerdoo, which supplier(s) may be an affiliate of Booskerdoo, before you open the Franchised Café. Booskerdoo does not provide any warranty or service guaranty of any Initial Required Item.

4.03.3 Unless Booskerdoo designates otherwise in writing, you shall establish independent commercial relationships with Booskerdoo’s approved or designated suppliers for specific items. You shall establish independent commercial relationships with other suppliers for the goods and services for which Booskerdoo only provides specifications. Booskerdoo’s list of approved suppliers and specifications for goods and services shall be set forth in the Operations Manual, the Initial Required Items list, or in such other materials provided to you by Booskerdoo from time to time.

ARTICLE 5. FEES

5.01 Initial Fees.

5.01.1 Initial Franchise Fee. In consideration of the franchise granted under this Agreement, you shall pay to Booskerdoo, upon or prior to the execution of this Agreement, an initial franchise fee of Forty Thousand Dollars (\$40,000) (the “Initial Franchise Fee”). The Initial Franchise Fee is deemed fully earned and non-refundable upon payment.

5.01.2 Initial Inventory and Coffee Equipment Package. In addition to the Initial Required Items set forth in Section 4.03, you shall purchase from Booskerdoo or its affiliate an Initial Inventory and Coffee Equipment Package. The cost of the Initial Inventory and Coffee Equipment Package will range from \$71,584 to \$115,484 depending on customization and the size of your café.

5.02 Continuing Fees.

5.02.1 Royalty Fee. During the Term, you shall pay to Booskerdoo, without offset, credit or deduction of any nature, a continuing nonrefundable royalty fee equal to six percent (6%) of Gross Sales (as defined in Section 5.06 below) (the “Royalty Fee”). The Royalty Fee shall be due and payable in accordance with Section 5.03 below.

5.02.2 Marketing Fee. During the Term, you shall pay to Booskerdoo or its designee a continuing marketing fee of up to two percent (2%) of Gross Sales, as designated by Booskerdoo (the “Marketing Fee”). The Marketing Fee shall be due and payable in accordance with Section 5.03 below and the following provisions:

(1) You shall make the Marketing Fee payments as Booskerdoo directs, in sole and absolute discretion, to one or more Funds (as defined in Section 14.08 below) established or designated by Booskerdoo for advertising, marketing, promotion or other purposes, and/or for Local Marketing Purposes (as defined in Section 14.07.3 below). Initially, the allocation of the Marketing Fee shall be such amounts as set forth in the

Contract Data Sheet; however, Booskerdoo shall have the right to adjust and reallocate the Marketing Fee, at any time in Booskerdoo's sole and absolute discretion, by providing written notice to you, subject to the two percent (2%) limit.

(2) Booskerdoo reserves the right, at any time, to direct that you pay an amount less than the entire Marketing Fee for a period of time designated by Booskerdoo in its sole and absolute discretion.

(3) You acknowledge and agree that Booskerdoo shall have the right, at any time, to enforce your obligation to pay the entire Marketing Fee to the Funds in Booskerdoo's sole and absolute discretion.

5.02.3 Technology Fee. During the Term, you shall pay to Booskerdoo or our designee, without offset, credit or deduction of any nature, a continuing weekly nonrefundable Technology Fee equal to Seventy Dollars (\$70.00). Booskerdoo reserves the right, in its sole discretion, to increase the Technology Fee by not more than five percent (5%) annually and to add, modify or eliminate certain technologies including any features or functionality of the mobile application. The Technology Fee shall be due and payable in accordance with Section 5.03 below.

5.02.4 Continuing Fees. For purposes of this Agreement, all fees set forth in this Article 5.02 shall be considered "Continuing Fees".

5.03 Method of Payment. You shall pay all Continuing Fees in the manner and on the date designated by Booskerdoo. Booskerdoo has the right to change the date and manner through which it requires you to pay any or all amounts due to Booskerdoo under this Agreement upon written notice to you at any time. You shall immediately comply with all such changes and sign any and all documents and agreements necessary to implement any such payment program or process. Unless otherwise designated by Booskerdoo in writing, you shall pay all Continuing Fees on a weekly basis by electronic funds transfer ("EFT"). The continuing fees, including the Royalty Fee and Marketing Fee shall be payable as follows:

5.03.1 Continuing Fee Pay Period: Unless otherwise designated by Booskerdoo, all continuing fees are to be paid via EFT weekly on Tuesdays. Booskerdoo may, in its sole discretion, automatically draft the Continuing fees or may permit or require you to pay any or all of the continuing fees to Booskerdoo via check, which check or such other payment method, which payment shall be due every Tuesday. The Royalty Fee and Marketing Fee will be based on the Gross Sales for the previous week.

5.04 EFT.

5.04.1 You shall, upon execution of this Agreement, and at any time thereafter at Booskerdoo's request, sign and deliver to Booskerdoo the EFT form (in substantially the form attached hereto as Exhibit D, the "Electronic Funds Transfer Form") and such other documents or forms as Booskerdoo may require to process EFT payments initiated by Booskerdoo pursuant to this Agreement, including, without limitation, the

Royalty Fee, the Marketing Fee and other Continuing Fees. In addition, from time to time at Booskerdoo's reasonable request, you shall sign and deliver such additional documents as Booskerdoo may require to enable Booskerdoo to draw drafts against your bank accounts for such purposes.

5.04.2 You shall report all Gross Sales to Booskerdoo in the form and manner designated by Booskerdoo. If any Gross Sales information obtained by or submitted to Booskerdoo is subsequently determined by Booskerdoo to be inaccurate, then: (a) if the actual amount of the Marketing Fee and Royalty Fee due was more than the amount of the EFT processed by Booskerdoo, then Booskerdoo shall be entitled to withdraw additional funds through EFT from your designated bank account for the difference; or (b) if the actual amount of the Marketing Fee and Royalty Fee due was less than the amount of the EFT by Booskerdoo, then Booskerdoo shall either return the excess amount to you, or credit the excess amount to the payment of your future Royalty Fee and/or Marketing Fee obligations.

5.04.3 Should any EFT payment not be honored by your bank for any reason, you agree that you shall be responsible for such payment plus any bank or other charges incurred by or assessed upon Booskerdoo, if any. You further agree that you shall at all times throughout the Term maintain a balance in your bank account against which such EFT payments are to be drawn sufficient to cover the continuing fees, including the Marketing Fee and the Royalty Fee. If any of the continuing fees are not received when due, interest may be charged by Booskerdoo in accordance with Section 5.10.

5.04.4 Upon written notice to you, and at Booskerdoo's sole discretion, Booskerdoo may require you to pay the Royalty Fee, the Marketing Fee and/or any other fees due under this Agreement directly to Booskerdoo in the form and manner designated by Booskerdoo, in lieu of an EFT.

5.05 Weekly Gross Sales Reporting. On or before Tuesday of each week, you shall prepare and submit to Booskerdoo via electronic mail to the email address designated by Booskerdoo, or such other delivery method specified by Booskerdoo, a weekly Gross Sales report reflecting all Gross Sales for the previously concluded week. You hereby acknowledge that Booskerdoo has the unrestricted right to access your POS System (as defined in Section 8.04 below), which may include access to daily Gross Sales information. Booskerdoo reserves the right to require you to prepare and submit Gross Sales reports and/or statements in the form and manner designated by Booskerdoo at any time, in lieu of collecting written Gross Sales reports via electronic mail. You shall immediately comply with any and all such requirements upon your receipt of written notice from Booskerdoo. If, for any reason, Booskerdoo is unable to access your Gross Sales electronically, or if you fail to submit Gross Sales information in the form and manner designated by Booskerdoo for any given week, Booskerdoo shall have the right to deduct from your bank account an amount equal to the Royalty Fee and the Marketing Fee due to Booskerdoo for the immediately preceding week.

5.06 "Gross Sales" Defined. As used in this Agreement, "Gross Sales" shall mean all revenue derived from the sale of any and all products and services, and all other income of every kind and nature, related in any way to the Franchised Café, whether for cash or credit (and regardless of collection in the case of credit) and whether or not such

sales are made at or by the Franchised Café; *provided, however*, that you may deduct any sales taxes which were collected by you as required by law and paid to the applicable taxing authority. You shall retain and make available to Booskerdoo on ten (10) days' notice, copies of all tax reports and vendor invoices evidencing all sales tax payments.

5.07 Taxes. If any tax or fee (other than federal or state income tax) is imposed on Booskerdoo by any government or governmental agency due to Booskerdoo's receipt of fees owed to Booskerdoo under this Agreement, then you agree to pay Booskerdoo the amount of such tax as an additional franchise fee. Booskerdoo shall have no liability for any sales, use, excise, gross receipts, income, property or other taxes, whether levied upon you, the Franchised Café or its assets, in connection with the sales made, services performed or business conducted by you.

5.08 No Offset or Withholding. You shall not offset or withhold payments owed to Booskerdoo for amounts purportedly due to you from Booskerdoo or its affiliates as a result of any dispute of any nature or otherwise; rather, you shall pay all amounts owed to Booskerdoo and seek reimbursement thereafter.

5.09 Allocation. Booskerdoo shall have the right to apply any payments by Franchisee to any past due indebtedness of Franchisee to Booskerdoo or its affiliates, despite any other allocation by Franchisee.

5.10 Interest on Late Payments. All continuing fees, including the Royalty Fees, Marketing Fees, amounts due for purchases from Booskerdoo or its affiliates, and all other amounts owed to Booskerdoo or its affiliates shall bear interest after the due date at the lesser of the highest legal rate permissible or eighteen percent (18%) per annum. Notwithstanding the foregoing, you acknowledge that this Section 5.10 does not constitute an agreement by Booskerdoo to accept such payments after the due date or a commitment by Booskerdoo to extend credit to, or otherwise finance, your operation of the Franchised Café.

ARTICLE 6. BOOSKERDOO'S DUTIES

6.01 Pre-Opening Obligations.

6.01.1 Booskerdoo shall make available to you, at no charge, generic, standard specifications for the construction of a prototypical *Booskerdoo™* Café, including the exterior and interior design and layout, display requirements, fixtures, equipment and signage. You shall, at your expense, adapt the standard specifications for use at the Franchised Café at your Approved Café Location, as provided in this Agreement.

6.01.2 Booskerdoo shall provide your Franchisee Training Team (as defined in Section 7.01.1 below) with an initial training program prior to the opening of the Franchised Café. All initial training provided by Booskerdoo shall be subject to the terms and conditions set forth in this Agreement.

6.01.3 Booskerdoo shall provide a trained representative to provide on-site pre-opening and opening training, supervision, and assistance to you during your "Friends

and Family” opening and for up to 5 days following your Café’s opening. You shall be required to reimburse us for the cost of any expenses incurred by our representative (including, but not limited to, travel, lodging and meals) while providing opening assistance.

6.01.4 Booskerdoo shall provide to you access to one copy of the Operations Manual, which Booskerdoo may provide to you in either written or electronic format. From time to time in Booskerdoo’s sole and absolute discretion, Booskerdoo shall make such modifications and additions to the Operations Manual as are necessary in order to, among other things, incorporate new developments or other changes in System standards, specifications, procedures, and techniques (including, to the fullest extent permitted by law, changes relating to the maximum, minimum, or other prices for products and services offered and sold by the Cafés). You agree to pay the then-current replacement fee established by Booskerdoo for the replacement of the Operations Manual or other Booskerdoo materials.

6.01.5 Booskerdoo shall provide you with information and the identification of sources to purchase certain designated products, equipment, furnishings, fixtures, supplies, inventory, signage and Café collateral materials.

6.02 Additional Discretionary Assistance. Booskerdoo may, in its sole and absolute discretion, provide the following to you:

6.02.1 Additional Training (as defined in Section 7.02 below), after the opening of the Franchised Café, as Booskerdoo deems appropriate;

6.02.2 Continuing advisory assistance in the operation of the Franchised Café, after the opening of the Franchised Café, as Booskerdoo deems advisable; and

6.02.3 Advice and written materials concerning techniques of managing and operating the Franchised Café, including required and suggested inventory and sales instructions, new developments and improvements in Café layout and design, and new developments in services, merchandising, and packaging of services and products.

6.02.4 Assistance with preventative maintenance services (not including the cost of any parts) on the coffee and bar equipment included as part of the Initial Inventory and Coffee Equipment Package.

6.03 Outsourcing. Booskerdoo may, in its sole and absolute discretion, elect to outsource, and/or subcontract certain of Booskerdoo’s obligations under this Agreement to subsidiaries, affiliates, contract employees, third-party vendors, and/or other third-party suppliers; provided that: (a) any such outsourcing and/or subcontracting shall not discharge Booskerdoo from its obligations under this Agreement; and (b) any such outsourced or subcontracted obligations shall be performed in accordance with the terms of this Agreement.

ARTICLE 7. TRAINING

7.01 Initial Training Program.

7.01.1 Franchisee Training Team. The “Franchisee Training Team” shall be comprised of each of the following “Franchisee Trainees”: (a) Franchisee (or, if Franchisee is a Legal Entity, then Franchisee’s owners); (b) Franchisee’s general manager (the “General Manager”); (c) all of Franchisee’s barista(s) and (d) any additional persons Franchisee may choose to designate. The General Manager of Franchisee shall be either: (i) the Franchisee (or, if Franchisee is a Legal Entity, one of its owners), or (ii) an individual that has been approved by Booskerdoo. Each of the Franchisee Trainees shall attend and successfully complete, to Booskerdoo’s satisfaction, an initial training program prescribed by Booskerdoo before the opening of the Franchised Café (the “Initial Training”). If Franchisee is a Legal Entity, then Franchisee’s at least one of Franchisee’s owners shall be designated the “Managing Owner”. Each Managing Owner or General Manager of the Franchisee Training Team who successfully completes the Initial Training in accordance with the foregoing shall be deemed a “Trained Manager”. The Franchised Café shall at all times be operated under the management of a Trained Manager who is available during all business hours and shall have a certified barista on the floor during all business hours.

7.01.2 Training Completion Deadline. The Franchisee Training Team shall complete the Initial Training at the times designated by Booskerdoo, and unless otherwise approved by Booskerdoo, no later than fifteen (15) days before the Franchised Café opens for business. Franchisee shall not be permitted to open the Franchised Café until the Initial Training is completed in accordance with this Agreement. Any persons subsequently employed by Franchisee as a General Manager (a “Replacement Manager”) shall be required to attend and complete the Initial Training to Booskerdoo’s satisfaction within thirty (30) days of being hired as a manager.

7.01.3 Responsibility for Costs & Expenses. There is no fee payable to Booskerdoo for the Initial Training for up to ten Franchisee Trainees; however, you shall be responsible for all of the costs set forth in Section 7.03 below. To the extent that you elect to have more than ten Franchisee Trainees participate in the Initial Training Program, you shall be required to pay Booskerdoo the hourly fee set forth in Section 7.02.2 in addition to all the costs set forth in Section 7.03 below.

7.02 Additional Training.

7.02.1 Additional Training Required. Should you (a) require more than ten people to participate in the Initial Training, (b) require additional training or retraining for any of the Franchisee Trainees any time after the Initial Training has been completed, or (c) require initial training for a Replacement Manager(s) (“Franchisee-Requested Training”), upon request, Booskerdoo may, in its sole and absolute discretion, provide such training (except that, with respect to Replacement Manager Training, Booskerdoo may not refuse to provide such training). Furthermore, Booskerdoo may require, in Booskerdoo’s sole and absolute discretion, that one or more of the Franchisee Trainees, including any replacement trainees, attend and successfully complete a periodic refresher/retraining course (“Booskerdoo-Requested Training”) in order to correct any problems or deficiencies

that Booskerdoo becomes aware of in the operation of the Franchised Café as it relates to protection of the *Booskerdoo* brand and/or the Marks. Booskerdoo may require, in our sole discretion, that one or more of the Franchisee Trainees, including any replacement trainees, attend an annual refresher training program (“Annual Training Conference”) that will be conducted at our headquarters or another location we designate. Franchisee- Requested Training, Booskerdoo- Requested Training and the Annual Training Conference shall collectively be deemed “Additional Training” for Purposes of this Agreement.

7.02.2 Responsibility for Costs & Expenses. Except as set forth in Section 7.02.3 with respect to certified baristas, any person who is required to attend Additional Training shall do so at your expense. You shall be responsible for all of the costs set forth in Section 7.03 below. In addition, you shall pay to Booskerdoo in advance the following hourly fees (the “Hourly Training Fee”) for Additional Training: (a) for the 11th and each subsequent employee who participates in Initial Training, a Twenty-Five Dollar (\$25.00) hourly fee; (b) for each barista trained at our training facility, a Fifteen Dollar (\$15.00) hourly fee; (c) for each barista trained at your café, a Thirty Dollar (\$30.00) hourly fee; (d) for each manager trained at our training facility, a Twenty-Five Dollar (\$25.00) hour fee; and (e) for each manager trained at your café, a Fifty Dollar (\$50.00) hourly fee. Booskerdoo reserves the right to increase the Hourly Training Fee in its sole discretion. Notwithstanding the foregoing, if a required attendee, as defined by Booskerdoo in its sole discretion, fails to attend any required Additional Training, or fails to provide at least 24 hours’ notice that they are unable to attend any required Additional Training, the missed training session(s) shall be made up at our convenience and you shall pay to Booskerdoo a Seventy-Five Dollar (\$75) hourly fee (in addition to all the costs set forth in Section 7.03 below) in lieu of the Hourly Training Fees set forth in the immediately preceding sentence.

7.02.3 Certified Barista Trainers. You shall, at our request in our sole discretion, employ at least one certified barista at your café who will become a “Certified Barista Trainer” and be responsible for providing training at your café to all new baristas as well as for providing refresher training to all existing baristas. Before becoming a “Certified Barista Trainer”, your employee must meet certain criteria that we may from time to time establish in our sole and absolute discretion to qualify as a Certified Barista Trainer and must successfully complete Booskerdoo’s “Train the Trainer” training program at our training facility. For each “Certified Barista Trainer” who participates in the “Train the Trainer” program, you shall pay us an hourly rate of Thirty-Five Dollars (\$35.00) and you shall be responsible for all of the costs set forth in Section 7.03 below. The “Train the Trainer” training program will not exceed 40 hours. In the event that any your employee who is participating in the Certified Barista Trainer training program fails to attend any required “Train the Trainer” training session, or fails to provide at least 24 hours’ notice that they are unable to attend any such session, the missed training session(s) shall be made up at our convenience and you shall pay to Booskerdoo a Seventy-Five Dollar (\$75) hourly fee (in addition to all the costs set forth in Section 7.03 below). Until such time that you have a Certified Barista Trainer on staff, we will train up to six new baristas each year at our training facility at no additional charge to you; to the extent that more than six baristas require training in a year, you will be responsible be responsible for the costs and expenses set forth in Section 7.02.2. For the avoidance of doubt, after such time that we require you to have a Certified Barista Trainer on staff at your café, Booskerdoo shall no longer provide free barista training to your employees.

7.02.4 Form of Training. Booskerdoo reserves the right in its sole and absolute discretion to provide elements of any training required or contemplated under this Agreement via the Internet or any online source, remotely, via audio or video conferencing, or in any other manner that may be reasonable or appropriate under the circumstances.

7.03 Location of Training; Associated Costs/Expenses of Training. All training programs shall be held at such times and places as may be designated by Booskerdoo in its sole discretion. If Booskerdoo agrees, in its sole discretion, to conduct training at the Franchised Café or at another franchised Café not owned or operated by Booskerdoo, Franchisee shall be required to (a) reimburse Booskerdoo for the reasonable out-of-pocket expenses incurred by Booskerdoo's training instructor(s), including, without limitation, all travel expenses, food, and lodging and (b) pay Booskerdoo its then-current off-site hourly training rates, which shall be higher than the Hourly Training Fees set forth in this Agreement. In addition to the costs set forth in this Section 7, Franchisee shall also be responsible for any and all costs and expenses incurred in connection with Franchisee and Franchisee's employees attending training, including but not limited to the salaries, wages or benefits for its employees during training, travel expenses, food, lodging, or course materials.

ARTICLE 8. GENERAL OPERATING STANDARDS AND DUTIES OF FRANCHISEE

8.01 Franchisee Performance Obligations. You understand and acknowledge that every detail of the Franchised Café is important to you, Booskerdoo, and the other franchisees in order to develop and maintain high operating standards, to increase the demand for the services and products sold by all franchisees, and to protect the reputation and goodwill of Booskerdoo and the System. You shall maintain Booskerdoo's high standards with respect to facilities, services, products, and quality. Without limiting the generality of the foregoing, you shall construct, open, maintain and operate the Franchised Café for the Term pursuant to and in accordance with the System, the Standards and Specifications set forth in this Agreement, the requirements of the Operations Manual, and any other written publication or policy issued by Booskerdoo. You agree to operate the Franchised Café in accordance with the System and only for the purpose(s) designated in this Agreement, the Operations Manual, and such other publications or policies issued by Booskerdoo from time to time.

8.02 General Operational Obligations.

8.02.1 Quality Standards. All goods (including food and beverage products, equipment, supplies, materials and other items) used or offered for sale at the Franchised Café shall meet Booskerdoo's then-current standards of quality, good taste, suitability, and conformity with the System's image and consumer expectations. You shall maintain all products and all equipment (including but not limited to coffee, espresso, filtration, grinding and refrigeration equipment) in your Franchised Café in excellent working condition and you shall arrange for preventative maintenance services on all equipment at the intervals or frequency required by Booskerdoo in its sole discretion. You shall replace such items with either the same or substantially the same types and kinds of equipment approved by Booskerdoo at the time replacement becomes necessary. You hereby

acknowledge that the quality of Booskerdoo's products and its brand image depend on your diligent care, routine cleaning and rigorous maintenance of the equipment in your Café and you agree to meet or exceed all standards imposed by Booskerdoo for the care, cleaning and maintenance of your equipment.

8.02.2 Hours of Operation. You shall keep the Franchised Café open and in normal operation for such minimum hours and days as Booskerdoo may specify in its sole and absolute discretion. You shall use the Approved Café Location solely for the operation of the Franchised Café and no portion of the premises may be assigned, subleased, or otherwise transferred except as part of a sale of the Franchised Café that is approved by Booskerdoo in writing. You shall refrain from using or permitting the use of the Franchised Café premises for any purpose or activity other than the operation of a Café at any time, and shall operate in strict conformity with such methods, Standards and Specifications as Booskerdoo may prescribe from time to time.

8.02.3 Direct Supervision. Unless you have received Booskerdoo's prior written consent to operate otherwise, the Franchised Café shall always be under the direct supervision of a Trained Manager who must be available during all business hours. The Franchisee's Managing Owner shall devote his/her entire work time to the management of the Franchised Café. You shall have exclusive control over, and assume full responsibility for your employees and all labor relations involving your employees, including, without limitation, the hiring, firing, and disciplining of employees, setting employee compensation, and determining employee work schedules.

8.02.4 Staff.

(1) You shall employ and maintain a competent, conscientious, and trained staff. You acknowledge that it is your responsibility to ensure that all managers and employees follow Booskerdoo's Standards and Specifications. Except as set forth in this Agreement with respect to the Franchisee Training Team, you are responsible for training your own employees and other management personnel. You shall ensure that all employees, managers, and you comply with the dress code as may be prescribed by Booskerdoo from time to time. We do not direct or control labor or employment matters for you or your employees, or for any of our franchisees and/or their employees. We may make suggestions and may provide guidance relating to such matters, however it is entirely your responsibility to determine whether to adopt, follow and/or implement any of our suggestions or guidance. Notwithstanding anything contained in this Agreement to the contrary, mandatory specifications, standards and operating procedures, including as set forth in any manual, do not include the terms or conditions of employment for any of your employees, nor do they include mandated or required personnel policies or procedures.

(2) You shall ensure that you have (a) at least one certified barista on the floor at your Café during all business hours and (b) at least one baker on-site at your Café each morning to handle the morning bake (the "Essential Staff Member(s)"). In the event that an Essential Staff Member is unable to perform his or her duties during any scheduled shift, a Trained Manager(s) shall be immediately either (a) require another fully trained employee to report to work to perform the Essential Staff Member's duties or (b) perform the Essential Staff Member's duties themselves. In the event a Trained Manager(s) is

unavailable do so, we reserve the right to charge Franchisee Five Hundred Dollars (\$500.00) per day for each day that Franchisee fails to ensure that the Essential Staff Member's duties are being timely performed by appropriately trained staff.

8.02.5 Customer Relations/Reputation Management. You shall take such steps as are necessary to ensure that you and your employees preserve good customer relations and render competent, prompt, courteous and knowledgeable service. You shall handle all customer complaints, gift certificates, refunds and other adjustments in the manner prescribed in writing by Booskerdoo and in a manner that shall not detract from the name and goodwill of Booskerdoo. If required by Booskerdoo, you shall procure Reputation Management services from Booskerdoo or our approved supplier to assist you in managing your Franchised Café's and Booskerdoo's overall reputation on social media.

8.02.6 Telephone Number. You shall maintain a telephone number for the operation of the Franchised Café and shall execute a conditional assignment of all telephone numbers used in connection with the Franchised Café (in substantially the form attached hereto as Exhibit E, the "Conditional Assignment of Telephone Numbers and Listings").

8.02.7 Inspections. In an effort to advance the protection and enhancement of the *Booskerdoo* brand and the Marks, you shall permit Booskerdoo and its agents to enter the Franchised Café premises at any time for the purpose of conducting inspections of your operations and shall cooperate with Booskerdoo's representatives in such inspections by rendering such assistance as may reasonably be requested. Upon notice from Booskerdoo or its agents, and without limiting Booskerdoo's other rights under this Agreement, you shall take such steps as may be necessary to correct immediately any deficiencies detected during any such inspection. Should you, for any reason, fail to correct such deficiencies within a reasonable time as determined by Booskerdoo, Booskerdoo shall have the right and authority (but not the obligation), in addition to any other rights or remedies available to Booskerdoo under this Agreement or applicable law, to correct such deficiencies and to charge you a reasonable fee for Booskerdoo's expenses in so acting, payable by Franchisee upon demand.

8.03 Maintenance, Repairs, Renovations and Refurbishment.

8.03.1 Repairs and Maintenance of the Franchised Café. You shall repair and maintain the Franchised Café (including adjacent public areas and parking lots) in a clean, orderly condition and in good repair and in accordance with the System standards, the Operations Manual and this Agreement.

8.03.2 Remodeling of Franchised Café.

(1) Booskerdoo may require you to renovate or remodel the Franchised Café ("Remodeling") in order to, among other things, improve the appearance and efficient operation of the Franchised Café, comply with the prevailing brand image of the Cafés in the System, or comply with System Standards and Specifications. Without limiting the generality of the foregoing, any such Remodeling may include: (a) the incorporation of an updated design, Trade Dress (as defined in Section 10.02), color scheme and/or presentation

of the Marks in a manner that is consistent with the then-current image for new Cafés in the System; (b) the replacement of worn out or obsolete equipment, fixtures, furniture and signs; (c) the substitution or addition of new or improved equipment, fixtures, furniture and supplies; (d) the redecorating of the interior of the Franchised Café; and (e) any reasonable structural modifications to the premises. You shall complete all required Remodeling within the time period prescribed by Booskerdoo. Notwithstanding the foregoing, Booskerdoo shall not require you to complete a Remodeling of the Franchised Café during the two (2)-year period after the Effective Date, during the last year of the Term (except as required in order to qualify for a Successor Franchise Agreement), or more than once every five (5) years.

(2) Booskerdoo may, without any limitation, require you to: (a) purchase or lease additional equipment that is required in a majority of the Cafés in the System, such as new food preparation or service methods or products (e.g., a new computer and point of sale system); (b) make any and all repairs necessary, including repainting, in order to maintain the interior and exterior of the Franchised Café in a clean and orderly condition satisfactory to Booskerdoo as required by Section 8.03.1; (c) complete any required renovations upon any transfer of the Franchised Café; (d) make any changes related to the modification of the Marks; and/or (e) make any changes to the menus and menu boards, as required by Booskerdoo.

8.04 Computer System. You shall purchase and maintain the computer and point of sale system designated by Booskerdoo (the “POS System”), which shall be used in the operation of the Franchised Café and for reporting purposes and purchased from a supplier designed by Booskerdoo. You shall comply with the following provisions relating to the POS System:

8.04.1 You shall update and upgrade the POS System as designated by Booskerdoo. Booskerdoo may require you to enter into a separate maintenance and/or support agreement for your POS System at any time, at your sole cost and expense.

8.04.2 You shall record all sales at or from the Franchised Café at the time of sale on the POS System, in accordance with Booskerdoo’s procedures.

8.04.3 You shall comply with such requirements determined by Booskerdoo from time to time regarding maintenance, training, storage and safeguarding of data, records, reports and other matters relative to the POS System.

8.04.4 Booskerdoo has the right to independently access any and all information on your POS System at any time without prior notice to you. Without limiting the generality of the foregoing, you shall, at your sole cost and expense, permit Booskerdoo immediate access to your POS System, electronically or otherwise, at all times. Booskerdoo shall have the right to use the information accessed on the POS System in any manner that Booskerdoo determines, including, without limitation, using any and all such information in Booskerdoo’s Franchise Disclosure Document and/or sharing your financial statements, including profit and loss statements, with other System franchisees.

8.05 Security System. Booskerdoo requires that you purchase and install a video security and surveillance system as designated by Booskerdoo. Booskerdoo may require that the security and surveillance system provide Booskerdoo with continuous real-time visibility via the Internet or such other method as Booskerdoo may require from time to time; the purpose of providing Booskerdoo with access to the system is to verify your compliance with the terms and conditions of this Agreement, to maintain the integrity of the Marks, and to confirm whether you are maintaining the quality of service and products that Booskerdoo requires. All expenses related to the Security System shall be the responsibility of the Franchisee. You shall remain solely responsible for all activities within the Franchised Café and Booskerdoo has no obligation to monitor the Franchised Café for safety or security concerns, other concerns, or compliance with applicable laws, rules and regulations. You shall indemnify and hold Booskerdoo harmless from any and all damages, claims, demands, actions, suits, proceedings or judgments of any kind or nature, by reason of any claimed act or omission by Booskerdoo arising from Booskerdoo's surveillance access to the Franchised Café.

8.06 Pricing and Promotional Programs.

8.06.1 Pricing. Booskerdoo reserves the right, subject to compliance with applicable laws, to require you to offer all menu items at prices not to exceed the prices Booskerdoo publishes from time to time, effective upon written notice to you. Booskerdoo reserves the right to require you to submit your proposed pricing to us for approval in our sole and absolute discretion and to prohibit you from charging prices lower than Booskerdoo's published menu prices for any item, to the maximum extent allowed by applicable law. You shall have sole discretion as to the prices to be charged to customers with respect to the offer and sale of all other goods and services.

8.06.2 Gift Card & Loyalty Programs. You shall participate in and comply with all of the terms and conditions of any gift card and/or loyalty program that may be developed or designated by Booskerdoo in its sole discretion. Booskerdoo or its designee shall have the right to retain any and all funds and overages for unclaimed gift cards (whether in part or in whole) and/or loyalty programs. In connection with any such program(s), you may be required to, among other things: (a) enter into a gift card terms and conditions agreement with a designated supplier; (b) purchase card processing machines and a specified quantity of gift cards; (c) pay a transaction processing fee; and/or (d) pay an ongoing maintenance and/or service fee. In addition to the other indemnification obligations set forth in this Agreement, you shall indemnify and hold Booskerdoo harmless from any and all damages, claims, demands, actions, suits, proceedings or judgments of any kind or nature, by reason of any claimed act or omission related to gift cards issued by you in connection with the operation of the Franchised Café.

8.06.3 Promotional Programs. You shall participate in all of the national, regional, and/or local advertising and promotional activities that Booskerdoo requires. You understand that Booskerdoo may frequently implement promotions such as discount coupons, frequent customer cards, special menu promotions and other activities intended to enhance customer awareness and build traffic at Cafés on a national, regional or local level. You understand that your participation in these programs is essential to the success of such advertising and promotional programs and that such participation may entail some cost to

you. You agree that Booskerdoo has no obligation to reimburse you for any costs you incur due to your mandatory participation in these special promotional programs. You shall participate in one or more promotional offers and/or programs that Booskerdoo designates or approves that requires you to make donations to an approved or designated charity.

8.06.4 Data Security. You shall use your best efforts to protect your customers against any data breach or cyber-event, including, without limitation, identity theft or theft of personal information (a “Data Security Breach”). If a Data Security Breach occurs, in the interest of protecting the goodwill associated with the *Booskerdoo* brand and franchise system, we reserve the right to perform and / or control any and all aspects of the response to such event, including, without limitation, the investigation, containment and resolution of the event and all communications with the franchise system, vendors and suppliers, customers, law enforcement agencies, regulatory authorities and the general public. You hereby acknowledge and agree that, if we elect to exercise this right, our actions and control of the response may potentially affect or interrupt operations of the Café. If we elect to exercise this right, you shall be responsible for all costs that Booskerdoo incurs in response to a Data Security Breach. You shall have no right to pursue or recover any damages against us or any of our affiliates in connection with any action taken in response to any Data Security Breach. You shall at all times be compliant with Payment Card Industry Data Security Standards, any and all requirements imposed by all applicable payment processors and networks, including credit card and debit card processors, and any and all state and federal laws, rules and regulations relating to data privacy, data security and security breaches. You hereby acknowledge and agree that if we engage or designate a third-party service provider to administer a data security program, you will be required to comply with the requirements of such service provider. It is your responsibility to ensure that you operate your Café at all times in compliance with all applicable laws, rules, regulations and requirements and you are strongly encouraged to engage legal and data security professionals to ensure your full compliance.

ARTICLE 9. REQUIRED PURCHASES; RESTRICTIONS ON EQUIPMENT, PRODUCTS, SERVICES AND SOURCES OF SUPPLY

9.01 Equipment, Fixtures and Furnishings. You shall, at your expense, purchase or lease, install and use in connection with the Franchised Café only such Equipment and Furnishings which Booskerdoo designates or requires, all of which shall conform to the Operations Manual, Booskerdoo’s Standards and Specifications, and such other publications and policies issued by Booskerdoo from time to time. You shall not install or permit to be installed at the Franchised Café any item that is not specifically approved or designated by Booskerdoo. Booskerdoo shall have the right to inspect and approve all Equipment and Furnishings and their installation to ensure your compliance with this Agreement and Booskerdoo’s Standards and Specifications. You shall not install or permit to be installed at the Franchised Café:

9.01.1 any games, vending machines, entertainment devices, computer terminals, or other similar items, unless specifically approved or designated with Booskerdoo’s express written consent; or

9.01.2 any fixtures, furnishings, equipment, décor items, signs, games, vending machines or other items that do not comply with Booskerdoo's standards, unless Booskerdoo has provided its prior written consent.

9.02 Products and Services. You shall offer for sale, or otherwise use in the Franchised Café, all food and beverage products, ingredients, materials, packaging, supplies, paper goods and non-food merchandise and items (collectively, the "Products") that Booskerdoo requires and approves, in its sole and absolute discretion, in the manner and style that Booskerdoo requires and in accordance with Section 8.01 of this Agreement. You shall offer, sell and provide the catering and other services (collectively, the "Services") that Booskerdoo designates in accordance with Booskerdoo's Standards and Specifications within your Protected Territory. You shall not offer for sale any Products or Services that are not specifically approved by Booskerdoo, or that are disapproved for sale at or from the Franchised Café in Booskerdoo's sole and absolute discretion. You shall not offer any alcoholic beverages without obtaining Booskerdoo's prior written consent, which may be granted or withheld in Booskerdoo's sole and absolute discretion. You may not deviate from Booskerdoo's Standards and Specifications in any way without obtaining Booskerdoo's prior written consent, which may be granted or withheld in Booskerdoo's sole and absolute discretion. NEITHER BOOSKERDOO NOR ANY OF ITS AFFILIATES MAKE ANY EXPRESS OR IMPLIED WARRANTIES REGARDING THE GOODS AND SERVICES THAT YOU MUST PURCHASE, AND BOOSKERDOO AND ITS AFFILIATES EXCLUDE (AND EXPRESSLY DISCLAIM) ALL IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, EXCEPT AS SET FORTH IN A PARTICULAR WRITTEN WARRANTY PROVIDED TO YOU, IF ANY, IN CONNECTION WITH A PARTICULAR PRODUCT OR SERVICE.

9.03 Supply of Designated or Approved Items. You shall maintain in sufficient supply the Products, and Equipment and Furnishings, as designated or approved by Booskerdoo, so as to be able to meet your obligations under this Agreement.

9.04 Approved Suppliers.

9.04.1 Approved and Designated Suppliers. You shall purchase all services and items, including, without limitation, Products, inventory, services, signs, Equipment and Furnishings, fixtures, and supplies only from distributors and suppliers that Booskerdoo has approved or designated. Booskerdoo shall provide you with a list of any designated suppliers, which Booskerdoo has the right to change at any time in its sole and absolute discretion. Booskerdoo has the right to revoke its approval of any approved or designated supplier at any time, in which event, you shall immediately cease from purchasing or acquiring any items from any such disapproved supplier. Booskerdoo reserves the right for itself or its affiliates to become an approved vendor, or the only approved vendor for any item, product, or service in the future.

9.04.2 Supplier Contracts. Booskerdoo may require you to enter into, and strictly comply with the terms of agreements and contractual arrangements directly with System suppliers in the form(s) designated by Booskerdoo (each a "Supplier Contract"), and you hereby agree to immediately sign and comply with all such requirements. You

acknowledge that the Supplier Contracts may change over time and new Supplier Contracts may be designated in the future.

9.04.3 Proposal of Additional Suppliers. If you wish to purchase any items, Products, Equipment and Furnishings, or other supplies from a supplier or distributor who is not on Booskerdoo's approved list, you may request Booskerdoo's approval of the supplier or distributor. The following procedures shall apply in the event that you wish to propose an alternate supplier or distributor:

(1) In order for such supplier or distributor to be approved: (a) the product or service offered by the proposed supplier or distributor shall conform in every respect to Booskerdoo's Standards and Specifications; (b) the proposed supplier or distributor shall have a good business reputation and be able and willing to provide sufficient quantities of the product or service to you; (c) the proposed supplier or distributor shall provide Booskerdoo with any information that Booskerdoo requests in order to analyze the supplier's or distributor's suitability, and the composition and conformity of the product or service to Booskerdoo's Standards and Specifications; and (d) the proposed supplier or distributor shall agree that, if approved, it shall provide Booskerdoo with reports concerning all purchases by you and other franchisees. This evaluation may include a sampling of the product or service at the supplier/distributor's place of business or Booskerdoo's place of business, or any other place that Booskerdoo may select, as Booskerdoo may designate. You or the supplier/distributor shall be responsible to reimburse Booskerdoo for all costs and expenses incurred by Booskerdoo in the evaluation process.

(2) Booskerdoo cannot predict with any certainty how long Booskerdoo's evaluation process shall take, however, Booskerdoo shall attempt to complete the evaluation within a reasonable time, generally fifteen (15) days. Upon the completion of the evaluation, Booskerdoo shall inform you of Booskerdoo's approval or disapproval of your request for an alternate supplier or distributor. If Booskerdoo approves the supplier or distributor, the supplier or distributor shall be added to Booskerdoo's approved list, however, Booskerdoo's approval of a supplier or distributor shall relate only to the item or product line evaluated and specifically approved by Booskerdoo. You hereby acknowledge that Booskerdoo has complete authority to approve or disapprove a proposed supplier and disapproval of a proposed supplier and the costs of evaluating and testing a proposed supplier are non-refundable, even if proposed supplier is disapproved.

(3) Booskerdoo's Standards and Specifications and other criteria for supplier or distributor approval have been developed by Booskerdoo through the expenditure of extensive work and time and shall therefore be considered Confidential Information (as defined in Section 12.01 below). Therefore, Booskerdoo has no obligation whatsoever to make its Standards and Specifications or other criteria for supplier or distributor approval available to Franchisee or any proposed or approved suppliers.

9.05 Booskerdoo's Right to Derive Revenue & Consideration. You acknowledge and agree that Booskerdoo and/or its affiliates reserve the right to derive income, consideration, payments and other material benefits on account of your purchase and/or lease, and any System franchisee's purchase and/or lease, of any item and/or service, including, without limitation, Equipment and Furnishings, Products, Services and other items from Booskerdoo or any supplier/distributor, including approved suppliers/distributors and/or designated suppliers/distributors. This income may be

derived in any form, including as a rebate from any supplier or distributor based on the quantity of System franchisee purchases. Booskerdoo may use these benefits for any purpose that Booskerdoo deems appropriate. Booskerdoo is not obligated to remit any benefits to you and reserves the right to retain all such benefits. Booskerdoo does not guarantee the availability of independent sources of supply for any particular item, Equipment or Furnishings, Product or Service required to establish or operate the Franchised Café.

9.06 Purchasing Programs. Booskerdoo shall have the right, in its discretion, to designate any geographical area for purposes of establishing a purchasing program (“Purchasing Program”). If a Purchasing Program applicable to the Franchised Café has been established at the time Franchisee commence operations, or is established during the Term, you shall immediately participate in the Purchasing Program, unless prohibited by applicable state and/or federal laws, rules or regulations.

ARTICLE 10. MARKS

10.01 Ownership. Booskerdoo has the right to license the Marks to you under this Agreement.

10.02 Use of the Marks. With respect to your licensed use of the Marks and the trade dress of the Franchised Café (the “Trade Dress”) pursuant to this Agreement, you agree that:

10.02.1 You shall use only the Marks designated by Booskerdoo in connection with the operation of the Franchised Café, and shall use them only in the manner authorized and permitted by Booskerdoo. Any unauthorized use thereof shall constitute an infringement of Booskerdoo’s rights.

10.02.2 You shall have the right to use the Marks only: (a) at the Franchised Café and in connection with the operation of the Franchised Café in strict accordance with the terms of this Agreement, the Operations Manual and Booskerdoo’s Standards and Specifications; and (b) in connection with the advertising and/or promotion of the Franchised Café, in strict accordance with the terms of this Agreement, the Operations Manual and Booskerdoo’s Standards and Specifications.

10.02.3 You acknowledge that this Agreement does not grant you the right to offer or sell products or services from any other location or by any other means, including, without limitation, catalog or mail order sales, Internet sales (or the like), sales to Cafés, clubs, hotels and the like, and as corporate gifts, without Booskerdoo’s prior written consent, which may be granted or withheld by Booskerdoo in its sole and absolute discretion.

10.02.4 You shall not, without Booskerdoo’s prior written consent: (a) develop, create, generate, own, license, lease or use, in any manner, any computer medium or electronic medium (including, without limitation, any Internet home page, e-mail address, website, web page, social media page, domain name, bulletin board, newsgroup or other Internet-related medium or activity) that in any way uses or displays, in whole or in

part, the Marks, or any of them, or any words, symbols or terms confusingly similar thereto; or (b) use electronic media, including, without limitation, the Internet or any social media sites (such as facebook™, Twitter™, LinkedIn™, Living Social™, Instagram™, Groupon™, MySpace™, Pinterest, YouTube, Foursquare, Yelp, Google, Yahoo, or any other similar or comparable social media platform), in a manner that uses or displays, in whole or in part, the Marks, or any of them, or any words, symbols or terms confusingly similar thereto. If Booskerdoo's consent to any of the foregoing activities is granted, you shall in all instances comply with any conditions and restrictions that Booskerdoo imposes, including the Standards and Specifications and such other policies and procedures as Booskerdoo may establish from time to time. And, if such consent is granted, Booskerdoo reserves the right to revoke such consent effective upon written notice to you.

10.02.5 You shall execute any documents deemed necessary or advisable by Booskerdoo and/or Booskerdoo's counsel to obtain protection for the Marks or to maintain their continued validity and enforceability.

10.02.6 You shall not, directly or indirectly, contest the validity of the Marks, or Booskerdoo's ownership of the Marks.

10.02.7 In the event that litigation involving the Marks is instituted or threatened against you, you shall promptly notify Booskerdoo and shall cooperate fully in defending or settling such litigation.

10.03 Infringement. You shall promptly notify Booskerdoo of any infringement of, or challenge to, the Marks, and Booskerdoo shall, in its sole and absolute discretion, take such action as Booskerdoo deems necessary or appropriate. Booskerdoo shall indemnify and hold you harmless from any suits, proceedings, demands, obligations, actions or claims (including costs and reasonable attorneys' fees) for any alleged infringement under federal or state trademark law arising solely from your use of the Marks in accordance with this Agreement, or as otherwise set forth by Booskerdoo in writing, if you have promptly notified Booskerdoo of such claim. If Booskerdoo undertakes the defense or prosecution of any litigation pertaining to any of the Marks, you shall execute any and all documents and do such acts and things as may, in the opinion of Booskerdoo's counsel, be necessary or advisable to carry out such defense or prosecution. Booskerdoo has the right to require, in its sole and absolute discretion, that you discontinue your use of the Marks and/or modify or substitute any of the Marks in connection with any pending or threatened litigation involving your use of such Marks.

10.04 Acknowledgments. You expressly understand and acknowledge that:

10.04.1 Booskerdoo or its affiliate is the owner of all right, title and interest in and to the Marks and the goodwill associated therewith and symbolized thereby; notwithstanding the foregoing, some Marks in use by Booskerdoo are not yet federally protected and therefore do not have the same legal protection as federally registered trademarks, in the event that they do not receive federal protection, you may, in accordance with Section 10.04.3 below, be required to use an alternative Mark.

10.04.2 Your use of the Marks pursuant to this Agreement does not give you any ownership interest or other interest in or to the Marks, except the license granted by this Agreement. Any and all goodwill arising from your use of the Marks shall inure solely and exclusively to the benefit of Booskerdoo, and upon expiration of termination of this Agreement and the license herein granted, no monetary amount shall be assigned as attributable to any goodwill associated with your use of the System or the Marks.

10.04.3 Booskerdoo has the right, at any time, by giving notice to you, to completely change, add to, delete from, and/or make changes in the Marks in Booskerdoo's unrestricted discretion. You shall, at your expense, adopt and use any additions, deletions and changes to the Marks that Booskerdoo requires. If Booskerdoo decides at any time in its sole and absolute discretion to modify or discontinue the use of any Mark or use of additional or substitute Marks, you shall comply with Booskerdoo's directions within a reasonable time after Booskerdoo gives you notice. Booskerdoo has no obligation to reimburse you for any expenses you incur in connection with Booskerdoo's modification or discontinuance of any Marks, including your direct costs of changing signs, loss of revenue or costs of promoting any new or modified Mark.

ARTICLE 11. OPERATIONS MANUAL

11.01 Compliance with Operations Manual. In order to protect the reputation and goodwill of Booskerdoo and to maintain high standards of operation under Booskerdoo's Marks, you shall conduct your business in accordance with the Standards and Specifications and other standards, methods, policies, and procedures specified in the Operations Manual, one copy of which you acknowledge having received on loan from Booskerdoo for the Term. The "Operations Manual" shall mean Booskerdoo's confidential operations manual(s), including any Operating Amendments thereto (as defined in Section 11.02 below), which Operation Manual may consist of computerized documents of software, printed operations manuals, and all information provided through the Internet, extranet, audiotapes, videotapes and/or any other medium used from time to time by the System and designated as part of the Operations Manual. The Operations Manual may contain information and specifications concerning the Standards and Specifications and such other information concerning the System that Booskerdoo provides periodically to System franchisees.

11.02 Modifications, Revisions, Additions. Booskerdoo may, from time to time, revise, modify or make additions to the contents of the Operations Manual, and you expressly agree to comply with each new or changed standard and/or specification. Without limiting the generality of the foregoing, Booskerdoo may update and change the Operations Manual periodically ("Operating Amendments") in order to reflect changes in the Standards and Specifications. Booskerdoo may notify you of any Operating Amendment by e-mail, facsimile, Internet transmission, extranet, or by any other means. Booskerdoo may require you to access an extranet or comparable system on a daily basis to check for any such Operating Amendments. If you fail to do so as designated by Booskerdoo, you shall nevertheless be bound by any Operating Amendments that you would have received had you checked for the Operating Amendments as required.

ARTICLE 12. CONFIDENTIALITY

12.01 Confidentiality.

12.01.1 For purposes of this Agreement, the term “Confidential Information” shall mean information, knowledge, know-how and techniques related to the Franchisor, the System, the Products, the Services, the Marks, the Franchised Café and the other Cafés, and the general operation, business and management of the System, which is communicated to you or learned by you in the course of your operation of the Franchised Café or your participation in the System. You shall treat the Operations Manual, and any other documents or manuals created for or approved for use in the operation of the Franchised Café, and the information contained therein as “Confidential Information”.

12.01.2 At all times during the Term and thereafter, you shall maintain all Confidential Information as secret and shall not communicate, divulge, or use for the benefit of any other person(s), partnership, association, limited liability company or corporation any Confidential Information. You shall divulge such Confidential Information only to such of your employees as are required to have access to it in order to operate the Franchised Café. Any additional information that Booskerdoo shall consider to be Confidential Information shall be deemed confidential for purposes of this Agreement, except information which you can demonstrate came to your attention prior to disclosure thereof by Booskerdoo, or which, at or after the time of disclosure by Booskerdoo to you, had become or later becomes a part of the public domain, through lawful publication or communication by others.

12.02 Covenants. As a condition of employment, you shall require any and all Franchisee Trainees and employees who attend the Initial Training or any Additional Training, each of your Managers, and any personnel having access to any Confidential Information to execute a confidentiality and restrictive covenant agreement (in substantially the form attached hereto as Exhibit F, the “Restrictive Covenant Agreement”), pursuant to which such persons shall agree to maintain the confidentiality of the Confidential Information that they receive in connection with their employment by you at the Franchised Café. Each Restrictive Covenant Agreement shall include a specific identification of Booskerdoo as a third-party beneficiary of such agreement with the independent right to enforce it. You shall provide Booskerdoo with a copy of all executed Restrictive Covenant Agreements within five (5) days of hiring any such managers and/or employees.

12.03 Injunctive Relief. You acknowledge that any failure to comply with the requirements of this Article 12 shall cause Booskerdoo and/or its affiliates irreparable injury, and you agree to pay all court costs and reasonable attorney’s fees incurred by Booskerdoo and/or its affiliates in obtaining specific performance of, or an injunction against violation of, the requirements of this Article 12.

ARTICLE 13. RECORDS, REPORTS & ACCOUNTING

13.01 Books & Records. You shall maintain and preserve, for at least ten (10) years from the dates of their preparation, full, complete, and accurate books, records, and

accounts in accordance with generally accepted accounting principles and in the form and manner prescribed by Booskerdoo.

13.02 Required Reports. In addition to the weekly Gross Sales reports required under Section 5.05 above, you shall prepare and submit to Booskerdoo via electronic mail to the email address designated by Booskerdoo, or such other delivery method as specified by Booskerdoo, quarterly profit and loss statements on or before the fifth (5th) day of the month immediately following the expiration of each calendar quarter.

13.03 Additional Reports. Without limiting the foregoing, you shall, at your expense, submit to Booskerdoo in the form prescribed by Booskerdoo, and maintain readily available for Booskerdoo's inspection, review, and/or auditing, any and all financial reports required by Booskerdoo. You are obligated to provide the following information to Booskerdoo:

13.03.1 a semi-annual internal balance sheet and profit and loss statement and an annual balance sheet and profit and loss statement reviewed by a certified public accountant;

13.03.2 an annual copy of your signed 1120 or 1120S tax form filed with the Internal Revenue Service (or any forms which take the place of those forms), all state and local sales and use tax reports that you are required to file and, upon Booskerdoo's written request, copies of all tax returns or reports filed by you for the periods specified in Booskerdoo's notice;

13.03.3 copies of all operating reports to your landlord and/or shopping mall operator, if required or provided pursuant to your lease agreement for the Approved Café Location;

13.03.4 your state sales tax returns, and such portions of your federal and state income tax returns as reflect the operations of the Franchised Café; and

13.03.5 such other forms, reports, records, information, and data as Booskerdoo may reasonably designate from time to time.

13.04 Verification/Inspection/Use. You shall verify and sign each report and financial statement in the form Booskerdoo periodically requires. You hereby give Booskerdoo the right to disclose information from your reports relating to the income, expenses and sales from the operation of the Franchised Café to confirm that you are complying with your obligations under this Agreement and to formulate earnings and expense information for possible disclosure to prospective franchisees. Booskerdoo may also use information from your reports in Booskerdoo's solicitation of other franchisees or for similar purposes. Booskerdoo may require you to have your financial statements reviewed or audited by a certified public accountant at your cost and expense. We reserve the right to, as frequently as on a daily basis if so desired: (a) access your cash registers, POS System and any other computer systems; (b) retrieve all information relating to the Franchised Café's operations; and (c) program your computerized cash registers, POS System and any other computer systems so that they send such information automatically

to Booskerdoo or its designee. You shall take whatever actions Booskerdoo specifies to ensure that Booskerdoo has continuous, real-time remote electronic access to each of your business systems in order to monitor and retrieve all information stored in such systems.

13.05 Inspection and Audit. Booskerdoo or its designated agents shall have the right, during reasonable hours, to examine and copy, at Booskerdoo's expense, your books, records, and tax returns. Booskerdoo shall also have the right, at any time, to have an independent audit made of your books and records. If an inspection should reveal that any payments have been understated in any report to Booskerdoo, then Booskerdoo shall have the right to immediately debit from your bank account or require you to immediately pay the amount understated, plus interest from the date that such amount was due at the rate of eighteen percent (18%) per annum, or the maximum rate permitted by law, whichever is less. If an inspection discloses an understatement in any report of two percent (2%) or more, Booskerdoo may, in addition to repayment of monies owed with interest, debit from your bank account or require you to reimburse Booskerdoo for any and all costs and expenses associated with the inspection (including, without limitation, travel, lodging and wages expenses, and reasonable accounting and legal costs). The foregoing remedies shall be in addition to any other remedies Booskerdoo may have pursuant to this Agreement or at law. Booskerdoo's right to audit and inspect your books and records shall survive for two (2) years following any termination or expiration of this Agreement.

ARTICLE 14. ADVERTISING/MARKETING

14.01 Acknowledgment. You understand and hereby acknowledge that advertising, marketing and promotional activities are essential to the furtherance of the goodwill and public image of Booskerdoo and the System, as well as the success of your Franchised Café. Recognizing the value of advertising, and the importance of the standardization of the System's advertising programs, you agree to each of the terms and conditions set forth in this Article 14.

14.02 Generally. Booskerdoo has the sole and absolute right to develop and create advertising, marketing and sales promotion programs designed to promote and enhance the System and the Cafés operating under the System. You shall participate in all advertising, marketing and sales promotion programs established by Booskerdoo in strict accordance with Booskerdoo's terms and conditions. You shall place or display at the Franchised Café only such signs, emblems, lettering, logos, displays, advertising and marketing materials approved in advance by Booskerdoo. You shall conduct all advertising in a dignified manner and all advertising materials and items shall conform to Booskerdoo's Standards and Specifications. You are not permitted to develop your own advertising, marketing or promotional programs and shall not use any advertising or promotional plans or materials unless and until you have received written approval from Booskerdoo in accordance with this Article 14.

14.03 Territorial Advertising Restriction. You are not permitted to solicit customers and/or advertise outside of the Protected Territory, except to the extent that you have received Booskerdoo's prior written authorization, which may be granted or withheld in Booskerdoo's sole and absolute discretion. Booskerdoo may condition its authorization upon, among other things, your agreement to offer other System franchisees who are

operating Cafés in territories encompassed by the circulation base of the proposed advertising the opportunity to participate in, and share the expense of, such solicitation and/or advertising efforts. Notwithstanding the foregoing, you are not required to obtain Booskerdoo's prior written authorization to use or circulate an advertisement outside of the Protected Territory, provided that such advertisement is a general System advertisement and does not identify or promote the Franchised Café and Booskerdoo has already approved the form and content of such advertising materials.

14.04 Use of Marks in Advertising. All advertising shall prominently display the Marks and shall comply with Booskerdoo's standards for use of the Marks. You shall obtain Booskerdoo's prior written approval before using any of the Marks on any item, including, without limitation, signs, stationary, business cards, forms and other supplies.

14.05 Grand Opening Advertising. You shall conduct a grand opening advertising and marketing campaign ("Grand Opening Program") and expend the amount designated in the Contract Data Sheet in the manner Booskerdoo specifies or approves (the "Grand Opening Advertising Expenditure"). Booskerdoo may in its sole discretion designate an approved supplier of local advertising and marketing services and may require you to engage such supplier's services in connection with the grand opening of the Franchised Café. Booskerdoo may require you to expend the Grand Opening Advertising Expenditure in accordance with Booskerdoo's or any such approved or designated supplier's Grand Opening Program. In the event that Booskerdoo does not require you to follow an approved or designated supplier's Grand Opening Program, you shall be required to prepare and submit to Booskerdoo a written plan detailing your Grand Opening Program no later than thirty (30) days before the Franchised Café's scheduled grand opening and, within four (4) months following the date that the Franchised Café opens for business, you shall furnish Booskerdoo such evidence as Booskerdoo may reasonably require to verify your compliance with the Grand Opening Advertising Expenditure requirements. Booskerdoo reserves the right, in its sole discretion, to modify its Grand Opening Program requirements at any time, including making changes to its approved or designated suppliers.

14.06 Franchisee's Required Local Marketing Expenditure. In addition to the Marketing Fee, you shall spend, at a minimum, one percent (1%) of your Gross Sales each month (the "Local Marketing Requirement") for local advertising, marketing, public relations, promotions or sponsorships. Unless expressly authorized by us in writing, you shall only utilize local marketing, advertising and promotional plans developed by us and provided to you. You shall provide Booskerdoo with a monthly accounting of all sums you expend to meet your Local Marketing Requirement. Menu printing costs and expenses do not count towards your Local Marketing Requirement. Your monthly Local Marketing Requirement may, with Booskerdoo's prior written consent, be accumulated by you for seasonal expenditure upon such terms as Booskerdoo may prescribe or authorize. Booskerdoo reserves the right to require you to submit to Booskerdoo, on a quarterly or monthly basis as Booskerdoo designates, a local marketing plan specifically describing how you propose to spend Local Marketing Requirement. If you fail to meet your Local Marketing Requirement, or if you fail to otherwise comply with your local marketing obligations, Booskerdoo shall have the right, in addition to any and all other rights and remedies available to it under this Agreement and/or at law, to require you to: (a) immediately pay all sums you were required to, but failed to, expend (the "Local Marketing

Deficiency”), to a Fund; (b) spend the Local Marketing Deficiency in the manner designated or approved by Booskerdoo for Local Marketing Purposes (as defined in Section 14.07.3 below); or (c) immediately pay the Local Marketing Deficiency to Booskerdoo to be expended by Booskerdoo or its designees directly in your Café’s area for Local Marketing Purposes.

14.07 Establishment of Marketing Funds. Pursuant to Section 5.02.2, you are also required to pay to Booskerdoo or its designee the continuing Marketing Fee during the Term. At Booskerdoo’s sole discretion, the Marketing Fee shall be paid to one or more funds (collectively, the “Funds”) to be expended for the purpose of maximizing general public recognition and awareness of the Cafés and the System. Booskerdoo shall determine from time to time what portion of the Marketing Fee you shall: (a) contribute to the Brand Marketing Fund (as defined below); (b) contribute to a Regional Ad Fund (as defined below); (c) pay to Booskerdoo for Local Marketing Purposes; or (d) spend towards Local Marketing Purposes directly. Booskerdoo reserves the right to amend and adjust the allocation of the Marketing Fee upon thirty (30) days written notice to you. You acknowledge and agree that the Marketing Fee may be used as follows:

14.07.1 Brand Marketing Fund. Fees allocated to the Brand Marketing Fund shall be used towards, among other things, expenditures reasonably related to the creation, development, administration and supervision of marketing and advertising programs and menu development for Cafés. Booskerdoo reserves the right in its sole and absolute discretion to determine whether the Brand Marketing Fund shall be expended on the nation, regional or local level. Booskerdoo does not represent or warrant that the Franchised Café or any particular Café shall benefit directly or *pro rata* from the marketing or advertising activity of the Brand Marketing Fund.

14.07.2 Regional Ad Funds. In addition to the establishment of the Brand Marketing Fund, Booskerdoo has the right in its sole and absolute discretion to establish one or more funds (each, a “Regional Ad Fund”) in order to implement regional advertising programs aimed at increasing general public recognition and acceptance of Cafés in specific regions. Subject only to the limitation on the total amount of Marketing Fee in Section 5.02.2, Booskerdoo may require you to contribute all or part of the Marketing Fee to a Regional Ad Fund created in your regional area. Fees allocated to a Regional Ad Fund shall be used for, among other things, the implementation, production, creation, development, administration and supervision of regional marketing and advertising programs and menu development for Cafés in the designated region. Booskerdoo does not represent or warrant that the Franchised Café or any particular Café shall benefit directly or *pro rata* from the marketing or advertising activity of the Regional Ad Fund.

14.07.3 Local Marketing Purposes. In lieu of requiring you to contribute all of the Marketing Fee to one or more Funds, Booskerdoo may, in its sole discretion, require that some or all of the Marketing Fee be paid to Booskerdoo or its designee, or used directly by you, for local marketing, advertising, sponsorships, public relations or promotions specifically directed to or featuring the Franchised Café (collectively, “Local Marketing Purposes”). Any such use of your Marketing Fee for Local Marketing Purposes shall be considered a contribution to a Fund for the purposes of this Article 14. For the avoidance of doubt, the allocation of any or all of your Marketing Fee towards Local Marketing Purposes shall be separate and apart from Franchisee’s Local

Marketing Requirement pursuant to Article 14.06, which shall remain an independent expenditure obligation unrelated to your Marketing Fee obligations.

14.08 Administration. Booskerdoo may administer the Funds itself, or designate or license to a third party the right to do so. Booskerdoo may, at any time in Booskerdoo's sole and absolute discretion, modify how the Funds are administered, create new Funds, change, dissolve, restructure or merge any of the Funds, or modify the allocation of your Marketing Fee to the Funds. Booskerdoo has sole discretion over the creative concepts, materials, media, type, nature, scope, frequency, place, form, copy, layout and content of all national, regional, and local advertising paid out of the Funds; and the Funds shall be maintained and administered by Booskerdoo, or Booskerdoo's designee, as follows:

14.08.1 The Funds are intended to maximize general public recognition and acceptance of the Marks for the benefit of the System, and neither Booskerdoo, nor the Funds, are obligated to make expenditures for you which are equivalent or proportionate to your contributions, nor is Booskerdoo required to ensure that you benefit directly or *pro rata* from the placement of advertising.

14.08.2 The Marketing Fee and the Funds, and any contributions to or earnings by the Fund, are used to meet the costs of producing, maintaining, administering, directing, conducting, printing, and preparing advertising, marketing, public relations and/or promotional programs and materials, and any other activities which Booskerdoo believes shall enhance the image of the System, including, without limitation, the costs of preparing and conducting television, radio, Internet, magazine, newspaper and other media advertising campaigns; developing and/or hosting an Internet web page or similar activities; conducting market research; providing other marketing materials to franchisees; menu printing; direct mail advertising; market research, marketing surveys and other public relations activities; employing advertising and/or public relations agencies; printing and production costs; purchasing promotional items, conducting and administering visual merchandising, promotions and merchandising programs; and providing promotional and other marketing materials and services. Advertising may be local, regional or national, in any type of media, including Internet, print, radio and/or television.

14.08.3 The Marketing Fee contributed to the Funds may also be used to provide rebates or reimbursements to you for local expenditures on certain products, services or improvements, approved in advance by Booskerdoo, which Booskerdoo believes shall promote general public awareness and favorable support for the System.

14.08.4 Booskerdoo has no obligation to segregate the Marketing Fee payments or maintain accounts separate from Booskerdoo's other funds. The Marketing Fee may be commingled with funds in Booskerdoo's general accounts. Booskerdoo-owned and Booskerdoo affiliate-owned Cafés are not required to, but may, contribute any amounts to the Fund.

14.08.5 Booskerdoo expects to use an amount equal to all contributions made in any fiscal year, but any monies remaining in any Funds at the end of any such year shall carry over to the next year. Booskerdoo expects to use any interest or other earnings of the Funds before using current contributions, but it is not required to do so.

14.08.6 Booskerdoo is not required to prepare or provide you with any statements relating to the Marketing Fee, the Funds or the expenditures of the Funds, although Booskerdoo may do so at its option. The Funds shall not be audited, unless Booskerdoo elects to require an audit, in which event all expenses for the audit shall be paid out of the Marketing Fee contributed to the Funds. Booskerdoo may, but is not required to, create internally prepared, periodic statements of operations for the Funds. These statements, if created, may be made available to you, upon your reasonable written request.

14.08.7 Booskerdoo has the right to terminate any one or more of the Funds at any time. If any Fund is terminated, Booskerdoo is not required to return to you any Marketing Fee that you contributed to such terminated Fund. None of the Marketing Fee paid to Booskerdoo is refundable at any time, or for any reason, including, without limitation, upon termination or expiration of this Agreement.

14.08.8 You expressly acknowledge that the Funds may be used to pay administrative expenses to Booskerdoo or its designee. Administrative expenses may include amounts equivalent to the salaries, travel and other expenses of Booskerdoo's or its designee's employees whose services are provided to further the purposes and efforts of the Funds and/or Local Marketing Purposes.

14.08.9 The Fund(s) is not a Trust. Booskerdoo has no fiduciary obligation to you for administering the Fund(s) or for any other reason. Media, materials and programs prepared using Marketing Fees and/or Fund contributions may describe Booskerdoo's franchise program, reference to the availability of franchises and related information and to process or solicit franchise leads.

14.09 Cooperative Advertising. Booskerdoo encourages the formation and operation of franchisee cooperative advertising associations (each, a "Co-op"). Each Co-op shall coordinate advertising, marketing efforts and programs, and attempt to maximize the efficient use of local advertising media. If a Co-op is formed for your region, you shall participate in the Co-op or lose your right to vote as to decisions regarding advertising and marketing efforts and programs. In no event shall you be required to be a member of more than one Co-op. You acknowledge that Booskerdoo has the right to require any Co-op to be organized and governed: (a) in a form and manner approved in advance by Booskerdoo in writing; and (b) for the exclusive purpose of administering regional advertising programs and developing, subject to Booskerdoo's approval, standardized promotional materials for use by the members in local advertising. You further acknowledge and agree that:

14.09.1 No advertising or promotional plans or materials may be used by any Co-op, or be furnished to its members, without the prior approval of Booskerdoo, pursuant to the procedures and terms as set forth in this Section.

14.09.2 Booskerdoo, in its sole and absolute discretion, may grant to any franchisee an exemption for any length of time from the requirement of membership in a Co-op, and/or from the obligation to contribute thereto (including a reduction, deferral or

waiver of such contribution), upon the written request of such franchisee stating reasons supporting such exemption.

14.10 Minimum Requirements Only. You understand and acknowledge that the required contributions and expenditures set forth in this Article 14 are minimum requirements only, and that you may, and are encouraged by Booskerdoo to, expend additional funds for advertising, marketing and promotion.

14.11 Internet Restrictions/Mobile Application. You shall not establish a presence on the Internet, or use it for marketing purposes, without obtaining Booskerdoo's prior written consent (which Booskerdoo may withhold in its sole and absolute discretion) and complying with any conditions and restrictions Booskerdoo designates. You are strictly prohibited from listing, advertising, marketing and/or promoting the Franchised Café on any social or networking website or mobile application, including, without limitation, facebook™, LinkedIn™, MySpace™, Twitter™, Groupon™, Instagram™, LivingSocial™, Pinterest, YouTube, Foursquare, Yelp, Google, Yahoo or any similar site, without Booskerdoo's prior written consent in each instance. Booskerdoo may withhold or revoke its consent for any reason. You may not promote or sell any products or services, or make any use of the Marks, through the Internet or any other electronic medium, including mobile applications, without Booskerdoo's prior written approval, which Booskerdoo may withhold in its sole and absolute discretion. As a condition of granting any consent, Booskerdoo shall have the right to establish any requirement that Booskerdoo deems appropriate.

14.11.1 Booskerdoo may (but is not required to) include in any Booskerdoo website an interior page containing information about the Franchised Café. If Booskerdoo includes such information on the website, Booskerdoo shall have the right to require you to prepare the page, at your expense, using Booskerdoo's designated template. All information shall be approved by Booskerdoo before it is posted. Booskerdoo retains the sole right to market on the Internet, including the use of websites, domain names, uniform resource locators, keywords, linking, search engines (and search engine optimization techniques), banner ads, meta-tags, marketing, auction sites, e-commerce and co-branding arrangements. You shall follow Booskerdoo's designated intranet and Internet usage rules, policies and requirements, as they may be developed, changed or modified by Booskerdoo in its sole and absolute discretion at any time during the Term. Booskerdoo retains the sole right to approve any linking to, or other use of, the website and owns all of the intellectual property and other rights (including rights to visitor data) in any website, application or other site for the brand and/or the System.

14.11.2 Booskerdoo shall develop and maintain a mobile application that may be accessed by Booskerdoo customers to facilitate things such as online ordering and loyalty programs. You shall pay us, or at our sole option our affiliate or a designated supplier, the Technology Fee set forth in Section 5.02.3. We reserve the right, in our sole discretion, to add, modify or eliminate certain features and/or functionality of the Mobile Application at any time or to eliminate the Mobile Application in its entirety.

14.12 Limitation of Booskerdoo's Duties. You understand and agree that the only obligations Booskerdoo has regarding the collection and spending of the Marketing Fee, or

the administration of the Funds, are the express contractual obligations in this Article 14. Booskerdoo is not acting as a trustee, fiduciary, agent or in any other special capacity. Booskerdoo makes no representations or warranties regarding the quality or effectiveness of any advertising and marketing activities funded by the Marketing Fee and Booskerdoo has no liability to you with respect to how the Marketing Fee is spent.

ARTICLE 15. INSURANCE

15.01 Generally. You shall procure, prior to the commencement of any operations under this Agreement, and shall maintain in full force and effect at all times during the Term, at your expense, each of the insurance policies set forth in Section 15.02 below (the “Insurance Policies”), which Insurance Policies shall each name Booskerdoo as an additional insured and serve to protect you and Booskerdoo, and your and Booskerdoo’s respective officers, directors, partners, and employees, against any demand or claim with respect to personal injury, death, or property damage, or any loss, liability, or expense, whatsoever, arising or relating to the Franchised Café.

15.02 Minimum Requirements. The Insurance Policies shall be written by a responsible carrier or carriers acceptable to Booskerdoo, with a financial rating of A- or better. Except with respect to additional coverages and higher policy limits that may be reasonably required by Booskerdoo from time to time and/or required under the terms of the lease for the Franchised Café, the Insurance Policies shall include, at a minimum, the following types of policies:

15.02.1 “Comprehensive General Liability Insurance”, including broad form contractual liability, broad form property damage, personal injury, completed operations, products liability, in the amount of \$2,000,000 combined single limit, and fire damage coverage, in the amount of not less than \$50,000.

15.02.2 “All-Risks Insurance” for the full cost of replacement of the Franchised Café premises and all other property in which Booskerdoo may have an interest, with no coinsurance clause, a replacement cost clause attached, agreed amount endorsement equal to 100% of the value of the property.

15.02.3 “Business Interruption Insurance”, including coverage for royalty payment obligations, in an amount equal to 100% of Franchisee’s annual Gross Sales for a period of 24 months (actual or, if not available, estimated), excluding ordinary payroll expenses.

15.02.4 “Automobile Insurance”, including coverage of vehicles owned by you, vehicles used in the business, and vehicles owned by the business, with a combination of primary and excess limits of not less than \$1,000,000. Your vehicle insurance coverage requirements will be specified in more detail in the manual. You must carry minimums higher than those imposed under applicable law. Your policy must include the amendment for hired non-owned auto for vehicles you do not own.

15.02.5 “Employer’s Liability Insurance”, “Workers’ Compensation Insurance”, “Liquor Liability and Dram Shop Insurance”, and such other insurance as may

be applicable or required by statute or rule of the state or locality in which the Franchised Café is located and operated.

15.02.6 You may, with the prior written consent of Booskerdoo, elect to have reasonable deductibles in connection with the coverage required under Sections 15.02.1 and 15.02.2 above.

15.03 Builder's All-Risk Insurance. In connection with any construction, renovation, refurbishment, or remodeling of the Franchised Café, you shall maintain "Builder's All-Risks Insurance" and performance and completion bonds in the forms and amounts, and written by a carrier or carriers, reasonably satisfactory to Booskerdoo.

15.04 No Limitation. Your obligation to obtain and maintain the foregoing Insurance Policies in the amounts specified shall not be limited in any way by reason of any insurance which may be maintained by Booskerdoo, nor shall your performance of that obligation relieve you of liability under the indemnity provisions, including as set forth in Section 22.03 of this Agreement.

15.05 Franchisee's Negligence. All public liability and property damage policies shall contain a provision that Booskerdoo, although named as an additional insured, shall nevertheless be entitled to recover under said policies on any loss occasioned to Booskerdoo or its servants, agents or employees by reason of your negligence or the negligence of your servants, agents, or employees.

15.06 Additional Requirements. At least thirty (30) days prior to the time any Insurance Policy is first required to be carried by you, and thereafter at least thirty (30) days prior to the expiration of any such Insurance Policy, you shall deliver to Booskerdoo certificates of insurance ("Certificates") evidencing the proper coverage with limits not less than those required hereunder. All Certificates shall expressly provide that no less than thirty (30)-days' prior written notice shall be given Booskerdoo in the event of material alteration to or cancellation of the coverages evidenced by such Certificates. Further, all Certificates shall name Booskerdoo, and each of its partners, subsidiaries, affiliates, directors, agents and employees as additional insureds, and shall expressly provide that any interest of same therein shall not be affected by any breach by you of any policy provisions for which any such Certificate evidences coverage.

15.07 Failure to Procure/Maintain. Should you, for any reason, fail to procure or maintain the insurance required by this Agreement, as such requirements may be revised from time to time by Booskerdoo in the Operations Manual or otherwise, Booskerdoo shall have the right and authority, but not the obligation, to immediately procure such insurance on your behalf and to charge the same to you, which charges shall be payable immediately by you upon notice and, together with a reasonable fee for Booskerdoo's expenses, shall not exceed seven percent (7%) of the cost of the insurance provided. The foregoing remedies shall be in addition to any other remedies Booskerdoo may have pursuant to this Agreement or at law.

ARTICLE 16. TRANSFER AND ASSIGNMENT

16.01 Transfer by Booskerdoo. Booskerdoo shall have the right to transfer or assign this Agreement and all or any part of its rights or obligations hereunder to any person or Legal Entity.

16.02 Transfer by Franchisee. You understand and acknowledge that the rights and duties set forth in this Agreement are personal to you and/or your current owners, and that Booskerdoo has granted this franchise in reliance upon you and/or your owners' business skill, financial capacity, and personal character. Accordingly, neither you, nor any immediate or remote successor to any part of your interest in this franchise, nor any individual, partnership, corporation, or limited liability company that, directly or indirectly, has any ownership interest in you and/or this franchise shall sell, assign, transfer, convey, gift, or otherwise dispose of any direct or indirect interest in this franchise or the Franchised Café (each a "Transfer"), without the prior written consent of Booskerdoo, which may be granted or withheld in Booskerdoo's sole and absolute discretion. Notwithstanding the foregoing, Booskerdoo's prior written consent shall not be required for a transfer of less than a five percent (5%) interest in a corporation registered under the Securities Exchange Act of 1934 (a "publicly-held corporation"). Any purported, sale, assignment, encumbrance or transfer, by operation of law or otherwise, not having the written consent of Booskerdoo required by this Section 16.02, shall be null and void and shall constitute a material breach of this Agreement, for which Booskerdoo may then terminate without opportunity to cure pursuant to Section 17.02.23 below.

16.03 Ownership Changes. Without limiting the foregoing, Franchisee acknowledges that any sale, resale, pledge, encumbrance, assignment, transfer or other disposition of any ownership interests of Franchisee, if such Franchisee is a Legal Entity, shall constitute a "Transfer" for purposes of this Agreement. Upon Booskerdoo's consent to any such Transfer of the ownerships interests of Franchisee, any new partner, shareholder, member, manager, or equity holder of Franchisee, as applicable, shall be required to personally guarantee Franchisee's obligations under this Agreement.

16.04 Conditions for Approval. The consent of Booskerdoo and the approval of a proposed Transfer may be subject to any such conditions as Booskerdoo deems necessary or desirable in its sole and absolute discretion, including, without limitation, any of the following:

16.04.1 All of Franchisee's accrued monetary obligations and all other outstanding obligations to Booskerdoo and its subsidiaries and affiliates shall have been satisfied;

16.04.2 Franchisee is not in default of any provision of this Agreement or any amendment hereto, or of any provision of any other agreement between (a) Franchisee and Booskerdoo or its subsidiaries or affiliates; and/or (b) any of Franchisee's owners and/or affiliates and Booskerdoo or its subsidiaries or affiliates;

16.04.3 The transferor shall have executed a general release, under seal and in a form satisfactory to Booskerdoo, of any and all claims against Booskerdoo, and

its affiliate, parents, subsidiaries, and each of their respective officers, directors, shareholders and employees, in both their corporate and individual capacities, including, without limitation, claims arising under this Agreement and all federal, state, and local laws, and rules, to the fullest extent permitted by law;

16.04.4 The transferee (and, if the transferee is a Legal Entity, such owners of such Legal Entity as Booskerdoo may request) shall enter into a written assignment, under seal and in a form satisfactory to Booskerdoo, assuming and agreeing to discharge all of Franchisee's obligations under this Agreement; and, if Franchisee's obligations were guaranteed by the transferor, the transferee shall guarantee the performance of all such obligations in writing in a form satisfactory to Booskerdoo;

16.04.5 The transferee (and, if the transferee is a Legal Entity, such owners of such Legal Entity as Booskerdoo may request) shall demonstrate to Booskerdoo's satisfaction that: it meets Booskerdoo's educational, managerial, and business standards; possesses a good moral character, business reputation, and credit rating; has the aptitude and ability to conduct the Franchised Café (as may be evidenced by prior related business experience or otherwise); and has adequate financial resources and capital to operate the Franchised Café;

16.04.6 At Booskerdoo's option, the transferee shall execute (and/or, upon Booskerdoo's request, shall cause all interested parties to execute), for a term ending on the expiration date of this Agreement and with such renewal term as may be provided by this Agreement, the then-current form of franchise agreement being offered to new System franchisees and such other ancillary agreements as Booskerdoo may require for the Franchised Café, which agreements shall supersede this Agreement in all respects and may include terms that differ from the terms of this Agreement; *provided, however*, that the transferee shall not be required to pay any initial franchise fee;

16.04.7 The transferee, at its expense, shall upgrade the Franchised Café to conform to Booskerdoo's then-current Standards and Specifications, and shall complete the upgrading and other requirements within the time specified by Booskerdoo;

16.04.8 The transferee shall remain liable for all of the obligations to Booskerdoo in connection with the Franchised Café prior to the effective date of the transfer and shall execute any and all instruments reasonably requested by Booskerdoo to evidence such liability;

16.04.9 The transferee (or, if the transferee is a Legal Entity, a principal of the transferee acceptable to Booskerdoo) and the transferee's manager shall, at the transferee's expense, complete any training programs then in effect for franchisees upon such terms and conditions as Booskerdoo may reasonably require;

16.04.10 Prior to consummating any Transfer, Franchisee shall pay to Booskerdoo a fee in an amount equal to Six Thousand Dollars (\$6,000) (the "Transfer Fee"). If Franchisee requests Booskerdoo's approval of a Transfer but does not consummate such Transfer, Franchisee shall pay to Booskerdoo a fee in the amount equal to Three Thousand (\$3,000). In the case of a Transfer to a corporation, partnership, or

limited liability company owned by Franchisee for purposed of the convenience of ownership, Franchisee shall pay to Booskerdoo a fee in the amount of Two Thousand Dollars (\$2,000); *provided, however*, no fee shall be owed to Booskerdoo if the Transfer is to an entity wholly owned by you and such Transfer occurs prior to the expiration of the six (6)-month period following the Effective Date. In addition to any Transfer fee required by this Section 16.04.10, Franchisee shall pay to Booskerdoo any reasonable costs and expenses associated with Booskerdoo's review of the application to Transfer, including, without limitation, Booskerdoo's legal and accounting fees. Notwithstanding the foregoing, there shall be no Transfer fee required in connection with any Transfer to Booskerdoo.

16.04.11 Franchisee acknowledges and agrees that each condition which shall be met by the transferee is necessary to assure such transferee's full performance of the obligations under this Agreement.

16.05 Right of First Refusal. If, prior to the expiration or termination of this Agreement, Franchisee desires to accept a bona fide offer from a third party to purchase any or all of such party's interest (the "Interest") in the franchise granted by Booskerdoo pursuant to this Agreement, or substantially all of the assets of the Franchise Café, Franchisee shall notify Booskerdoo in writing of such bona fide offer, and shall provide such information and documentation relating to the offer as Booskerdoo may require to evaluate the terms of such offer.

16.05.1 Upon Booskerdoo's request, Franchisee shall provide Booskerdoo any information about the business and operations of the Franchised Café that Booskerdoo requests.

16.05.2 Booskerdoo shall have the right and option, exercisable within thirty (30) days after receipt of such written notification and all of the information requested pursuant to Section 16.05.1 above, to send a written notice to Franchisee that Booskerdoo intends to purchase the Interest on the same terms and conditions offered by the third party and at the same price. If Booskerdoo does not provide written notice to Franchisee within the thirty (30)-day period, Booskerdoo shall be deemed to have waived the right of first refusal provided to it under this Section 16.05.

16.05.3 If Booskerdoo elects to purchase the Interest, closing on such purchase shall occur within thirty (30) days from the date of notice to Franchisee of the election to purchase by Booskerdoo. If Booskerdoo exercises its option, Booskerdoo shall waive the fee described in Section 16.04.10 above. Any material change in the terms of any offer prior to closing shall constitute a new offer subject to the same rights of first refusal by Booskerdoo as in the case of an initial offer.

16.05.4 Failure of Booskerdoo to exercise the option afforded to it pursuant to this Section 16.05 shall not constitute a waiver of any other provision of this Agreement, including, without limitation, the provisions set forth in Section 16.04 with respect to Transfers, including, without limitation, the requirement that Franchisee obtain Booskerdoo's prior written consent to any proposed Transfer.

16.05.5 If the consideration, terms, and/or conditions offered by a third party include assets not related directly to the Franchised Café, or are otherwise such that Booskerdoo may not reasonably be required to furnish the same consideration, terms, and/or conditions, then Booskerdoo may purchase the Interest proposed to be sold for the reasonable equivalent in cash. If the parties cannot agree within a reasonable time on the reasonable equivalent in cash, an independent appraiser shall be mutually designated by Franchisee and Booskerdoo, and such independent appraiser's determination shall be binding.

16.06 Transfer to a Legal Entity. If Franchisee is an individual, Franchisee has the right to assign Franchisee's rights under this Agreement to a Legal Entity for the convenience of operation; provided that such Legal Entity is wholly-owned by Franchisee. Such assignment shall not be subject to Booskerdoo's right of first refusal, as set forth in Section 16.05 above, provided that the Legal Entity: (a) complies with Section 20.01; (b) is newly organized for the purpose of operating the Franchised Café or operating other Cafés under franchise agreements with Booskerdoo; and (c) agrees in writing to assume all of Franchisee's obligations under this Agreement pursuant to the terms of an assignment and assumption agreement (in substantially the form attached hereto as Exhibit G, the "Assignment and Assumption Agreement").

16.07 Transfer upon Death or Mental Incapacity. Upon the death or mental incapacity of any person with an interest in the franchise or in Franchisee (if Franchisee is a legal entity), the executor, administrator, or personal representative of such person shall transfer his or her interest to a third party approved by Booskerdoo within six (6) months after such death or mental incapacity (the "Transfer Period"). Such transfers, including, without limitation, transfers by devise or inheritance, shall be subject to the same conditions as an inter vivos transfer, and to the following conditions:

16.07.1 In the case of transfer by devise or inheritance, if the heirs or beneficiaries of any such person are unable to meet the conditions in this Section 16.07, the personal representative of the deceased person shall have an additional period of up to six (6) months from the date such individual is disapproved by Booskerdoo (the "Extension Period") to dispose of the deceased's interest in the franchise.

16.07.2 Notwithstanding the foregoing, the following conditions shall be met during the Transfer Period and any Extension Period: (a) the executor, administrator, or personal representative, as applicable, has provided Booskerdoo with documentation reasonably satisfactory to Booskerdoo evidencing such person's authority to receive an assignment or to dispose of the deceased's interest in the franchise; (b) the Franchised Café remains open and operating in accordance with all terms and conditions of this Agreement at all times; and (c) a manager who has been approved by Booskerdoo and who has completed Booskerdoo's Initial Training to Booskerdoo's satisfaction is designated to operate the Franchised Café during the Transfer Period and/or Extension Period, as applicable.

16.07.3 Booskerdoo shall in no way assume any liability in connection with the legal authority of the deceased's executor, administrator, heir, beneficiary or

personal representative to receive an assignment or to dispose of the deceased's interest in the franchise.

16.07.4 In the event that a manager acceptable to Booskerdoo has not been designated to operate the Franchised Café during the Transfer Period and, if applicable, Extension Period, Booskerdoo shall have the right, at its option, to step in and either itself, or through a third party designated by Booskerdoo, operate the Franchised Café during such period. Booskerdoo or its designee shall be entitled to a reasonable fee for such services, in addition to compensation for all costs and expenses incurred in providing such services.

16.07.5 If the foregoing conditions are not satisfied, or if the deceased's interest in the franchise is not transferred or disposed of before the expiration of the Transfer Period or Extension Period, if applicable, Booskerdoo shall have the right to immediately terminate this Agreement.

16.08 Non-Waiver of Claims. Booskerdoo's consent to a Transfer of any interest in the franchise granted herein shall not constitute a waiver of any claims Booskerdoo may have against the transferring party, nor shall it be deemed a waiver of Booskerdoo's right to demand exact compliance by the transferee with any of the terms of this Agreement.

ARTICLE 17. DEFAULT, TERMINATION AND ALTERNATIVE REMEDIES

17.01 Default and Termination. If Franchisee commits any Act of Default (as defined in Section 17.02 below), and Franchisee fails to cure such Act of Default within the applicable cure period after having been notified of such Act of Default, then this Agreement shall automatically terminate without any further action or notice by Booskerdoo, subject only to Booskerdoo's right to exercise its remedy pursuant to Section 17.04 below. Unless specifically set forth or precluded below, the cure period for any Act of Default shall be thirty (30) days. If any applicable law requires a longer notice period or a longer cure period than is provided in this Agreement, then the period required by law shall be substituted for period provided below.

17.02 Acts of Default: Each of the following acts is a material act of default under this Agreement (collectively, the "Acts of Default", and each, an "Act of Default") and shall constitute good cause for termination of this Agreement by Booskerdoo:

17.02.1 If the Franchised Café does not open for business to the public by the date that is: (a) two hundred seventy (270) days from the Effective Date; or (b) one hundred eighty (180) days from the date Franchisee enters into a lease agreement or purchase agreement, as applicable, for the Approved Café Location. There shall be no cure period for an Act of Default under this provision.

17.02.2 Franchisee's failure to commence the design, construction, equipping and process of opening the Franchised Café in accordance with timeline established by Booskerdoo. There shall be no cure period for an Act of Default under this provision.

17.02.3 Except as otherwise required by the United States Bankruptcy Code, Franchisee is adjudicated as bankrupt and/or files or has filed against it a petition in bankruptcy, reorganization, or similar proceeding and the petition is not dismissed within ninety (90) days after it is filed. Subject to applicable law, there shall be no cure period for an Act of Default under this provision. Franchisee expressly and knowingly consents to such termination and waives any rights that Franchisee may have under the provisions of the United States Bankruptcy Code and any other relief which may be sought in a complaint filed by Booskerdoo to lift the provisions of the automatic stay of the United States Bankruptcy Code. Additionally, Franchisee agrees not to seek an injunctive order from any court in any jurisdiction relating to insolvency, reorganization or similar proceedings which would have the effect of staying or enjoining this provision. There shall be no cure period for an Act of Default under this provision.

17.02.4 Franchisee becomes insolvent, a receiver or custodian (permanent or temporary) of Franchisee's property or any part thereof is appointed by a court of competent authority, or Franchisee makes a general assignment for the benefit of creditors. There shall be no cure period for an Act of Default under this provision.

17.02.5 A final judgment against Franchisee remains unsatisfied of record for thirty (30) days or longer (unless a supersedeas or other appeal bond is filed), execution is levied against Franchisee's business or property at the Franchised Café premises, or a suit to foreclose any lien or mortgage against the Franchised Café premises or any furniture, fixtures or equipment at the Franchised Café is filed against Franchisee and not dismissed within thirty (30) days. The cure period for an Act of Default under this provision is five (5) days after notice by Booskerdoo following expiration of any other period set forth in this provision.

17.02.6 Franchisee defaults in the performance of any term, condition, or obligation of payment of any indebtedness to Franchisee's suppliers, distributors or others arising out of the purchase or lease of equipment in connection with the Franchised Café. The cure period for an Act of Default under this provision is ten (10) days after notice by Booskerdoo.

17.02.7 Franchisee fails to pay when due any Royalty Fee, Marketing Fee, or other amounts due and payable to Booskerdoo under this Agreement. The cure period for an Act of Default under this provision is ten (10) days after notice by Booskerdoo.

17.02.8 Franchisee fails to submit any Gross Sales reports or other financial report required under this Agreement, or unintentionally files an inaccurate Gross Sales statement or other financial report required under this Agreement. The cure period for an Act of Default under this provision is five (5) days after notice by Booskerdoo.

17.02.9 Franchisee knowingly submits any false Gross Sales statement or other financial report required under this Agreement. There shall be no cure period for an Act of Default under this provision.

17.02.10 Franchisee fails to operate the Franchised Café in accordance with Booskerdoo's standards as to cleanliness, safety, health and sanitation. The cure

period for an Act of Default under this provision is twenty-four (24) hours after notice by Booskerdoo.

17.02.11 Franchisee fails to immediately rectify all hazardous situations, and immediately remove and destroy any and all hazardous products. For purposes of the foregoing sentence, “hazardous situations” are those which have the potential to cause injury, illness or death, and “hazardous products” are products which are unfit for human consumption or which have the potential to cause injury, illness or death. There shall be no cure period for an Act of Default under this provision.

17.02.12 Franchisee sells products at the Franchised Café that are not approved by Booskerdoo for sale at the Franchised Café, or sells products that do not conform to the product specifications established by Booskerdoo. The cure period for an Act of Default under this provision is five (5) days after notice by Booskerdoo.

17.02.13 Franchisee fails to use proprietary recipes designated by Booskerdoo, or fails to sell or offer for sale at the Franchised Café any product that is required by Booskerdoo to be sold or offered for sale at the Franchised Café. The cure period for an Act of Default under this provision is five (5) days after notice by Booskerdoo.

17.02.14 Franchisee fails to use at the Franchised Café any furniture, fixtures, equipment or signage required by Booskerdoo to be used at the Franchised Café. The cure period for an Act of Default under this provision is five (5) days after notice by Booskerdoo.

17.02.15 Franchisee uses at the Franchised Café any furniture, fixtures, equipment or signage not approved by Booskerdoo for use at the Franchised Café. The cure period for an Act of Default under this provision is five (5) days after notice by Booskerdoo.

17.02.16 Franchisee fails to repair and maintain the Franchised Café, or the furniture, fixtures, equipment or signage at the Franchised Café to the standards required by Booskerdoo. The cure period for an Act of Default under this provision is five (5) days after notice by Booskerdoo.

17.02.17 Franchisee fails to operate the Franchised Café in accordance with any of the Standards and Specifications (other than those as to cleanliness, safety, health and sanitation) as to operating procedures, systems and methods of operation (including, without limitation, standards related to quality and quantity of food products served and minimum staffing requirements). The cure period for an Act of Default under this provision is five (5) days after notice by Booskerdoo.

17.02.18 Franchisee fails to obtain and maintain all Insurance Policies required under this Agreement, with all required terms and policy provisions as required by this Agreement. The cure period for an Act of Default under this provision is ten (10) days after notice by Booskerdoo.

17.02.19 Franchisee violates any law, ordinance, rule or regulation of a governmental body or authority in connection with the operation of the Franchised Café,

and Franchisee fails to correct the violation within twenty (20) days after notification by the governmental body or authority. The cure period for an Act of Default under this provision is five (5) days after notice by Booskerdoo after expiration of the twenty (20) days from notification by the governmental body or authority; *provided, however*, that the five (5)-day cure period shall be stayed if there is a bona fide dispute as to the violation or the legality of the law, ordinance, rule or regulation at issue, and Franchisee takes action in an appropriate court or other forum to contest such violation or legality.

17.02.20 Franchisee loses its right to possession of the Franchised Café or the Approved Café Location. There shall be no cure period for an Act of Default under this provision.

17.02.21 Franchisee abandons the franchise and franchise relationship with Booskerdoo. It shall be an abandonment of the franchise and franchise relationship with Booskerdoo if Franchisee ceases to do business at the Franchised Café for a period of five (5) consecutive days. There shall be no cure period for an Act of Default under this provision.

17.02.22 Franchisee fails to comply with the restrictions on Confidential Information, or any covenants set forth in Article 11 or Article 19 of this Agreement, or if Franchisee misuses or makes any unauthorized use of the Marks or any other identifying characteristics of the System, or otherwise materially impairs the goodwill associated therewith or with Booskerdoo's rights therein. There shall be no cure period for an Act of Default under this provision.

17.02.23 Franchisee sells, assigns, transfers, encumbers, or licenses any interest in this Agreement or in the franchise or Franchised Café without the prior written consent of Booskerdoo and otherwise as permitted under this Agreement. There shall be no cure period for an Act of Default under this provision.

17.02.24 Franchisee violates any other obligation, provision or condition of this Agreement not specifically identified in Section 17.02. The cure period for an Act of Default under this provision is five (5) days after notice by Booskerdoo.

17.02.25 Franchisee commits three or more Acts of Default under this Agreement within any consecutive twelve (12)-month period, regardless of whether any of such Acts of Default are cured by Franchisee. There shall be no cure period under this provision, such that if two Acts of Default occur within a twelve (12)-month period, this Agreement shall immediately terminate upon receipt of the notice of default delivered by Booskerdoo upon the occurrence of the third Act of Default.

17.02.26 Franchisee, or any individual with an ownership interest in Franchisee, is convicted in a court of competent jurisdiction of: (a) an offense punishable by a term of imprisonment in excess of one (1) year; or (b) any offense for which a material element is fraud, dishonesty or moral turpitude. There shall be no cure period for an Act of Default under this provision.

17.03 Cross-Default. If Franchisee commits a default in the performance of any of the covenants, conditions or agreements contained in: (a) Franchisee's lease for the Approved Café Location; or (b) any other agreement between (i) Franchisee and Booskerdoo or Booskerdoo's subsidiaries or affiliates, or (ii) any of Franchisee's owners, Guarantors or affiliates and Booskerdoo or Booskerdoo's subsidiaries or affiliates (each a "Related Agreement"), Franchisee shall also be in default under this Agreement. In addition to any of Booskerdoo's rights under any Related Agreement, Booskerdoo has the right to terminate this Agreement pursuant to Section 17.02 above, unless such default is cured within the lesser of thirty (30) days after written notice of default has been provided by Booskerdoo, or the applicable cure period for the default under the lease or the Related Agreement. Franchisee specifically agrees that all of the foregoing remedies shall be available to Booskerdoo as a result of Franchisee's breach or default, or failure to perform all obligations required by it, under Franchisee's lease agreement or any Related Agreement, even if Franchisee is not otherwise in default under this Agreement.

17.04 Booskerdoo's Right to Assume Management.

17.04.1 If Franchisee commits an Act of Default that has no cure period, or fails to cure a default under Section 17.02 above, such that this Agreement is subject to termination, Booskerdoo, as an alternative to immediately terminating this Agreement, has the right, but not the obligation, to enter the Approved Café Location and assume management of the Franchised Café for any period of time Booskerdoo deems appropriate in its sole and absolute discretion.

17.04.2 If Booskerdoo assumes management of the Franchised Café under this Section 17.04, Booskerdoo shall be entitled to collect from Franchisee an amount equivalent to the Royalty Fee and Marketing Fee that would be due under this Agreement, in addition to Booskerdoo's direct out-of-pocket costs and expenses incurred in the management of the Franchised Café.

17.04.3 Booskerdoo's exercise of its right to assume management of the Franchised Café under this Section 17.04 shall not affect Booskerdoo's right to terminate this Agreement at any time without additional notice to Franchisee.

17.04.4 If Booskerdoo assumes management of the Franchised Café under this Section 17.04, Franchisee acknowledges that: (a) Franchisee has no measurable property right remaining in the franchise, which franchise was subject to immediate termination; (b) Booskerdoo's duty is limited to using Booskerdoo's reasonable efforts to manage the Franchised Café; and (c) Booskerdoo shall not be liable to Franchisee or its owners for any debts, losses or obligations related to the Franchised Café or to any of Franchisee's creditors for any Products or Services provided to the Franchised Café.

ARTICLE 18. POST-TERM OBLIGATIONS

18.01 Post Termination/ Expiration Obligations. Upon termination or expiration of this Agreement, all rights granted to you under this Agreement shall immediately terminate, and you shall strictly comply with the following obligations:

18.01.1 You shall immediately cease to operate the Franchised Café, and shall not thereafter, directly or indirectly, represent to the public or hold yourself out as a present or former franchisee of Booskerdoo or the System.

18.01.2 You shall immediately and permanently cease to use, in any manner whatsoever, any confidential methods, procedures and techniques associated with the System and the Marks, Trade Dress and distinctive forms, slogans, signs, symbols, and devices associated with the System. Without limiting the generality of the foregoing, you shall cease to use all System trade fixtures, signs, advertising materials, displays, stationery, forms, products and any other articles displaying the Marks.

18.01.3 You shall take such action as may be necessary to cancel any assumed name or equivalent registration which contains any of the Marks, and you shall furnish Booskerdoo with evidence satisfactory to Booskerdoo of your compliance with this obligation within five (5) days after termination or expiration of this Agreement.

18.01.4 You shall, at Booskerdoo's option, assign or sublease to Booskerdoo, or its designee, any interest which you have in any lease for the Franchised Café. If Booskerdoo does not require you to assign the lease to Booskerdoo or its designee, you shall make all modifications, changes and alterations to the interior and exterior of the premises at which the Franchised Café was operated, as designated by Booskerdoo, so as to de-identify the premises from the System. If you fail or refuse to comply with the requirements of this Section 18.01.4, Booskerdoo shall, in addition to any other rights and/or remedies available to Booskerdoo under this Agreement or at law, have the right to enter upon the premises where the Franchised Café was conducted, without being guilty of trespass or any other tort, for the purpose of making or causing to be made such changes as may be required, at your expense, which expense you shall pay to Booskerdoo or its designee immediately upon demand.

18.01.5 You shall assign to Booskerdoo or its designee the telephone numbers used in connection with the operation of the Franchised Café. You shall complete all forms and approvals and perform all acts reasonably necessary to effectuate such assignments or transfers.

18.01.6 Without limiting any of your obligations under this Agreement, you agree that if you continue to operate, or subsequently begin to operate, any business you shall not use any reproduction, counterfeit, copy or colorable imitation of the Marks or the Trade Dress, either in connection with such other business or the promotion thereof, which is likely to cause confusion, mistake, or deception, or which is likely to dilute Booskerdoo's rights in and to the Marks and the Trade Dress, and you further agree not to utilize any designation of origin or description or representation which falsely suggests or represents an association or connection with Booskerdoo constituting unfair competition.

18.01.7 You shall promptly pay all sums owing to Booskerdoo and its subsidiaries and affiliates that are then unpaid, including Royalty Fees, Continuing Marketing Fees, interest due on any of the foregoing and all other amounts owed to Booskerdoo.

18.01.8 The parties agree that, if this Agreement is terminated prior to the expiration of the Term, it would be impossible to calculate with reasonable precision the losses that would be incurred by Booskerdoo because of the unpredictability of future business conditions, inflationary prices, the impact on Booskerdoo's reputation from having a closed location, the ability of Booskerdoo to replace the Franchised Café in the same market, and a variety of other factors. Accordingly, if this Agreement is terminated, Booskerdoo shall be entitled to recover as liquidated damages, and not as a penalty, an amount equal to the aggregate Royalty Fees, Marketing Fees and all other continuing fees due to Booskerdoo during the thirty-six (36) full calendar months during which the Franchised Café was open and operating immediately before the termination date. If the Franchised Café has not been open and operating for thirty-six (36) months before the termination date, liquidated damages shall be equal to (x) the average monthly Royalty Fees, Marketing Fees and other continuing fees due to Booskerdoo for all months during which the Franchised Café was open and operating, multiplied by (y) thirty-six (36). If there are less than thirty-six (36) months remaining on the Term, the liquidated damages shall be equal to (x) the amount calculated above, multiplied by (y) a fraction, the numerator of which is the number of calendar months (including partial months) remaining on the Term and the denominator of which is thirty-six (36).

18.01.9 You shall pay to Booskerdoo all damages, costs, and expenses, including reasonable attorneys' fees, incurred by Booskerdoo subsequent to the termination or expiration of this Agreement in obtaining injunctive or other relief for the enforcement of any provisions of this Article 18 or any other post-term obligations under this Agreement.

18.01.10 You shall immediately deliver to Booskerdoo the Operations Manual and all other records, correspondence, and instructions containing Confidential Information, or information relating to the operation of the Franchised Café, all of which are acknowledged to be the property of Booskerdoo, and you shall retain no copy or record of any of the foregoing, with the exception of your copy of this Agreement, any correspondence between the parties, and any other documents which you reasonably need for compliance with any provision of law.

18.01.11 Franchisee shall comply with the covenants contained in Article 19 of this Agreement.

18.02 Booskerdoo's Right to Purchase the Franchised Café. Booskerdoo shall have the option, to be exercised within sixty (60) days after termination or expiration of this Agreement, as applicable, to purchase the Franchised Café from you, including the leasehold rights to the Franchised Café, free and clear of all liens, restrictions or encumbrances. (The date on which Booskerdoo notifies you whether or not Booskerdoo is exercising its option is referred to in this Agreement as the "Notification Date.") Booskerdoo has the unrestricted right to assign this option to purchase the Franchised Café. Booskerdoo shall be entitled to all customary warranties and representations in connection with Booskerdoo's asset purchase, including, without limitation, representations and warranties as to ownership, condition of and title to assets; liens and encumbrances on assets; validity of contracts and agreements; and liabilities affecting the assets, contingent or otherwise. If Booskerdoo elects to exercise its option to purchase the Franchised Café, the following shall apply:

18.02.1 Leasehold Rights. You agree, at Booskerdoo's election, to assign your leasehold interest in the Franchised Café premises to Booskerdoo or its designee, or to enter into a sublease with Booskerdoo or its designee for the remainder of the lease term on the same terms (including renewal options) as the prime lease.

18.02.2 Purchase Price. The purchase price for the Franchised Café shall be its fair market value, determined in a manner consistent with reasonable depreciation of the Franchised Café's equipment, signs, inventory, materials and supplies, provided that the Franchised Café shall be valued as an independent business and its value shall not include any value for the franchise or any rights granted by this Agreement, the Marks, or participation in the System.

18.02.3 Fair Market Value. The Franchised Café's fair market value shall include the reasonable goodwill you developed since your commencement of operations, which exists independent of the goodwill of the Marks and the System. The length of the remaining term of the lease for the Franchised Café premises shall also be considered in determining the Franchised Café's fair market value.

18.02.4 Exclusions. Booskerdoo may exclude from such asset sale any cash or cash equivalents and/or any equipment, signs, inventory, materials, and supplies that are not reasonably necessary (in function or quality) to the Franchised Café's operation or that Booskerdoo has not approved as meeting standards for the Franchised Café. The purchase price shall reflect the exclusion of such assets.

18.02.5 Appraisal. If you and Booskerdoo are unable to agree on the Franchised Café's fair market value, its fair market value shall be determined by one (1) independent qualified appraiser that Booskerdoo appoints in its sole business judgment. Booskerdoo shall appoint the appraiser within fifteen (15) days after the date Booskerdoo determines you and Booskerdoo are unable to agree on the Franchised Café's fair market value. You and Booskerdoo shall share equally the fees and expenses of the appraiser. You and we further agree to take reasonable actions to cause the appraiser to complete the appraisal within thirty (30) days after the appraiser's appointment. Booskerdoo shall have the right to offset against the purchase price your share of the appraiser's fees if you fail to pay such fees within five (5) business days after your receipt of the appraiser's invoice.

18.02.6 Closing. The purchase price shall be paid at the closing of the purchase, which shall take place not later than ninety (90) days after determination of the purchase price. Booskerdoo also shall have the right to set off against the purchase price, and thereby reduce the purchase price by, any and all amounts you or your owners or guarantors owe to us, including attorneys' fees.

18.02.7 Instruments. At the closing, you agree to deliver such instruments as are necessary to transfer: (a) good and merchantable title to the assets purchased, free and clear of all liens and encumbrances (other than liens and security interest acceptable to Booskerdoo, if any) and with all sales and other transfer taxes paid by you; (b) all licenses and permits of the Franchised Café, which may be assigned or

transferred; and (c) the leasehold interest in the Franchised Café premises and any improvements thereon.

18.02.8 Escrow. If you cannot deliver clear title to all of the purchased assets, or if there are other unresolved issues, the closing of the sale shall, at Booskerdoo's election, be accomplished through an escrow arrangement with an independent escrow agent selected by Booskerdoo.

18.02.9 Releases. You and your owners and Guarantors agree to execute general releases, in a form satisfactory to Booskerdoo, of any and all claims against Booskerdoo and its shareholders, officers, directors, employees, agents, successors and assigns.

ARTICLE 19. BEST EFFORTS; RESTRICTIVE COVENANTS

19.01 Best Efforts. Franchisee covenants that during the Term, except as otherwise approved in writing by Booskerdoo, Franchisee's Managing Owner, who has: (a) been approved by Booskerdoo; (b) completed Booskerdoo's Initial Training to Booskerdoo's satisfaction; and (c) entered into a Restrictive Covenant Agreement, shall devote full time, energy, and best efforts to the management and operation of the Franchised Café.

19.02 In-Term Covenants. Franchisee specifically acknowledges that, pursuant to this Agreement, Franchisee shall receive valuable specialized training and Confidential Information, including, without limitation, information regarding the operational, sales, promotional and marketing methods and techniques of Booskerdoo and the System. Franchisee covenants that during the Term, except as otherwise approved in writing by Booskerdoo, neither Franchisee, nor any of its officers, directors, members, managers, shareholders, partners or owners, nor Franchisee's spouse nor the spouse of any of the aforementioned individuals, shall, directly or indirectly, for themselves, or through, on behalf of, or in conjunction with any person, persons, partnership, limited liability company or corporation:

19.02.1 Divert or attempt to divert any business or customer of the Franchised Café to any competitor, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Marks or the System; or

19.02.2 Own, maintain, operate, engage in, provide any assistance to, or have any interest in any Competitive Business (as defined below).

The term "Competitive Business" means any business owning, operating, managing or granting franchises or licenses to others to operate: any store, restaurant, café or foodservice business that offers, as a primary offering, specialty coffees, beverages and/or baked goods. The term Competitive Business shall not include other Cafés operated by Franchisee pursuant to a valid, binding franchise agreement by and between Franchisee and Booskerdoo.

19.03 Post-Termination/Expiration Covenants. You covenant that, except as otherwise approved in writing by Booskerdoo, you shall not, for a continuous uninterrupted

period commencing upon the expiration, transfer or termination of this Agreement (regardless of the cause for termination) and continuing for two (2) years thereafter, either directly or indirectly, for yourself, or through, on behalf of, or in conjunction with any person, persons (including your spouse or any immediate family member, or the spouse or any immediate family member of any Guarantor), partnership, limited liability company or corporation, own, maintain, operate, engage in, provide assistance to, or have any interest in any Competitive Business that is, or is intended to be, located: (a) at the Approved Café Location; (b) within a twenty-five (25) mile radius of the Approved Café Location, or within a twenty-five (25) mile radius of any other Café in existence or under construction at the time this Agreement is terminated, expired or transferred, as applicable; or (c) anywhere in the State of New Jersey. Franchisee further covenants that it shall not engage in any form of unfair competition with Booskerdoo.

19.04 No Defense. Franchisee expressly agrees that the existence of any claims Franchisee may have against Booskerdoo, whether or not arising from this Agreement or otherwise, shall not constitute a defense to the enforcement by Booskerdoo of the covenants in this Article 19. Franchisee agrees to pay all costs and expenses (including reasonable attorneys' fees) incurred by Booskerdoo in connection with the enforcement of any of Franchisee's obligations under this Article 19.

19.05 Irreparable Harm. Franchisee acknowledges that any violation of the terms of this Article 19 would result in irreparable injury to Booskerdoo for which no adequate remedy at law may be available, and Franchisee accordingly consents to the issuance of an injunction prohibiting any conduct by Franchisee in violation of any of the terms of this Article 19.

19.06 Restrictive Covenant Agreements. Franchisee shall require the execution of Restrictive Covenant Agreements by the Franchisee's Managing Owner and all of Franchisee's managers and baristas and any other personnel employed by Franchisee who has received or shall receive training from Booskerdoo or shall otherwise be privy to Confidential Information. Every covenant required by this Section 19.06 shall include a specific identification of Booskerdoo as a third-party beneficiary of such covenant with the independent right to enforce such covenant.

19.07 Acknowledgment. Franchisee acknowledges and agrees that the length and term of the geographical restrictions contained in this Article 19 are fair and reasonable and do not impose a greater restraint than is necessary to protect the goodwill or other business interests of Booskerdoo. Franchisee agrees that Franchisee's full, uninhibited and faithful observance of each of the covenants contained in this Article 19 shall not cause any undue hardship, financial or otherwise, and that the enforcement of each of the covenants in this this Article 19 shall not impair Franchisee's ability to obtain employment commensurate with Franchisee's abilities and on terms fully acceptable to Franchisee or to otherwise obtain income required for the comfortable support of Franchisee, Franchisee's family and the satisfaction of Franchisee's creditors. Franchisee agrees that it has acquired special knowledge of the business of the System and that use of such knowledge by Franchisee (or by anyone that has acquired similar knowledge through Franchisee) to the benefit of a competitor, or in any way competitive with Booskerdoo or any System

franchisee, would cause Booskerdoo and the other System franchisees serious injury and irreparable loss.

19.08 Extension of Covenant Period. If Franchisee violates the post-term covenant set forth in Section 19.03 above following the expiration, termination or transfer of this Agreement, Franchisee acknowledges and agrees that the post-term covenant period of two (2) years shall be extended to commence on the date that Franchisee first complies with such covenant so as to provide Booskerdoo with the full and uninterrupted benefit of the post-term covenant period.

ARTICLE 20. OWNERSHIP BY LEGAL ENTITY

20.01 Franchisee as a Legal Entity. If Franchisee is a corporation, partnership or limited liability company (each, a “Legal Entity”), the following requirements shall apply, as applicable:

20.01.1 Franchisee shall be newly organized and its charter shall at all times provide that Franchisee’s activities are confined exclusively to operating the Franchised Café.

20.01.2 Franchisee shall furnish to Booskerdoo copies of such Legal Entity’s organizational documents (e.g., articles of organization, articles of formation, etc.), governing documents (e.g., bylaws, shareholder agreements, partnership agreement, operating agreement, etc.), and authorizing resolutions (e.g., of the board of directors, partners, members, etc.).

20.01.3 Franchisee shall maintain stop-transfer instructions against the transfer of any equity interests of Franchisee; and each stock certificate or membership interest certificate, if any, shall conspicuously maintain a legend, in a form satisfactory to Booskerdoo, that such ownership interests are held subject to, and that any assignment or transfer thereof is further subject to, the restrictions imposed upon such interests pursuant to this Agreement; *provided, however*, that the requirements of this Section 20.01.3 shall not apply to a publicly-held corporation.

20.01.4 Franchisee shall maintain and provide to Booskerdoo a list of all current holders of any equity interests in such Legal Entity.

20.01.5 All direct and indirect equity holders and owners of such Legal Entity, and all spouses of each such owner, shall jointly and severally guarantee Franchisee’s performance under this Agreement and shall bind themselves to the terms of this Agreement; *provided, however*, that the requirements of this Section 20.01.5 shall not apply to a publicly-held corporation.

ARTICLE 21. COMPLIANCE WITH LAWS; TAXES & PERMITS

21.01 Compliance with Laws. Franchisee shall comply with all applicable federal, state, and local laws, rules, and regulations, and shall timely obtain any and all permits, certificates, or licenses necessary for the full and proper conduct of the business franchised under this Agreement, including, without limitation, licenses to do business, fictitious name registrations, sales tax permits, and fire clearances.

21.02 Prompt Payment. Franchisee shall promptly pay when due all taxes levied or assessed, including, without limitation, unemployment and sales taxes, and all accounts and other indebtedness of every kind incurred by Franchisee in the conduct of the business franchised under this Agreement.

21.03 Bona Fide Dispute. In the event of any bona fide dispute as to Franchisee's liability for taxes assessed or other indebtedness, Franchisee may contest the validity or the amount of the tax or indebtedness in accordance with procedures of the taxing authority or applicable law; *provided, however*, in no event shall Franchisee permit a tax sale or seizure by levy of execution or similar writ or warrant, or attachment by a creditor, to occur against the premises of the Franchised Café, or any improvements thereon.

21.04 Notice of Action. Franchisee shall notify Booskerdoo in writing within five (5) days of the commencement of any action, suit, or proceeding, and of the issuance of any order, writ, injunction, award, or decree of any court, agency, or other governmental instrumentality, which may adversely affect the operation or financial condition of the Franchised Café.

ARTICLE 22. INDEPENDENT CONTRACTOR STATUS; INDEMNIFICATION

22.01 Independent Contractors / No Fiduciary Relationship.

22.01.1 Booskerdoo and Franchisee have no intention whatsoever to create a fiduciary relationship and the parties understand that no fiduciary or special relationship exists or is created by this Agreement. It is expressly agreed that the parties intend by this Agreement to establish between you and us the relationship of franchisee and franchisor. It is further agreed that you have no authority to create or assume in our name or on our behalf, any obligation, express or implied, or to act or purport to act as agent or representative on our behalf for any purpose whatsoever. Neither you nor we are the employer, employee, agent, partner, fiduciary or co-venturer of or with the other, each being independent. All employees and agents hired or engaged by or working for you will be only the employees or agents of yours and will not, for any purpose, be deemed employees or agents of ours, nor subject to our control. We have no authority to exercise control over the hiring or termination of your employees, independent contractors, agents or others who work for you, their compensation, working hours or conditions, or their day-to-day activities, except to the extent necessary to protect the Marks. You shall file your own tax, regulatory and payroll reports with respect to your employees, agents and contractors and you shall save, indemnify and hold us harmless from any and all liability, costs and expenses of any nature that we incur related to these obligations. Franchisee shall in all respects be an independent contractor, and nothing in this Agreement is intended to

constitute either party as an agent, legal representative, subsidiary, joint venturer, joint employer, partner, employee, or servant of the other for any purpose whatsoever.

22.01.2 During the Term, Franchisee shall hold itself out to the public as an independent contractor operating the business pursuant to a license from Booskerdoo. Franchisee agrees to take such action as may be necessary to do so, including, without limitation, exhibiting a notice in a conspicuous place at the Franchised Café premises, the content of which Booskerdoo reserves the right to specify providing that Franchisee is a franchisee and independent operator. Without limiting the foregoing, you shall display the following notice in a prominent place at your Café: ***“This BOOSKERDOO COFFEE & BAKING CO. is a franchise of Booskerdoo Franchising LLC and is independently owned and operated.”***

22.01.3 Booskerdoo does not owe Franchisee any special duty other than to comply with its contractual duties under this Agreement.

22.02 No Authorization. Nothing in this Agreement authorizes Franchisee to make any contract, agreement, warranty, or representation on Booskerdoo’s behalf, or to incur any debt or other obligation in Booskerdoo’s name; and Booskerdoo shall in no event assume liability for, or be deemed liable hereunder as a result of, any such action; nor shall Booskerdoo be liable by reason of any act or omission by Franchisee in the conduct of the Franchised Café or for any claim or judgment arising therefrom against Franchisee or Booskerdoo. Booskerdoo shall have no liability or responsibility for any damages to any person or property directly or indirectly arising out of the operation of the Franchised Café.

22.03 Indemnification. Franchisee shall save, defend, exonerate, indemnify, and hold harmless Booskerdoo, Booskerdoo’s affiliates, and their respective officers, shareholders, members, managers, directors, employees, agents, successors and assignees (the “Indemnified Parties”), from and against all losses, claims, liabilities, damages (actual, consequential or otherwise), obligations and costs reasonably incurred in the defense of any claim against any Indemnified Party (including reasonable accountants’, arbitrators’, attorneys’ and expert witness fees, costs of investigations and proof of facts, court costs, other expenses of litigation, arbitration or alternative dispute resolution and travel and living expenses) (collectively, the “Losses”) that such Indemnified Party incurs as a result of, arising out of, related to, or with respect to: (a) the operation of the franchise granted under this Agreement and/or of the Franchise Café; and/or (b) any breach or non-fulfillment of any agreement or covenant of Franchisee contained in this Agreement or failure to comply with any of Franchisee’s obligations hereunder. Booskerdoo has the exclusive right to defend any such claim. This indemnity shall continue in effect after the expiration or termination of this Agreement. Under no circumstances shall Booskerdoo or any other Indemnified Party be required to seek recovery from any insurer or other third party, or otherwise to mitigate any of their or Booskerdoo’s losses and expenses, in order to maintain and recover fully a claim against Franchisee. This Section 22.03 also incorporates Franchisee’s obligation to defend, indemnify and hold harmless the Indemnified Parties as otherwise referenced in this Agreement, including, without limitation, the indemnification obligations set forth in Sections 8.05 and 8.06.2 above.

ARTICLE 23. APPROVALS; WAIVERS; NOTICES

23.01 Approvals and Consents. Whenever this Agreement requires the prior approval or consent of Booskerdoo, Franchisee shall make a timely written request to Booskerdoo therefor and such approval or consent shall be obtained in writing. Booskerdoo may grant or withhold its approval or consent in Booskerdoo's sole and absolute discretion.

23.02 No Warranties. Booskerdoo makes no warranties or guarantees upon which Franchisee may rely, and assumes no liability or obligation to Franchisee, by providing any waiver, approval, consent, or suggestion to Franchisee in connection with this Agreement, or by reason of any neglect, delay, or denial of any request therefor.

23.03 No Waiver. Booskerdoo shall not be deemed to have waived or impaired any right, power, or option reserved by this Agreement (including, without limitation, the right to demand exact compliance with every term, condition and covenant of this Agreement or to declare any breach thereof to be a default and to terminate this Agreement prior to the expiration of its term) by virtue of: any custom or practice at variance with the terms of this Agreement; Booskerdoo's failure, refusal or neglect to exercise any right under this Agreement or to insist upon exact compliance by Franchisee with respect to the obligations of this Agreement, including, without limitation, any of the System's Standards and Specifications; Booskerdoo's waiver, forbearance, delay, failure or omission to exercise any right, power or option, whether of the same, similar or different nature, with respect to other Cafés; the existence of other franchise agreements for Cafés which contain different provisions from those contained in this Agreement; or Booskerdoo's acceptance of any payments due from Franchisee after any breach of this Agreement. No special or restrictive legend or endorsement on any check or similar item given to us shall constitute a waiver, compromise, settlement or accord and satisfaction. Booskerdoo is authorized to remove or obliterate any legend or endorsement, and such legend or endorsement shall have no effect. Acceptance by Booskerdoo of payments due under this Agreement from any person or entity shall be deemed to be acceptance from such person or entity as Franchisee's agent and not as recognition of such person or entity as Franchisee's assignee or successor.

23.04 Notices. Any and all notices required or permitted under this Agreement or the Operations Manual shall be deemed so delivered: (a) at the time delivered, if by hand; (b) one business day after being placed in the hands of a commercial courier service for next business day delivery; or (c) three (3) business days after placement in the United States Mail by registered or certified mail, return receipt request postage prepaid; and shall be addressed to the party to be notified at its most current principal business address of which the notifying party has been notified. Booskerdoo may send any notice to Franchisee at the Approved Café Location. Franchisee shall send a copy of any notice to Booskerdoo to the attention of Booskerdoo's president or chief executive officer. Notwithstanding the deemed delivery dates set forth above, any required payment or report which Booskerdoo does not actually receive during regular business hours on the date due shall be deemed delinquent. Booskerdoo's current address for which notices should be sent is set forth in the opening paragraph of this Agreement.

23.05 Force Majeure. Neither Franchisee nor Booskerdoo shall be liable for loss or damage, or deemed to be in breach of this Agreement, if Franchisee's or Booskerdoo's failure to perform any obligation results from acts of God or fires, floods, wars or riots. Any delay resulting from any of said causes shall extend performance accordingly or excuse performance, in whole or in part, as may be reasonable, except that said causes shall not excuse payments of amounts owed at the time of such occurrence or payment of any royalties due on any sales thereafter.

23.06 Withholding of Payments Prohibited. Franchisee agrees that it shall not set off or withhold payment of any amounts Franchisee owes on the grounds of Booskerdoo's alleged nonperformance of any of Franchisee's obligations under this Agreement or for any other reason.

ARTICLE 24. SEVERABILITY; CONSTRUCTION

24.01 Severability. Except as expressly provided to the contrary in this Agreement, each section, part, term, provision, and covenant of this Agreement, and any portion of each, shall be considered severable. If, for any reason, any such section, part, term, provision, and/or covenant herein is determined to be invalid and contrary to, or in conflict with, any existing or future law or regulation by a court or agency having valid jurisdiction, such shall not impair the operation of, or have any other effect upon, such other portions, sections, parts, terms, provisions, and/or covenants of this Agreement as may remain otherwise intelligible; and the latter shall continue to be given full force and effect and bind the parties hereto; and said invalid portions, sections, parts, terms, provisions, and/or covenants shall be deemed not to be a part of this Agreement.

24.02 No Third Party Beneficiaries. Except as expressly provided to the contrary herein, nothing in this Agreement is intended, nor shall be deemed, to confer upon any person or Legal Entity other than Franchisee, Booskerdoo, Booskerdoo's officers, directors, and employees, and such of Franchisee's and Booskerdoo's respective successors and assigns as may be contemplated (and, as to Franchisee, permitted) by Article 16 hereof, any rights or remedies under or by reason of this Agreement.

24.03 Maximum Duty. Franchisee expressly agrees to be bound by any promise or covenant imposing the maximum duty permitted by law which is subsumed within the terms of any provision hereof, as though it were separately articulated in and made a part of this Agreement, that may result from striking from any of the provisions hereof any portion or portions which a court may hold to be unreasonable and unenforceable in a final decision to which Booskerdoo is a party, or from reducing the scope of any promise or covenant to the extent required to comply with such a court order.

24.04 Captions. All captions in this Agreement are intended solely for the convenience of the parties, and none shall be deemed to affect the meaning or construction of any provision hereof.

24.05 References. All references herein to the masculine, neuter, or singular shall be construed to include the masculine, feminine, neuter, or plural, where applicable; and all acknowledgments, promises, covenants, agreements, and obligations herein made or

undertaken by Franchisee shall be deemed jointly and severally undertaken by all those executing this Agreement on Franchisee's behalf.

24.06 Additional Requirements. All instructions, requirements, prescriptions or specifications to be provided by Booskerdoo to Franchisee, as required under this Agreement, may be provided to Franchisee in the Operations Manual or otherwise in writing, or in such manner as Booskerdoo may deem suitable.

ARTICLE 25. GOVERNING LAW; MEDIATION; ARBITRATION; WAIVERS; LIMITATIONS

25.01 Governing Law & Venue.

25.01.1 Governing Law. This Agreement shall take effect upon its acceptance and execution by Booskerdoo. Except to the extent governed by the United States Arbitration Act (9 U.S.C. §§ 1, et. seq.) and the United States Trademark Act of 1946 (Lanham Act; 15 U.S.C. §1050 et seq.), this Agreement, the franchise and all claims arising from or in any way related to the relationship between Booskerdoo, and/or any of its affiliates, officers, directors, shareholders, members, guarantors, employees, representatives, independent contractors or owners (each, a "Booskerdoo Related Party"), on one hand, and you and/or any of your owners, affiliates, officers, directors, shareholders, Guarantors, employees, owners or members (each, a "Franchisee Related Party"), on the other hand, shall be interpreted and construed under the laws of the State of New Jersey, which laws shall prevail in the event of any conflict of law, except that any law regulating the sale of franchises or governing the relationship of a Booskerdoo and its franchisee shall not apply unless jurisdictional requirements are met independently without reference to this paragraph.

25.01.2 Venue. In the event the arbitration clause set forth in Section 25.03 is inapplicable or unenforceable, and subject to Booskerdoo's right to obtain injunctive relief in any court of competent jurisdiction, the parties hereby expressly agree that the United States District Court for District of New Jersey, or if such court lacks subject matter jurisdiction, the State Superior Court in Monmouth County, New Jersey, shall be the exclusive venue and exclusive proper forum in which to adjudicate any case or controversy arising out of or related to, either directly or indirectly, this Agreement, ancillary agreements, or the business relationship between the parties. The parties further agree that, in the event of such litigation, they shall not contest or challenge the jurisdiction or venue of these courts. You acknowledge that this Agreement has been entered into in the State of New Jersey and that you are to receive valuable and continuing services emanating from Booskerdoo's headquarters in Monmouth County, New Jersey. Without limiting the generality of the foregoing, the parties waive all questions of jurisdiction or venue for the purposes of carrying out this provision.

25.02 Mediation. The parties have reached this Agreement in good faith and with the belief that it is advantageous to each of them. In recognition of the strain on time, unnecessary expense and wasted resources potentially associated with litigation and/or arbitration, and in the spirit of cooperation, the parties pledge to try to resolve any dispute amicably, without litigation or arbitration. Other than an action by Booskerdoo under

Section 25.04 below, before beginning any legal action or arbitration, the parties agree to mediate any dispute, controversy or claim between you and/or any Franchisee Related Party, on the one hand, and Booskerdoo and/or any Booskerdoo Related Party, on the other hand, including, without limitation, in connection with any dispute, controversy or claim arising under, out of, in connection with or in relation to: (a) this Agreement; (b) any lease or sublease for your Franchised Café; (c) any loan or other finance arrangement between Booskerdoo and Booskerdoo's affiliates and you; (d) the parties' relationship; (e) events occurring prior to the entry into this Agreement; (f) the Café; or (g) any of the System's Standards and Specifications, in accordance with the procedures set forth in this Section 25.02, inclusive of all subparts. Good faith participation in these procedures to the greatest extent reasonably possible, despite lack of cooperation by one or more of the other parties, is a precondition to maintaining any arbitration or legal action, including any action to interpret or enforce this Agreement. The Mediation shall be conducted in accordance with the following provisions:

25.02.1 Initiation Procedure. The party seeking mediation (the "Initiating Party") shall commence mediation by sending the other party/parties a written notice of its request for mediation (the "Dispute Notice"). The Dispute Notice shall specify, to the fullest extent possible, the nature of the dispute, the Initiating Party's version of the facts surrounding the dispute, the amount of damages, and the nature of any injunctive or other relief such party claims, and shall identify one or more persons with authority to settle the dispute for the Initiating Party. The party (or parties as the case may be) receiving a Dispute Notice (the "Responding Party") shall issue a written response (the "Response") to the Initiating Party within ten (10) days after receipt of the Dispute Notice identifying one or more persons with authority to settle the dispute on the Responding Party's behalf (the "Authorized Persons").

25.02.2 Direct Negotiations. Upon receipt of a Dispute Notice and the issuance of the Response, the parties shall endeavor, in good faith, to resolve the dispute outlined in the Dispute Notice and the Response. If the parties have been unable to resolve any such dispute(s) outlined in a Dispute Notice or a response thereto within twenty (20) days after the Initiating Party's receipt of the Response, either party may initiate a mediation procedure in accordance with the American Arbitration Association ("AAA"), pursuant to its Commercial Mediation Procedures, and unless otherwise agreed by the parties shall take place in Monmouth County, New Jersey, or the city of Booskerdoo's then-current corporate headquarters, as Booskerdoo designates.

25.02.3 Selection of the Mediator. The Authorized Persons shall have seven (7) days from the date on which one party gives notice that he, she, or it is beginning mediation within which to submit to one another written lists of acceptable mediators who are not associated with either of the parties. Within seven (7) days from the date of receipt of any list, the Authorized Persons shall rank all the mediators in numerical order of preference and exchange the rankings. If one or more names are on both lists, the highest ranking one of these shall be designated the mediator. If this process does not result in selection of a mediator, the parties agree jointly to request that AAA supply a list of qualified potential mediators. Within seven (7) days after receipt of the list, the parties shall again rank the proposed mediators in numerical order of preference and shall simultaneously exchange their lists. The mediator having the highest combined ranking

shall be appointed as mediator. If the highest ranking mediator is not available to serve, the parties shall go on to contact the mediator who was next highest in ranking until they are able to select a mediator.

25.02.4 Time and Place for Mediation. In consultation with the parties, the mediator shall promptly designate a mutually acceptable time and place for the mediation. Unless the circumstances make it impossible, the time may not be later than thirty (30) days after the selection of the mediator.

25.02.5 Exchange of Information. If either party to this Agreement believes that he, she, or it needs information in the possession of another party to this Agreement to prepare for the mediation, all parties shall attempt in good faith to agree on procedures for an exchange of information, with the help of the mediator if required.

25.02.6 Summary of Views. At least seven (7) days before the first scheduled mediation session, each party shall deliver to the mediator and to the other party a concise written summary of its views on the matter in dispute and on any other matters that the mediator asks them to include. The mediator may also request that each party submit a confidential paper on relevant legal issues, which may be limited in length by the mediator, to him or her.

25.02.7 Representatives. In the mediation, each party shall be represented by an Authorized Person and may be represented by counsel. In addition, each party may, with permission of the mediator, bring with him, her, or it any additional persons who are needed to respond to questions, contribute information, and participate in the negotiations.

25.02.8 Conduct of Mediation. The mediator shall advise the parties in writing of the format for the meeting or meetings. If the mediator believes it shall be useful after reviewing the position papers, the mediator shall give both himself or herself and the Authorized Persons an opportunity to hear an oral presentation of each party's views on the matter in dispute. The mediator shall assist the Authorized Persons to negotiate a resolution of the matter in dispute, with or without the assistance of counsel or others. To this end, the mediator is authorized both to conduct joint meetings and to attend separate private caucuses with the parties. All mediation sessions shall be strictly private. The mediator shall keep confidential all information learned unless specifically authorized by the party from which the information was obtained to disclose the information to the other party. The parties commit to participate in the proceedings in good faith with the intention of resolving the dispute if at all possible.

25.02.9 Termination of Procedure. The parties agree to participate in the mediation procedure to its conclusion, as set forth in this section. The mediation may be concluded: (a) by the signing of a settlement agreement by the parties; (b) by the mediator's declaration that the mediation is terminated; or (c) by a written declaration of either party, no earlier than at the conclusion of a full day's mediation, that the mediation is terminated. Even if the mediation is terminated without resolving the dispute, the parties agree not to terminate negotiations and not to begin any arbitration or legal action or seek another remedy before the expiration of five (5) days following the mediation. A

party may begin arbitration within this period only if the arbitration might otherwise be barred by an applicable statute of limitations or in order to request an injunction from a Court of competent jurisdiction to prevent irreparable harm.

25.02.10 Fees of Mediator; Disqualification. The fees and expenses of the mediator shall be shared equally by the parties. The mediator may not later serve as a witness, consultant, expert or counsel for any party with respect to the dispute or any related or similar matter in which either of the parties is involved.

25.02.11 Confidentiality. The mediation procedure is a compromise negotiation or settlement discussion for purposes of federal and state rules of evidence. The parties agree that no stenographic, visual or audio record of the proceedings may be made. Any conduct, statement, promise, offer, view or opinion, whether oral or written, made in the course of the mediation by the parties, their agents or employees, or the mediator is confidential and shall be treated as privileged. No conduct, statement, promise, offer, view or opinion made in the mediation procedure is discoverable or admissible in evidence for any purpose, not even impeachment, in any proceeding involving either of the parties. However, evidence that would otherwise be discoverable or admissible shall not be excluded from discovery or made inadmissible simply because of its use in the mediation.

25.03 Arbitration. Except as provided in Article 25.04, and if not resolved by the negotiation and mediation procedures described under Section 25.02 above, any dispute, controversy or claim between you and/or a Franchisee Related Party, on the one hand, and Booskerdoo and/or any Booskerdoo Related Party, on the other hand, including, without limitation, any dispute, controversy or claim arising under, out of, in connection with or in relation to: (a) this Agreement; (b) the relationship of the parties; (c) the events leading up to the entry into this Agreement; (d) any lease or sublease for your Café; (e) any loan or other finance arrangement between Booskerdoo or Booskerdoo's affiliates and you; (f) the parties' relationship; (g) the Franchised Café; (h) any of the System's Standards and Specifications; (i) any claim based in tort or any theory of negligence; or (j) the scope of validity of the arbitration obligation under this Section 25.03, shall be determined in New Jersey by the AAA. The arbitration shall be administered by one arbitrator of the AAA pursuant to its Commercial Arbitration Rules then in effect. The arbitrator shall be an attorney with substantial experience in franchise law. If proper notice of any hearing has been given, the arbitrator shall have full power to proceed to take evidence or to perform any other acts necessary to arbitrate the matter in the absence of any party who fails to appear. The arbitration shall be conducted in accordance with the following provisions:

25.03.1 In connection with any arbitration proceeding, each party shall submit or file any claim which would constitute a compulsory counterclaim (as defined by the then-current Rule 13 of the Federal Rules of Civil Procedure) within the same proceeding as the claim to which it relates. Any such claim which is not submitted or filed in such proceeding shall be forever barred.

25.03.2 Any arbitration shall be on an individual basis and the parties and the arbitrator shall have no authority or power to proceed with any claim as a class action, associational action, or otherwise to join or consolidate any claim with any claim or any other proceeding involving third parties. If a court or arbitrator determines that this

limitation on joinder of, or class action certification of, claims is unenforceable, then the agreement to arbitrate the dispute shall be null and void and the parties shall submit all claims to the jurisdiction of the courts, in accordance with Section 25.01. The arbitration shall take place in Monmouth County, New Jersey or at Booskerdoo's then-current office location, or in such other location if Booskerdoo so designates.

25.03.3 The arbitrator shall follow the law and not disregard the terms of this Agreement. The arbitrator may not consider any settlement discussions or offers that might have been made by either you or Booskerdoo. The arbitrator may not under any circumstance: (a) stay the effectiveness of any pending termination of this Agreement; (b) assess punitive or exemplary damages; (c) certify a class or a consolidated action; or (d) make any award which extends, modifies or suspends any lawful term of this Agreement or any reasonable standard of business performance that we have set. The arbitrator shall have the right to make a determination as to any procedural matters that court of competent jurisdiction would be permitted to make in the state in which the main office of Booskerdoo is located. Further, the arbitrator shall decide all factual, procedural, or legal questions relating in any way to the dispute between the parties, including, without limitation, questions relating to whether Section 25.03 is applicable and enforceable as against the parties; the subject matter, timeliness, and scope of the dispute; any available remedies; and the existence of unconscionability and/or fraud in the inducement.

25.03.4 The arbitrator can issue summary orders disposing of all or part of a claim and provide for temporary restraining orders, preliminary injunctions, injunctions, attachments, claim and delivery proceedings, temporary protective orders, receiverships, and other equitable and/or interim/final relief. Each party consents to the enforcement of such orders, injunctions, etc., by any court having jurisdiction.

25.03.5 The arbitrator shall have subpoena powers limited only by the laws of the State of New Jersey.

25.03.6 The parties ask that the arbitrator limit discovery to the greatest extent possible consistent with basic fairness in order to minimize the time and expense of arbitration. The parties to the dispute shall otherwise have the same discovery rights as are available in civil actions under the laws of the State of New Jersey.

25.03.7 All other procedural matters shall be determined by applying the statutory, common laws, and rules of procedure that control a court of competent jurisdiction in the State of New Jersey.

25.03.8 Other than as may be required by law, the entire arbitration proceedings (including, without limitation, any rulings, decisions or orders of the arbitrator), shall remain confidential and shall not be disclosed to anyone other than the parties to this Agreement.

25.03.9 The judgment of the arbitrator on any preliminary or final arbitration award shall be final and binding and may be entered in any court having jurisdiction.

25.03.10 Booskerdoo reserves the right, but has no obligation, to advance your share of the costs of any arbitration proceeding in order for such arbitration proceeding to take place and by doing so shall not be deemed to have waived or relinquished Booskerdoo's right to seek recovery of those costs against you.

25.04 Exceptions to Arbitration and Mediation.

25.04.1 Notwithstanding the provisions of Sections 25.02 and 25.03, Booskerdoo shall be entitled, without bond, to the entry of temporary, preliminary and permanent injunctions and orders of specific performance enforcing the provisions of this Agreement in any court of competent jurisdiction relating to: (a) your and/or any Franchisee Related Party's use of the Marks; (b) the covenants under Article 19, including your covenants not to compete and confidentiality covenants; (c) your obligations upon termination or expiration of the franchise; and/or (d) the transfer or assignment by you of the Franchised Café. If Booskerdoo secures any such injunction or order of specific performance, you agree to pay to Booskerdoo an amount equal to the aggregate of Booskerdoo's costs of obtaining such relief, including, without limitation, reasonable attorneys' fees, costs of investigation and proof of facts, court costs, other litigation expenses, travel and living expenses and any damages incurred by Booskerdoo as a result of the breach of any such provision.

25.04.2 Further, at the election of Booskerdoo, or its affiliate, the mediation and arbitration provisions Sections 25.02 and 25.03, inclusive of all subparts, shall not apply to: (a) any claim by Booskerdoo relating to your failure to pay any fee due to Booskerdoo under this Agreement; (b) any claim by Booskerdoo relating to your failure to comply with the covenants set forth in Article 19; and/or (c) any claim by Booskerdoo or its affiliates relating to your use of the Marks and/or the System, including, without limitation, claims for violations of the Lanham Act.

25.05 Survival. The provisions of Article 25 are intended to benefit and bind certain third party non-signatories and shall continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement.

25.06 Franchisee May Not Withhold Payment Due Booskerdoo. You agree that you shall not, on grounds of the alleged non-performance by Booskerdoo of any of its obligations hereunder, or on any other grounds, withhold payment of any Royalty Fees, Marketing Fees or any other fees due to Booskerdoo from you under this Agreement.

25.07 Waiver of Rights. EACH OF THE PARTIES HERETO KNOWINGLY, VOLUNTARILY AND INTENTIONALLY AGREE AS FOLLOWS:

25.07.1 Jury Trial. **Each of the parties hereto EXPRESSLY WAIVES THE RIGHT ANY PARTY MAY HAVE TO A TRIAL BY JURY IN ANY ARBITRATION, ACTION, PROCEEDING, OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, INCLUDING, WITHOUT LIMITATION, FOR ANY CLAIMS RELATING DIRECTLY OR INDIRECTLY TO THIS AGREEMENT, THE NEGOTIATION OF THIS AGREEMENT, THE EVENTS LEADING UP TO THE SIGNING OF THIS AGREEMENT, OR THE BUSINESS RELATIONSHIP RELATING TO THIS AGREEMENT OR THE FRANCHISE,**

WHETHER BROUGHT IN STATE OR FEDERAL COURT, WHETHER BASED IN CONTRACT THEORY, NEGLIGENCE OR TORT, AND REGARDLESS OF WHETHER OR NOT THERE ARE OTHER PARTIES IN SUCH ACTION OR PROCEEDING. This waiver is effective even if a court of competent jurisdiction decides that the arbitration provision in Section 25.03 is unenforceable. Each party acknowledges that he, she or it has had full opportunity to consult with counsel concerning this waiver, and that this waiver is informed, voluntary, intentional, and not the result of unequal bargaining power.

25.07.2 Damage Waiver. Each of the parties hereto EXPRESSLY WAIVES ANY CLAIM FOR PUNITIVE, MULTIPLE AND/OR EXEMPLARY DAMAGES, *except that* this waiver and limitation shall not apply with respect to: (1) your obligation to indemnify Booskerdoo pursuant to any provision of this Agreement; and (2) any claims Booskerdoo brings against you and/or your Guarantors and/or owners for: unauthorized use of the Marks, unauthorized use or disclosure of any Confidential Information, unfair competition, breach of your covenants under Article 19, including your in-term and post-term non-competition covenants, and/or any cause of action under the Lanham Act. Notwithstanding the foregoing, Booskerdoo shall be entitled to receive an award of multiple damages, attorneys' fees and all damages as provided by law.

25.07.3 Each of the parties hereto EXPRESSLY AGREES THAT IN THE EVENT OF ANY FINAL DETERMINATION, ADJUDICATION OR APPLICABLE ENACTMENT OF LAW THAT PUNITIVE, MULTIPLE AND/OR EXEMPLARY DAMAGES MAY NOT BE WAIVED, ANY RECOVERY BY ANY PARTY IN ANY ARBITRATION OR OTHER FORUM SHALL NEVER EXCEED TWO (2) TIMES ACTUAL DAMAGES, except that Booskerdoo may recover more than two (2) times its actual damages if you commit acts of willful trademark infringement or otherwise violate the Lanham Act, as provided by law.

25.08 Limitation of Action.

25.08.1 Except for claims arising from your non-payment or underpayment of amounts you owe to Booskerdoo, or claims related to your unauthorized use of the Marks, any and all claims arising out of or related to this Agreement or the relationship of the parties shall be barred unless a judicial or arbitration proceeding, as required under this Agreement, is commenced within one (1) year from the date on which the party asserting such claim knew or should have known of the facts giving rise to such claims, and that any action not so brought shall be barred, whether as a claim, counterclaim, defense or setoff.

25.08.2 You hereby acknowledge and agree that you may not maintain any action against Booskerdoo or any Booskerdoo Related Party unless: (a) you deliver written notice of any claim to the other party within one hundred eighty (180) days after the event complained of becomes known to you; (b) you strictly adhere to the negotiation and mediation procedures described in Article 25; and (c) you file an arbitration within one (1) year after the notice is delivered.

25.09 Cumulative Rights. No right or remedy conferred upon or reserved to Booskerdoo or you by this Agreement is intended to be, nor shall be deemed to be, exclusive

of any other right or remedy herein or by law or equity provided or permitted, but each shall be cumulative of every other right or remedy.

25.10 Injunctive Relief. You recognize that you are a member of a franchise system and that your acts and omissions may have a positive or negative effect on the success of other businesses operating under the Marks and in association with the System. You acknowledge that failure on the part of a single franchisee to comply with the terms of its franchise agreement is likely to cause irreparable damage to Booskerdoo and to some or all of the other franchisees of Booskerdoo. For this reason, you agree that if Booskerdoo can demonstrate to a court of competent jurisdiction that there is a substantial likelihood of your breach or threatened breach of any of the terms of this Agreement, Booskerdoo shall be entitled to an injunction restraining the breach or to a decree of specific performance, without showing or proving any actual damage. Without limiting the generality of the foregoing, nothing herein contained shall bar Booskerdoo's right to obtain injunctive relief, without posting bond or security, against conduct or threatened conduct that shall cause it loss or damages, under the usual equity rules, including the applicable rules for obtaining restraining orders, preliminary and permanent injunctions, and orders of specific performance enforcing the provisions of this Agreement. Additionally, and without limiting the generality of the foregoing, Booskerdoo shall have the right to seek injunctive relief to prohibit any act or omission by you or your employees that constitute a violation of any applicable law, is dishonest or misleading to the public, or which may impair the goodwill associated with the Marks, Trade Dress or the System.

25.11 No Class or Collective Actions. You agree that any arbitration, or, if applicable, litigation, between you and/or any Franchisee Related Party, on the one hand, and Booskerdoo and/or any Booskerdoo Related Party, on the other hand, shall be on such party's individual claim and that the claim or claims subject to arbitration and/or litigation shall not be arbitrated or litigated on a class-wide, associational or collective basis.

25.12 Post-Term Applicability. The provisions of Article 25 shall continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement, however effected.

25.13 Costs and Attorneys' Fee. Booskerdoo shall be entitled to recover from you all of Booskerdoo's costs and expenses, including attorneys' fees, accounting fees, expert witness fees, and any other reasonably incurred fees, if Booskerdoo is the prevailing party in any action, including arbitration, litigation, any motion to compel arbitration, and/or any action on appeal, with you and/or any of your owners or Guarantors, including, without limitation, any action: (a) to enforce the terms of this Agreement; (b) for violation of this Agreement; or (c) for violation of the Lanham Act or other state or federal statutes. Without limiting the generality of the foregoing, if Booskerdoo incurs costs and expenses due to Franchisee's failure to pay when due amounts owed to Booskerdoo or its affiliates, to submit when due any reports, information, or supporting records, or otherwise comply with this Agreement, Franchisee agrees, whether or not Booskerdoo initiates a formal arbitration or legal proceeding, to reimburse Booskerdoo for all of the costs and expenses that Booskerdoo incurs including, without limitation, reasonable accounting, attorneys' and related fees and costs.

ARTICLE 26. ACKNOWLEDGMENTS; MISCELLANEOUS

26.01 Independent Investigation. You acknowledge that you have conducted an independent investigation of the Franchised Café, and recognize that, like any other business, the business venture contemplated by this Agreement involves business risks. Your success in this business is not guaranteed, is speculative and depends, to an important extent, upon your ability as an independent businessperson. Booskerdoo does not represent or warrant that the Café shall achieve a certain level of sales or be profitable, notwithstanding Booskerdoo's grant of this license or approval of the Approved Café Location. Booskerdoo expressly disclaims the making of, and you acknowledge that you have not received, any warranty or guarantee, express or implied, as to the potential volume, profits, or success of the business venture contemplated by this Agreement. By signing this Agreement, you acknowledge that you have entered into it after making an independent investigation of the System.

26.01.1 FDD Acknowledgment. You acknowledge that you received Booskerdoo's Franchise Disclosure Document (the "FDD") at least fourteen (14) calendar days prior to the date on which this Agreement was executed and that you have read the FDD. You acknowledge that the FDD is a disclosure document, not a contract, and that this Agreement embodies the entire contractual agreement between the parties.

26.01.2 Consultation with Business Advisor. You acknowledge that you have read and understood this Agreement, the attachments hereto and all agreements relating thereto, if any. You acknowledge that Booskerdoo has accorded you ample time and opportunity to consult with advisors of your own choosing about the potential benefits and risks of entering into this Agreement. You further acknowledge that Booskerdoo has advised you to seek franchise counsel to review and evaluate this Agreement.

26.01.3 No Reliance. You acknowledge that you are relying solely on Booskerdoo and not on any affiliated entity or parent company related to Booskerdoo with regard to Booskerdoo's financial and other obligations under this Agreement, and no employee or other person speaking on behalf of, or otherwise representing Booskerdoo has made any statements or promises to the effect that any affiliated entities or parent companies guarantee Booskerdoo's performance or financially back Booskerdoo.

26.02 No Guarantee of Performance. You understand that neither Booskerdoo, nor any of Booskerdoo's representatives and/or agents with whom you have met have made, and are not making, any guarantees, express or implied, as to whether or not the Franchised Café shall break even, be successful or profitable. You acknowledge that *Booskerdoo* franchise opportunity is a newly offered opportunity with no track record or operating history, other than as expressly disclosed in the FDD. You accept all risks, including the risk of loss of your entire investment. You acknowledge that neither Booskerdoo nor any of its representatives and/or agents with whom you have met or corresponded with, have, in any way, represented or promised any specific amounts of earnings or profits in association with your Franchised Café or any other Café. You further understand, acknowledge and agree that any information you obtain from any *Booskerdoo* franchisee, including relating to their sales, profit, cash flows, and/or expenses, does not

constitute information obtained from us, nor do we make any representation as to the accuracy of any such information.

26.02.1 No Personal Liability. You agree that fulfillment of any and all of Booskerdoo's obligations written in this Agreement or based on any oral communications which may be ruled to be binding in a court of law shall be Booskerdoo's sole responsibility and none of its agents, representatives, nor any individuals associated with it shall be personally liable to you for any reason.

26.03 Anti-Terrorist Activities and Representations. You acknowledge that it is Booskerdoo's intent to comply with all anti-terrorism laws enacted by the U.S. Government. You acknowledge that you are not now, nor have you ever been, a suspected terrorist or otherwise associated directly or indirectly with terrorist activity. At any time during the Term, if Booskerdoo is prohibited from doing business with you under any anti-terrorism law enacted by the U.S. Government, then this Agreement may be terminated immediately by Booskerdoo. You further certify and warrant that neither you, nor any of your owners, principals, employees or associates (including all spouses, shareholders, members or partners (as applicable)), are: (a) a person or entity designated by the U.S. Government on the list of the Specially Designated Nationals and Blocked Persons (the "SDN List") with which a U.S. person or entity cannot deal with or otherwise engage in business transactions; (b) a person or entity who is otherwise the target of U.S. economic sanctions and trade embargoes, such that a U.S. person or entity cannot deal or otherwise engage in business transactions with you or your shareholders, members or partners; (c) either wholly or partly owned or partly controlled by any person or entity on the SDN List, including, without limitation, by virtue of such person being a director or owning voting shares or interests in an entity on the SDN List; (d) a person or entity acting, directly or indirectly, for or on behalf of any person or entity on the SDN List; or (e) a person or entity acting, directly or indirectly, for or on behalf of a foreign government that is the target of sanctions regulations such that the entry into this Agreement would be prohibited under U.S. law.

26.03.1 You shall comply with, and assist Booskerdoo to the fullest extent possible in Booskerdoo's efforts to comply with, the Anti-Terrorism Laws (as defined below). You shall not hire nor have any dealings with any person listed on the SDN List, as it may be modified from time to time. You are solely responsible for ascertaining what actions shall be taken by you to comply with all Anti-Terrorism Laws. You specifically acknowledge and agree that your indemnification obligations under this Agreement pertain to your obligations under this Section 26.03. Any misrepresentation by you under this Section 26.03, or any violation of any Anti-Terrorism Laws by you, your owners, principals or employees, shall constitute grounds for immediate termination of this Agreement and any other agreement you have entered into with Booskerdoo or its affiliates. As used herein, "Anti-Terrorism Laws" means Executive Order 13224 issued by the President of the United States, the Terrorism Sanctions Regulations (Title 31, Part 595 of the U.S. Code of Federal Regulations), the Foreign Terrorist Organizations Sanctions Regulations (Title 31, Part 597 of the U.S. Code of Federal Regulations), the Cuban Assets Control Regulations (Title 31, Part 515 of the U.S. Code of Federal Regulations), the USA PATRIOT Act, and all other present and future federal, state and local laws, ordinances, regulations, policies, lists and any other requirements of any Governmental Authority (including, without limitation,

The United States Department of Treasury Office of Foreign Assets Control) addressing or in any way relating to terrorist acts and acts of war.

26.04 Representation. You represent to Booskerdoo, as an inducement to Booskerdoo's entry into this Agreement, that all statements that you have made and all materials you have submitted to Booskerdoo in connection with your purchase of this franchise are accurate and complete and that you have made no misrepresentations or material omissions in obtaining the franchise. Booskerdoo has approved of your purchasing of a franchise in reliance upon all of your representations.

26.05 Entire Agreement. This Agreement, inclusive of all exhibits hereto, constitutes the entire, full and complete agreement and understanding between the parties and supersedes any and all prior agreements, no other representations, promises, warranties or agreements have induced you to execute this Agreement with Booskerdoo. Both parties acknowledge and agree that there are no oral or written representations, promises, assurances, warranties, covenants, "side-deals", rights of first refusal, options or understandings other than those expressly contained in this Agreement. This Agreement supersedes all prior agreements, no other representations, promises, warranties, assurances, covenants, "side-deals", rights of first refusal, options or understandings having induced you to execute this Agreement. The parties agree that, in entering into this Agreement, they are each relying on their own judgment, belief and knowledge as to any claims and further acknowledge that no promise, inducement or agreement or any representations and warranties not expressed herein have been made to procure their agreement hereto. The parties further acknowledge that they have read, fully understand and fully agreed to the terms of this Agreement. Except for those permitted to be made unilaterally by Booskerdoo hereunder, no amendment, change, or variance from this Agreement shall be binding on either party unless mutually agreed to by the parties and executed by their authorized officers or agents in writing. Notwithstanding the foregoing, nothing in this Agreement is intended to disclaim the representations Booskerdoo made in the franchise disclosure document Booskerdoo furnished to you.

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed, and delivered this Agreement on the day and year first above written.

BOOSKERDOO FRANCHISE LLC

By: _____
James Caverly, CEO

THIS CONTRACT CONTAINS A BINDING ARBITRATION PROVISION. THIS AGREEMENT CONTAINS EXPRESS WAIVERS OF: (A) ANY AND ALL RIGHTS TO A JURY TRIAL; (B) ANY AND ALL RIGHTS TO PARTICIPATE IN CLASS ACTION ARBITRATION AND/OR LAWSUITS; (C) YOUR RIGHT TO OBTAIN PUNITIVE, MULTIPLE OR EXEMPLARY DAMAGES; AND (D) YOUR RIGHT TO BRING ANY CLAIM OR ACTION LATER THAN ONE (1) YEAR AFTER THE DISCOVERY OF THE FACTS GIVING RISE TO SUCH CLAIMS OR ACTIONS.

FRANCHISEE:

WITNESS

By: _____
Print Name: _____
Title: _____

**EXHIBIT A TO
BOOSKERDOO FRANCHISE LLC FRANCHISE AGREEMENT**

CONTRACT DATA SHEET

1. **Effective Date:** _____
2. **Approved Café Location:** The Franchised Café will be located at (check (a) or (b), as applicable):

☐ (a) _____
(Street Address, City, State and Zip Code)

☐ (b) The Approved Café Location has not been determined as of the Effective Date of this Agreement. Franchisee shall secure the Approved Café Location in accordance with the terms and conditions of the Franchise Agreement within the general area described as follows (the "Designated Area"):

(Indicate City, County or Area within which the Franchised Café shall be located.)

If (b) above is selected, the parties shall amend this Contract Data Sheet to reflect the address of the Café and the Protected Territory, once the Approved Café Location is secured by Franchisee in accordance with the terms of the Franchise Agreement.

3. **Protected Territory.** The Protected Territory shall be comprised of the following area: _____
4. **Initial Franchise Fee.** \$ _____
5. **Grand Opening Advertising Expenditure Requirement.** \$ _____
6. **Franchisee Information.** (Check and complete as appropriate.)

☐ (a) The following individual(s) is the Franchisee: _____

Address: _____
Telephone Number: _____

☐ (b) The Franchisee is the following corporation:

Name: _____

State of Incorporation: _____

Shareholder Name (each an "Owner")	Shareholder Address & Telephone Number	Number of Shares

List of all Officers and Directors: _____

Telephone Number: _____

☐ (c) The Franchisee is the following limited liability company:

Name: _____

State of Formation: _____

Member Name (each an "Owner")	Member Address & Telephone Number	Percentage Ownership Interest

List of all Managers and Officers: _____

Telephone Number: _____

☐ (d) The Franchisee is the following partnership:

Name: _____

State of Formation: _____

Partner Name (each an "Owner")	Partner Address & Telephone Number	Percentage Ownership Interest

List of all Officers and the General Partner: _____

Telephone Number: _____

**EXHIBIT B TO
BOOSKERDOO FRANCHISE LLC FRANCHISE AGREEMENT**

COLLATERAL ASSIGNMENT OF LEASE

THIS COLLATERAL ASSIGNMENT OF LEASE is made as of the last date below written by and among _____ (“Tenant”), BOOSKERDOO FRANCHISE LLC (“Franchisor”), and _____ (“Landlord”).

RECITALS

WHEREAS, Tenant is the tenant under a certain lease (or sublease), dated _____ (the “Lease”), wherein Landlord leased to Tenant certain premises at _____ (the “Premises”); and

WHEREAS, Tenant and Franchisor have, or will, enter into a Franchise Agreement (the “Franchise Agreement”), whereby Franchisor will grant to Tenant the right to open and operate a franchised café under the mark Booskerdoo™ at the Premises; and

WHEREAS, as a condition to Franchisor entering into the Franchise Agreement, Franchisor has required that Tenant assign its right, title and interest in the Lease, with the right to reassign (as provided therein), as security for Tenant’s obligations and Franchisor’s rights under the Franchise Agreement; and

WHEREAS, in order to induce Franchisor to enter into the Franchise Agreement, Tenant has agreed to assign its right, title and interest in the Lease, with the right to reassign (as provided therein), as security for Tenant’s obligations and Franchisor’s rights under the Franchise Agreement.

AGREEMENT

NOW, THEREFORE, in consideration for the foregoing premises and the mutual promises contained herein and in the Franchise Agreement, and in order to secure Tenant’s obligations and Franchisor’s rights under the Franchise Agreement, Tenant does hereby collaterally assign, transfer and set over unto Franchisor, with the right to reassign (as provided herein), all of its right, title and interest in and to the Lease and in and to the Premises; it being nevertheless expressly understood and agreed that this assignment is made and is consented to by the Landlord contingent upon the following terms, covenants, limitations and conditions:

1. Tenant’s Right to Possession. Tenant shall retain right to possession of the Premises in accordance with the terms and conditions of the Lease until the occurrence of an Assignment Event (as defined in paragraph 2 of this Agreement).

2. Assignment Events.

2.1 Franchisor shall have the right to exercise either of the options set forth in paragraphs 2.1(i) or 2.1(ii) below upon: (a) Franchisor's declaration of a default by Tenant under the Franchise Agreement, which remains uncured beyond all applicable notice and cure periods; (b) the expiration or earlier termination of the Franchise Agreement; or (c) an expression by Tenant of its desire to terminate the Lease (each, an "Assignment Event"). Upon the occurrence of an Assignment Event, Franchisor shall have the option to either:

(i) assume and occupy the Premises upon written notice to Landlord and Tenant, in which event Franchisor shall be deemed to be substituted as the tenant under the Lease in the place and stead of Tenant and shall be deemed to have assumed expressly all of the terms, covenants and obligations of the Lease theretofore applicable to Tenant and shall likewise be entitled to enjoy all of the rights and privileges granted to Tenant under the terms and conditions of the Lease; or

(ii) assign the Lease to an affiliate or an approved Booskerdoo™ franchisee, without obtaining Landlord's prior written consent, provided that, in the event of an assignment to a franchisee, such franchisee: (x) has a net worth equal to or greater than the net worth of Tenant at the time of Lease execution; (y) assumes all of Tenant's obligations under the Lease; and (z) completes Franchisor's initial training program to Franchisor's satisfaction.

2.2 If Franchisor exercises either of the rights set forth in paragraphs 2.1(i) or 2.1(ii) above, Tenant shall remain obligated under the Lease and Tenant shall be liable to Franchisor for all payments by Franchisor for rent and other Lease obligations. The parties acknowledge that such payments are reasonable expenses of foreclosure.

2.3 If Franchisor exercises either of the rights set forth in paragraphs 2.1(i) or 2.1(ii) above, Landlord shall not terminate or accelerate the rent owed under the Lease in connection with any such assignment, so long as Franchisor, or its franchisee, assumes, in writing, the obligations of Tenant under the Lease. Nothing in this Paragraph 2.3 shall serve to extend the term of the Lease or provide Franchisor with occupancy rights, options to renew or other rights not expressly set forth to Tenant in the Lease.

3. Agreement of Landlord.

3.1 Landlord agrees to provide Franchisor with copies of any and all letters and notices to Tenant pertaining to the Lease and the Premises at the same time that such letters and notices are sent to Tenant.

3.2 Landlord further agrees that, if it intends to terminate the Lease, Landlord will give Franchisor the same advance written notice of such intent as provided to Tenant, specifying in such notice all defaults that are the cause of any proposed termination. Franchisor shall have the right to cure, at its sole option, any such default within the time periods granted to Tenant under the Lease.

3.3 If neither Tenant nor Franchisor cures all such defaults within the prescribed time period (or such longer period as may be specifically permitted by the Lease), then the Landlord may terminate the Lease, re-enter the Premises, and/or exercise all other rights as set forth in the Lease. Landlord will promptly notify Franchisor of any expression by Tenant of its desire to terminate the Lease.

4. Right to Enter and Make Modifications to Premises. Before the expiration or termination of the Lease, Franchisor shall have the right to enter the Premises to make any reasonable modifications or reasonable alterations necessary to protect Franchisor's interest in Booskerdoo™ franchise system or its proprietary marks, or to cure any default under the Franchise Agreement entered into by and between Franchisor and Tenant, or any affiliate of Tenant. Landlord and Tenant agree that Franchisor shall not be liable for trespass or any other crimes or tort.

5. Notices. All notices and demands required to be given hereunder shall be in writing and shall be sent by personal delivery, expedited delivery service, certified or registered mail, return receipt requested, first-class postage prepaid, facsimile, telegram or telex (provide that the sender confirm the facsimile, telegram or telex by sending an original confirmation copy by certified transmission), to the respective parties at the following addresses unless and until a different address has been designated by written notice to the other parties.

If to Franchisor:

BOOSKERDOO FRANCHISE LLC
1321A Memorial Drive
Asbury Park, NJ 07712

With a copy to:
Marks & Klein, LLP
63 Riverside Aveune
Red Bank, NJ 07701

If to Tenant:

If to Landlord:

Any notices sent by personal delivery shall be deemed given upon receipt. Any notices given by telex or facsimile shall be deemed given on the business day of transmission, provided confirmation is made as provided above. Any notice sent by expedited delivery service or registered or certified mail shall be deemed given three (3) business days after the time of mailing. Any change in the foregoing addresses shall be effected by giving fifteen (15) days written notice of such change to the other parties.

6. No Material Modification of Lease. Landlord and Tenant will not amend, renew, extend or otherwise modify the Lease in any manner which would materially affect any of the foregoing provisions without Franchisor's prior written consent.

7. Acknowledgment. The parties hereby acknowledge and agree that, so long as Franchisor shall not have exercised its option to take possession of the Premises under this Agreement, Franchisor shall not be liable for rent or any other obligations under the Lease.

IN WITNESS WHEREOF, the parties hereto have executed this Collateral Assignment of Lease as of the ____ day of _____, ____.

ASSIGNOR:

WITNESS

By: _____
Print Name: _____
Title: _____

FRANCHISOR:

BOOSKERDOO FRANCHISE LLC

WITNESS

By: _____
Print Name: _____
Title: _____

LANDLORD:

WITNESS

By: _____
Print Name: _____
Title: _____

**EXHIBIT C TO
BOOSKERDOO FRANCHISE LLC FRANCHISE AGREEMENT**

PERSONAL GUARANTEE

The undersigned hereby execute this **PERSONAL GUARANTEE** (this “Guarantee”), as of the last date written below, in order to, among other things, induce BOOSKERDOO FRANCHISE LLC (“Franchisor”) to enter into, or permit the transfer of, that certain Booskerdoo Franchise LLC Franchise Agreement, dated _____ (the “Franchise Agreement”), with _____ (“Franchisee”).

RECITALS

WHEREAS, the undersigned constitute all of the shareholders, members, partners, or other persons or entities interested in effecting the grant or transfer of the Franchise Agreement by Franchisor to Franchisee; and

WHEREAS, Franchisor is relying on this Guarantee to ensure that there are sufficient assets to operate the franchised business and to protect Franchisor in the event Franchisee commits a default under the Franchise Agreement; and

WHEREAS, Franchisor is only willing to enter into the Franchise Agreement if each of the undersigned personally guarantee Franchisee’s obligations thereunder.

AGREEMENT

NOW, THEREFORE, the undersigned, in consideration of the undertakings and commitments of each such party set forth in this Guarantee, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, hereby agree as follows:

1. The undersigned hereby represent and warrant that they constitute [*check all that apply*]:

- ☐ the holders of one hundred percent (100%) of the originally issued and outstanding capital stock of Franchisee, a corporation;
- ☐ one hundred percent (100%) of the members of Franchisee, a limited liability company (“LLC”);
- ☐ one hundred percent (100%) of the partners of Franchisee, a partnership (“Partnership”); and/or
- ☐ Franchisee’s spouse and/or the spouses of the shareholders, members or partners of Franchisee, as applicable.

2. Each of the undersigned individuals personally, jointly and severally, agrees to be bound by all the terms and conditions of the Franchise Agreement, including any amendments thereto, whenever made, and absolutely, irrevocably and unconditionally guarantees to Franchisor, and its successors and assigns, that all of Franchisee's obligations under the Franchise Agreement will be punctually paid and performed.

3. The undersigned acknowledges and agrees that Franchisor has entered into the Franchise Agreement with Franchisee solely on the condition that each owner of Franchisee, and each owner's spouse, be personally obligated and jointly and severally liable with Franchisee (and with each other owner of Franchisee) for the performance of each and every obligation of Franchisee (and its owners) under: (i) the Franchise Agreement, including any amendments thereto or extensions or renewals thereof, and (ii) each and every other agreement entered into by Franchisee in connection with the Franchise Agreement, including any lease agreement (all aforementioned agreements are collectively referred to as "Booskerdoo Agreements"). Without limiting the generality of the foregoing, the undersigned acknowledge and agree that each individual is personally bound by the confidentiality restrictions and the covenant against competition set forth in the Franchise Agreement.

4. Without affecting the obligations of the undersigned under this Guarantee, Franchisor may, without notice to the undersigned, extend, modify, or release any indebtedness or obligation of Franchisee, or settle, adjust, or compromise any claims against Franchisee.

5. This Guarantee is effective until all terms of Booskerdoo Agreements have been fully and completely performed by Franchisee, to the satisfaction of Franchisor. No release of Franchisee or discharge of Franchisee under bankruptcy law, or any other law, shall impair or effect the obligations of Guarantor(s) to Franchisor hereunder.

6. The undersigned jointly and severally agree to pay all attorneys' fees, costs and expenses (including any and all continuing fees, including Royalty Fees and Marketing Fees, and associated interest on such amounts, that are determined to be owing to Franchisor due to underreporting by Franchisee) incurred by Franchisor in enforcing this Guarantee, whether or not suit or action is filed, and if suit or action is filed, then through trial and all appeals, and also in any proceedings or matter in Bankruptcy Court, and to assume all liability for all losses, costs, attorney's fees, and expenses that Franchisor incurs as a result of a default by Franchisee, including those fees and expenses incurred in a bankruptcy proceeding involving Franchisee.

7. The undersigned hereby waives the following:

(i) notice of amendment of Booskerdoo Agreements and notice of demand for payment or performance by Franchisee of any obligation under Booskerdoo Agreements;

(ii) presentment or protest of any instrument and notice thereof, and notice of default or intent to accelerate with respect to the indebtedness or nonperformance of any of Franchisee's obligations under Booskerdoo Agreements;

(iii) any right the undersigned may have to require that an action be brought against Franchisee or any other person as a condition of liability;

(iv) the defense of statute of limitations in any action hereunder or for the collection or performance of any obligation;

(v) any and all rights to payments, indemnities and claims for reimbursement or subrogation that the undersigned may have against Franchisee arising from the undersigned's execution of and performance under this Guarantee;

(vi) any defense based on any irregularity or defect in the creation of any of the obligations or modification of the terms and conditions of performance thereof;

(vii) any defense based on the failure of Franchisor or any other party to take, protect, perfect or preserve any right against and/or security granted by Franchisee or any other party; and

(viii) any and all other notices and legal or equitable defenses to which the undersigned may be entitled.

8. Upon default by Franchisee or notice from Franchisor, the undersigned will immediately make each payment and perform each obligation required of Franchisee under Booskerdoo Agreements. Without limiting the generality of the foregoing, the undersigned acknowledges that Franchisor is not required to proceed first against the Franchisee, but may proceed first against the undersigned or any of them alone or concurrent with proceeding against Franchisee. The obligations of the undersigned hereunder are absolute and unconditional.

9. Governing Law; Jurisdiction; Venue.

(i) Except to the extent governed by the United States Trademark Act of 1946 (Lanham Act; 15 U.S.C. §1050 et seq.) or other federal law, this Guarantee and any claims related thereto, shall be governed by, interpreted and construed under the laws of the State of New Jersey, which laws shall prevail in the event of any conflict of law.

(ii) The undersigned hereby acknowledge and agree that the United States District Court for the District of New Jersey shall be the sole and exclusive venue and exclusive proper forum in which to adjudicate any case or controversy arising out of, in connection with, or related to, either directly or indirectly, this Guarantee. The

undersigned agree that the undersigned are subject to personal jurisdiction in the State of New Jersey, and further agree that, in the event of litigation, they will not contest or challenge the *in personam* jurisdiction or venue in New Jersey. If and only if the United States District Court for the District of New Jersey lacks subject matter jurisdiction over any matter litigated under this Guarantee, then the appropriate state court located in Monmouth County, New Jersey shall be the venue and exclusive proper forum for such litigation. The undersigned agree that they are subject to personal jurisdiction in the state courts in Monmouth County, New Jersey and, in any litigation brought in any such court under this Guarantee, the parties agree that they will not contest or challenge the *in personam* jurisdiction or venue of the courts of Monmouth County, New Jersey. Without limiting the generality of the foregoing, the parties waive all questions of jurisdiction or venue for the purposes of carrying out this provision.

10. The undersigned hereby waive any right to trial by jury that they may have in any action brought by Franchisor related, directly or indirectly, to this Guarantee and/or Booskerdoo Agreements, or the negotiation of the Guarantee and/or Booskerdoo Agreements.

11. If one or more provisions contained in this Guarantee shall be invalid, illegal or unenforceable, in any respect under the laws of any jurisdiction, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby.

12. Each of the undersigned acknowledges that: (i) it is a condition to the granting of the Franchise Agreement to Franchisee that each of the undersigned shall execute and deliver this Guarantee to Franchisor; (ii) that Franchisor has entered into the Franchise Agreement with Franchisee in reliance upon the agreement of the undersigned to do so; and (iii) that, as owners of the Franchisee, or spouses of such owners, the undersigned have received adequate consideration to support their execution of this Guarantee. This Guarantee does not grant or create in the undersigned any interests, rights or privileges in Booskerdoo Agreements, or any other franchise or franchise agreement.

[The remainder of this page is intentionally left blank; signature page to follow.]

IN WITNESS WHEREOF, each of the undersigned has executed this Guarantee
as of _____, _____.

GUARANTORS:

Date: _____

By: _____
Print Name: _____, an individual

Date: _____

By: _____
Print Name: _____, an individual

**EXHIBIT D TO
BOOSKERDOO FRANCHISE LLC FRANCHISE AGREEMENT
ELECTRONIC FUNDS TRANSFER FORM**

Franchisee Name: _____ Café #: _____
Address: _____
Contact Name, Address, and Phone Number: _____

Employer Identification Number (if applicable): _____
Principal's Name and Social Security Number: _____

Franchisee's Bank Account Information

Bank Name, Branch and Address: _____

(the "Bank")
Bank Account Number: _____ (the "Bank Account")
Bank Routing Number: _____
Bank Phone Number: _____
Type of Account (Check One): _____ Savings Account _____ Checking
Account

Payment Authorization:

Franchisee hereby authorizes BOOSKERDOO FRANCHISE LLC (hereinafter "Payee"), any financial institution acting on behalf of Payee (hereinafter "Payee's Bank"), and Franchisee's financial institution which is identified above (hereinafter "Franchisee's Bank") to initiate withdraws from the Bank Account indicated on this form, and hereby authorizes the Bank to honor and charge the Bank Account for electronic funds transfers or drafts drawn on the Bank Account and payable to Payee. The amount of such charge shall be set forth in a notice from the Payee presented to the Bank on the days(s) of the week set forth in the Franchise Agreement by and between Payee and Franchisee, and any other agreement Franchisee signs that authorizes Payee or its affiliate to debit Franchisee's account for the fees, which may be modified by Payee, for the payment of continuing fees including royalty fees, marketing fees, POS support fees, gift card program fees and funds flow, and any other fees, charges or debits payable to Payee or its affiliates for any services Payee provides or facilitates. Franchisee agrees to sign such additional documents as may be reasonably requested by Payee or the Bank to evidence the interest of this EFT Authorization. This authority shall remain in full force and effect until Payee has received written notification from Franchisee in such time and manner as to afford Payee and the Bank to act on such notice. Franchisee understands that the termination of this authorization does not relieve Franchisee of its obligations to make payments to Payee. Payee may assign its rights and obligations under this EFT Authorization to Payee's affiliates or agents. Payee may change its designated affiliates or agents at Payee's discretion.

The Franchisee acknowledges that the Bank, Payee, and Payee's Bank must comply with the National Automated Clearing House Association rules. Payee, the Bank and Franchisee's Bank are authorized to make any necessary debits or credits to correct duplicate or erroneous entries. The Franchisee hereby agrees to hold Payee, Payee's Bank, Bank and their agents, successors and assigns harmless from all direct, indirect, special or consequential damages and/or all losses, costs, claims or expenses arising out of or related to the use of this automatic payment service.

This authorization is effective as of the date indicated below and shall remain in full force until the expiration or earlier termination of the Franchise Agreement. The automatic payment process is subject to modification or cancellation at any time by Payee without notice to the Franchisee. This agreement shall be governed by the laws of the State of New Jersey.

NOTE: A separate Authorization Agreement is required for each bank account, even if all accounts are within the same banking institution. Please attach a voided check or deposit slip to this authorization.

**EXHIBIT E TO
BOOSKERDOO FRANCHISE LLC FRANCHISE AGREEMENT**

CONDITIONAL ASSIGNMENT OF TELEPHONE NUMBERS AND LISTINGS

This Conditional Assignment of Telephone Numbers and Listings (the "Assignment") is entered into this ____ day of _____, 20__ ("Effective Date"), in accordance with the terms of the Franchise Agreement ("Franchise Agreement") between BOOSKERDOO FRANCHISE LLC ("Franchisor") and _____ ("Franchisee"), executed concurrently with this Assignment and under which Franchisor granted Franchisee the right to own and operate a franchised café under the mark BOOSKERDOO™ located at _____ (the "Café").

FOR VALUE RECEIVED, receipt of which is hereby acknowledged, Franchisee hereby agrees as follows:

1. Conditional Assignment of Listings. Franchisee hereby conditionally assigns to Franchisor all of Franchisee's right, title and interest in and to: (a) all telephone numbers and regular yellow pages, special, classified and other telephone directory listings used at any time in connection with the operation of the Café; and (b) any and all website and social media addresses and accounts, including, without limitation, Facebook™, Twitter™, LinkedIn™, and any other account that contains any term or any mark the same as or similar to any of Franchisor's trademarks (individually and collectively, the "Listings").

2. No Liability. This Assignment is for collateral purposes only, and except as expressly provided herein, Franchisor shall have no liability or obligation of any kind whatsoever arising from or in connection with this Assignment unless and until Franchisor notifies the telephone company, listing agency and/or webmaster/webhost (each, a "Listing Agency"), as applicable.

3. Effectiveness of Assignment. This Assignment will become effective automatically upon expiration (provided that Franchisee has not obtained a Successor Franchise Agreement) or the earlier termination of the Franchise Agreement. Upon the occurrence of that condition, Franchisee must do all things required by the applicable Listing Agency to assure the effectiveness of the assignment set forth herein as if the Franchisor had been originally issued the Listings, and the usage thereof.

4. Responsibility of Franchisee. Franchisee agrees to pay the Listing Agencies on or before the effective date of assignment all amounts owed for the use of Listing(s). Franchisee further agrees to indemnify Franchisor for any sums Franchisor must pay any Listing Agency to effectuate this assignment, and agrees to fully cooperate with the Listing Agency and Franchisor in effectuating this assignment.

5. Franchisee Acknowledgments. Franchisee agrees and acknowledges that as between Franchisor and Franchisee, Franchisor shall have the sole right to and interest in and to the Listings upon termination or expiration of the Franchise Agreement. Franchisee appoints Franchisor as Franchisee's true and lawful attorney-in-fact to direct the Listing Agency to assign same to Franchisor and execute such documents and take such actions as may be necessary to effectuate the assignment. Upon such event Franchisee shall immediately instruct the applicable Listing Agency to assign the applicable Listing to Franchisor, and /or to assign the Listing account to Franchisor. If Franchisee fails to promptly do so, Franchisor shall direct the appropriate parties to effectuate the assignment contemplated hereunder to Franchisor.

6. Attorney in Fact. The parties agree that the Listing Agency may accept Franchisor's written direction, the Franchise Agreement or this Assignment as conclusive proof of Franchisor's exclusive rights in and to the Listings and that such assignment shall be made automatically and effective immediately upon the Listing Agency's receipt of notice from Franchisor or Franchisee. The parties further agree that if the Listing Agency requires that the parties execute an assignment form or other documentation at the time of termination or expiration of the Franchise Agreement, Franchisor's execution of such forms or documentation on behalf of Franchisee shall effectuate Franchisee's consent and agreement to the assignment. The parties agree that at any time after the date hereof they will perform such acts and execute and deliver such documents as may be necessary to assist in or accomplish the assignment described herein upon termination or expiration of the Franchise Agreement.

[The remainder of this page is intentionally left blank; the signature page to follow.]

IN WITNESS WHEREOF, each of the undersigned has executed this Assignment as of _____, ____.

ASSIGNOR:

[_____]

By: _____

Print Name: _____

Title: _____

ASSIGNEE:

BOOSKERDOO FRANCHISE LLC

By: _____

Print Name: _____

Title: _____

**EXHIBIT F TO
BOOSKERDOO FRANCHISE LLC FRANCHISE AGREEMENT**

CONFIDENTIALITY AND RESTRICTIVE COVENANT AGREEMENT

(To be completed by Franchisee's trained employees, officers, directors, general partners, members and managers, as applicable.)

In consideration of receiving an offer of employment from _____ (the "Franchisee"), and other good and valuable consideration, the receipt and sufficiency of which is acknowledged, and intending to be bound hereby, I hereby acknowledge and agree that:

1. Booskerdoo Franchise LLC ("Franchisor") has developed and owns a unique and distinctive system ("System") relating to the establishment and operation of quick service cafés (each, a "System Café") offering specialty coffees, beverages, baked goods and other items, products and services Booskerdoo designates.

2. Franchisee has acquired the right and license from Franchisor to operate a System Café using the name Booskerdoo™ or such other name as designated by Franchisor (the "Café"), and the right to use in the operation of the Café, Franchisor's trade names, trademarks and service marks (the "Proprietary Marks").

3. As part of your employment with Franchisee, not only will you be exposed to Confidential Information, as defined below, with regard to the operation of the Café, but you will also become familiar with the unique System utilized by Franchisor with regard to the sale of the identified products in System Cafés.

4. For purposes of this Agreement, "Confidential Information" means all information, knowledge, know-how, recipes and techniques related to the Café, Franchisor, Franchisee, the products that Franchisee or Franchisor sell, the System Cafés, and the System, which is communicated to me or learned by me in the course of working for Franchisee, including, without limitation, information of a confidential and proprietary nature concerning the operations of Franchisee or Franchisor, as well as any product pricing information provided to Franchisee by Franchisor or its suppliers and vendors.

4.1 Confidential Information shall not include any information that (i) is or becomes available to the public other than as a consequence of a breach by a person of any fiduciary duty or obligation of confidentiality, including, without limitation, catalogues, product descriptions and sales literature that Franchisor, Franchisee, or any franchisees or licensees of Franchisor or its affiliates have distributed to the public generally; (ii) is disclosed as required by a final, unappealable court order and no suitable protective order, or equivalent remedy, is available; or (iii) I was aware of prior to its disclosure to me in the course and scope of my employment with Franchisee from a source not bound by a confidential obligation.

4.2 Because I am an employee of Franchisee, Franchisor and Franchisee may disclose the Confidential Information to me during the course of the training program or any subsequent ongoing training program, and/or when furnishing to me general assistance and instruction during my employment with Franchisee.

4.3 I will not acquire any interest in the Confidential Information, other than the right to utilize it in on behalf of Franchisee in its the operation of the Café, and the use or duplication of the Confidential Information for any use other than on behalf of the Franchisee in its operation of the Café, would constitute an unfair method of competition.

4.4 The Confidential Information is non-public, proprietary, involves trade secrets of the Franchisee and Franchisor and is disclosed to me solely on the condition that I agree, and I do hereby agree, that I shall hold in confidence all Confidential Information and all other information designated by Franchisee and/or Franchisor as confidential. Unless Franchisor otherwise agrees in writing, I will disclose and/or use the Confidential Information only in connection with my duties to Franchisee, and will continue not to disclose and/or use any such information even after my employment with Franchisee ceases.

5. Non-Competition Covenants. Except as otherwise approved in writing by Franchisor and Franchisee or on behalf of or in connection with a System Café, I shall not:

5.1 while in the employment of the Franchisee, for myself, or through, on behalf of, or in conjunction with any person, persons, partnership, corporation or limited liability company, own, maintain, engage in, be employed by, or have any interest in any Competitive Business (as defined below); or

5.2 for a period of two (2) years following the date on which I cease to be employed by Franchisee, for myself, or through, on behalf of, or in conjunction with any person, persons, partnership, corporation or limited liability company, own maintain, engage in, be employed by, or have any interest in any Competitive Business, which business is located: (a) at the Café location; or (b) within a twenty-five (25)-mile radius of the Café location, or within a twenty-five (25)-mile radius of any other Café in existence or under construction as of the date I cease to be employed by Franchisee.

For purposes of this Agreement, the term "Competitive Business" means any business owning, operating, managing or granting franchises or licenses to others to operate: any store, restaurant, café or foodservice business that offers, as a primary offering, specialty coffees, beverages or baked goods. The term Competitive Business shall not include other Cafés operated by Franchisee pursuant to a valid, binding franchise agreement by and between Franchisee and Booskerdoo.

I agree that each of the foregoing covenants shall be construed as independent of any other covenant or provision of this Confidentiality and Restrictive Covenant Agreement (this "Agreement"). If all or any portion of a covenant in this Agreement is held unreasonable or unenforceable by a court or agency having valid jurisdiction in an unappealed final decision to which Franchisor or Franchisee is a party, I expressly agree to be bound by any lesser covenant subsumed within the terms of such covenant that imposes the maximum duty permitted by law, as if the resulting covenant were separately stated in and made a part of this Agreement.

I understand and acknowledge that Franchisor shall have the right, in its sole discretion, to reduce the scope of any covenant set forth in this Agreement, or any portion thereof, without my consent, effective immediately upon receipt by me of written notice thereof; and I agree to comply forthwith with any covenant as so modified.

6. Franchisor is a third-party beneficiary of this Agreement and may enforce it, solely and/or jointly with the Franchisee. I am aware that my violation of this Agreement may cause Franchisor and the Franchisee irreparable harm; therefore, I acknowledge and agree that the Franchisee and/or Franchisor may apply for the issuance of an injunction preventing me from violating this Agreement, and I agree to pay the Franchisee and Franchisor all the costs it/they incur(s), including, without limitation, legal fees and expenses, if this Agreement is enforced against me. Due to the importance of this Agreement to the Franchisee and Franchisor, any claim I have against the Franchisee or Franchisor is a separate matter and does not entitle me to violate, or justify any violation of this Agreement.

7. In the event of a dispute between the parties arising under this Agreement, the prevailing party shall be entitled to recover reasonable attorneys' fees and costs. Any controversy, claim or dispute arising out of or relating to this Agreement, either during the existence of the employment relationship or afterwards, between the parties hereto, shall be litigated solely in state or federal court in or for Monmouth County, New Jersey. Due to the importance of this Agreement to the Franchisee and Franchisor, I agree that any claim I have against the Franchisee or Franchisor is a separate matter, and does not entitle me to violate, or justify any violation of this Agreement, and must be raised in a separate lawsuit or claim.

8. This Agreement shall be construed under the laws of the State of New Jersey. The only way this Agreement can be changed is in writing signed by both the Franchisee and me and approved, in writing, by Franchisor.

[INSERT POSITION]

Witness

Name: _____

**EXHIBIT G TO
BOOSKERDOO FRANCHISE LLC FRANCHISE AGREEMENT**

(To be completed if Franchisee signs the Franchise Agreement as an individual and subsequently forms a legal entity to operate the Franchised Café.)

ASSIGNMENT & ASSUMPTION AGREEMENT

THIS ASSIGNMENT AND ASSUMPTION AGREEMENT (the “Assignment”) is made and entered into this ____ day of _____, _____, by and between BOOSKERDOO FRANCHISE LLC (“Franchisor”), [insert name of individual franchisee] (“Assignor”), and [insert name of corporation or limited liability company], an entity owned and controlled by Assignor with an address at _____.

RECITALS

WHEREAS, Franchisor and Assignor entered into a certain BOOSKERDOO FRANCHISE LLC FRANCHISE AGREEMENT dated _____ (the “Franchise Agreement”), whereby Assignor was granted the right and undertook the obligation to operate a BOOSKERDOO™ CAFÉ at the location identified in the Franchise Agreement (the “Franchised Business”); and

WHEREAS, Assignor has formed Assignee for the convenience and purpose of owning and operating the Franchised Business; and

WHEREAS, Assignor desires to assign his or her rights and obligations under the Franchise Agreement to Assignee pursuant to and in accordance with the provisions of the Franchise Agreement; and

WHEREAS, Franchisor is willing to consent to the assignment of the Franchise Agreement to Assignee, subject to the terms and conditions of this Assignment, including without limitation, Assignor’s agreement to guarantee the performance by Assignee of its obligations under the Franchise Agreement and to continue to be bound by all of the provisions of the Franchise Agreement.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants contained in this Assignment, and for other good and valuable consideration, the receipt and sufficiency of which is acknowledged, and intending to be legally bound, the parties agree as follows:

1. Assignor hereby assigns and transfers over to Assignee all of his or her rights, title and interest in and to the Franchise Agreement, effective as of the date of this Assignment.

2. Assignee hereby assumes all of Assignor's obligations, assignments, commitments, duties and liabilities under the Franchise Agreement, and agrees to be bound by and observe and faithfully perform all of the obligations, assignments, commitments and duties of the franchisee under the Franchise Agreement with the same force and effect as if the Franchise Agreement were originally written with Assignee as franchisee.

3. Assignor agrees that Assignor shall continue to be bound by all of the terms and conditions of the Franchise Agreement, including, without limitation, all non-competition, confidentiality and indemnification obligations, and that nothing contained in this Assignment herein shall be deemed to relieve Assignor of any of Assignor's obligations contained in the Franchise Agreement. Assignor further agrees to, and by this instrument does hereby, guarantee the performance by Assignee of all of its obligations, commitments, duties and liabilities under the Franchise Agreement.

3.1 Without limiting the foregoing, Assignor irrevocably and unconditionally guarantees to Franchisor that: (i) Assignee will pay all amounts to be paid and otherwise comply with all provisions of the Franchise Agreement and any other agreement between Assignor and Franchisor or its affiliates concerning the operation of the Franchised Business; and (ii) if Assignee defaults in making any such payments or complying with any such provisions, Assignor shall pay forthwith upon demand all amounts due and owing Franchisor and all damages that may arise as a result of any such non-compliance.

4. In the enforcement of any of its rights against Assignor, Franchisor may proceed as if Assignor was the primary obligor under the Franchise Agreement. Assignor waives any right to require Franchisor to first proceed against Assignee or to proceed against or exhaust any security (if any) held by Franchisor or to pursue any other remedy available to it before proceeding against Assignor. No dealing between Franchisor and Assignee shall exonerate, release, discharge or in any way reduce the obligations of Assignor hereunder, in whole or in part, and in particular and without limiting the generality of the foregoing, Franchisor may modify or amend the Franchise Agreement, grant any indulgence, release, postponement or extension of time, waive any term or condition of the Franchise Agreement, or any obligation of Assignee, take or release any securities or other guarantees for the performance by Assignee of any of its obligations, and otherwise deal with Assignee as Franchisor may see fit without affecting, lessening or limiting in any way the liability of Assignor. Notwithstanding any assignment for the general benefit of creditors or any bankruptcy or other act of insolvency by Assignee and notwithstanding any rejection, disaffirmance or disclaimer of this Assignment or the Franchise Agreement, Assignor shall continue to be fully liable.

5. This Assignment is entered into in the State of New Jersey and shall be construed and interpreted in accordance with its laws, which laws shall control in the event of any conflict of law.

6. This Assignment shall be binding and inure to the benefit of the parties and their respective heirs, successors and assigns.

7. Assignor and Assignee acknowledge and agree that they are bound by the dispute resolution provisions of the Franchise Agreement. Assignor and Assignee further agree that they have and will continue to have a substantial relationship with Franchisor at its offices in Monmouth County, New Jersey and that, with the exception of Franchisor's right to seek injunctive relief in any appropriate jurisdiction as set forth below, any action by or against them arising out of or relating to this Assignment shall be commenced, litigated and concluded only in any state or federal court of general jurisdiction in the State of New Jersey. Assignor and Assignee agree that New Jersey represents the most convenient forum for the parties to litigate any disputes between them. Accordingly, Assignor and Assignee irrevocably submit to the jurisdiction of such court and waive any objection they may have to either the jurisdiction or venue of such court. Assignor and Assignee further waive any objection that such court is an inconvenient forum. Franchisor shall have the option, at its sole discretion, of bringing any action seeking equitable relief to enforce the terms of this Assignment in any court of competent jurisdiction in order to prevent real or threatened harm, and Assignor and Assignee consent to the entry of injunctive relief, including, without limitation, temporary restraining orders and/or preliminary and permanent injunctions without the requirement of bond, according to the usual equity rules in the jurisdiction in which such relief is sought.

8. The Franchise Agreement, including all Exhibits and Amendments thereto, and this Assignment shall constitute the entire integrated assignment between the parties with respect to the subject matter contained herein and shall not be subject to change, modification, amendment or addition without the express written consent of all the parties.

9. In the event that it becomes necessary for Franchisor to retain the services of legal counsel to enforce the terms of this Assignment, Franchisor shall be entitled to recover all costs and expenses, including reasonable attorneys', expert and investigative fees, incurred in enforcing the terms of this Assignment.

10. Each party declares that the terms of this Assignment have been completely read and are fully understood and voluntarily accepted by each party, after having a reasonable opportunity to retain, and confer with counsel. This Assignment is entered into after a full investigation by the parties, and the parties are not relying upon any statements or representations not contained in this Assignment.

11. The persons executing this Assignment on behalf of Assignee acknowledge their authority to do so.

12. The obligations of Assignor and Assignee under this Assignment are joint and several.

**I HAVE READ THE ABOVE AGREEMENT AND UNDERSTAND ITS TERMS.
I WOULD NOT SIGN THIS AGREEMENT IF I DID NOT UNDERSTAND AND
AGREE TO BE BOUND BY ITS TERMS.**

[The next page is the signature page.]

IN WITNESS WHEREOF, the undersigned have affixed their signatures hereto as of the day and date first above written.

ASSIGNOR:

ATTEST

By: _____
Title: _____

ASSIGNEE:

ATTEST

By: _____
Title: _____

FRANCHISOR:

BOOSKERDOO FRANCHISE LLC

By: _____
Print Name: _____
Title: _____

**EXHIBIT H TO
BOOSKERDOO FRANCHISE LLC FRANCHISE AGREEMENT**

SECURITY AGREEMENT

THIS SECURITY AGREEMENT is entered into, this ____ day of _____, ____ , by and between _____ at _____ (“Debtor”), and BOOSKERDOO FRANCHISE LLC (“Secured Party”), whose address is _____.

AGREEMENT

For good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Debtor grants to Secured Party a first priority security interest in all of the property owned by Debtor, as described in Schedule I and the Property presently located at or intended to be located at Debtor’s Café located at: _____

_____ (the “Premises”) and/or elsewhere and used and/or intended to be used and/or consumed in connection with the operation of a Booskerdoo™ Café at the Premises, together with all after-acquired property of the same general class and description and the proceeds of all property encumbered hereby (the “Collateral”).

TO SECURE:

- (a) Performance of each agreement of Debtor contained in that certain Franchise Agreement between Debtor and Secured Party, dated _____ (the “Franchise Agreement”); and
- (b) The repayment of all sums and amounts that may be advanced or expended by Secured Party for the maintenance and preservation of the Collateral or any part thereof or the enforcement of any rights of Secured Party hereunder; and
- (C) Performance of each agreement of Debtor contained herein.

DEBTOR WARRANTS AND AGREES:

1. Except for the security interest granted hereby, Debtor is the owner of the Collateral, free from any adverse lien, security interest or encumbrance, and Debtor will defend against all claims and demands of all persons at any time claiming the same or an interest therein.

2. No Financing Statement covering any of the Collateral or any proceeds thereof is on file in any public office. Debtor hereby authorizes Secured Party to execute, on behalf of both Debtor and Secured Party, one or more Financing Statements, pursuant to the Uniform Commercial Code, in form satisfactory to Secured Party, and to file or record same

in all public offices wherever filing or recording is deemed by Secured Party to be necessary or desirable and Debtor agrees to pay the cost of filing or recording the same.

3. To do all acts which may be necessary to maintain, preserve and protect the Collateral, not to commit or permit any waste thereof, and to maintain the Collateral in good order, repair and condition, reasonable wear and tear excepted.

4. Not to remove any of the Collateral from the Premises, except for the purpose of repair or replacement with other articles of substantially similar quality and value, which will not be subject to any lien, encumbrances or interests in others, except for purchase money security interests and the security interest granted hereby, and to permit Secured Party to inspect the Collateral at any time. Notwithstanding the above, Debtor may sell the inventory secured hereby in the ordinary course of its business.

5. Except as provided in Section 4 above, not to sell, assign, lease, encumber, or otherwise dispose of all or any of the Collateral without the prior written consent of Secured Party.

6. To pay before delinquency, all taxes, assessments and liens now or hereafter imposed on the Collateral, and to maintain in force at all times, fire and other insurance policies (including all risk, and earthquake insurance) on the Collateral.

7. If Debtor fails to make any payment or do any act as herein required, then Secured Party, without obligation to do so and without notice to or demand upon Debtor, may make such payments and do such acts as Secured Party may deem necessary to protect its security interest in the Collateral, Secured Party being hereby authorized (without limiting the general nature of the authority hereinabove conferred) to take possession of the Collateral or any part thereof and to pay, purchase, contest or compromise any security interest, encumbrance, charge or lien which, in the judgment of Secured Party, appears to be prior or superior to or to jeopardize the security interest granted hereby, and in exercising any such powers and authority to incur necessary expenses, including attorneys' fees. Debtor hereby agrees to repay immediately and without demand all sums expended by Secured Party pursuant to the provisions of this paragraph.

8. Debtor shall be in default under this Agreement upon the happening of any of the following events or conditions:

(a) Default by Debtor in the payment of any or all of the indebtedness, obligations or liabilities secured hereby beyond the applicable cure periods, or failure by Debtor to perform any agreement herein contained or secured hereby.

9. Upon any such default, Secured Party, at its option, without demand upon or notice to Debtor, may declare all indebtedness, obligations and liabilities secured hereby to be immediately due and payable, and Secured Party shall have all the rights and remedies provided a secured party under the Uniform Commercial Code and may proceed to foreclose the security interest created hereby according to law, and may, at its option, and it is hereby empowered, with or without foreclosure action, to enter upon the Premises or any other premises where the Collateral or any part thereof may be and take possession thereof and

remove the Collateral or any part thereof. In addition, Secured Party may require and Debtor agrees to assemble the Collateral and make it available to Secured Party at a place to be designated by Secured Party which is reasonable convenient to both parties. Unless the Collateral is perishable or threatens to decline speedily in value or is of a type customarily sold on a recognized market, Secured Party will give Debtor reasonable notice of the time and place of any public sale thereof or of the time after which any private or other intended disposition is to be made. The requirements of reasonable notice shall be met if such notice is mailed, postage prepaid, to the address of Debtor shown above at least ten (10) days before the time of the sale or disposition. The Collateral may be sold in one or more lots and at one or more sales, which may be held on different days and need not be held within view of the Collateral being sold. Secured Party shall deduct and retain from the proceeds of such sale or sales all costs and expenses paid or incurred in the taking, removal, holding, preparing for sale or sales of the Collateral, including any reasonable attorneys' fees and legal expenses incurred or paid by Secured Party; the balance of the proceeds shall be applied by Secured party upon the indebtednesses, obligations and liabilities secured hereby, in such order and manner as Secured Party may determine, and the surplus, if any, shall be paid to Debtor or to the person or persons lawfully entitled to receive the same.

(a) Secured Party, at its option, shall have the right to commence any action or proceeding against a third party or appear in or defend any action or proceeding brought by a third party purporting to affect the rights, duties or liabilities of the parties hereto, including, without limiting the generality of the foregoing, an action to foreclose the security interest created hereby, and in connection therewith to incur costs, expenses and attorneys' fees in any such action or proceeding in which the Secured Party shall appear, all of which costs, expenses and attorneys' fees will be paid or reimbursed to Secured Party by Debtor.

(b) In the event of any default hereunder, Secured Party shall be entitled, without notice and without regard to the adequacy of the Collateral and of any other security for the indebtedness hereby secured, to the appointment of a receiver to take possession of all or any part of the Collateral and to exercise such powers as the Court shall confer upon him.

(c) At any public sale or sales made under this Section 9 or authorized herein or by laws, or at any sale or sales made upon judicial foreclosure of this security interest, Secured Party (or its representative) may bid for and purchase any Collateral being sold and, in the event of such purchase, shall hold such property thereafter discharged of all rights of redemption.

10. Secured Party shall be entitled to enforce any indebtedness, obligation or liability secured hereby and to exercise all rights and powers hereby conferred, although some or all of the indebtedness, obligations and liabilities secured hereby are now or shall hereafter be otherwise secured. Debtor's acceptance of this Agreement shall not affect or prejudice Secured Party's right to realize upon or enforce any other security now or hereafter held by Secured Party, and Secured Party shall be entitled to exercise all rights of set-off to the same effect and in the same manner as if this security interest had not been given.

11. In the event suit is brought to enforce or interpret any part of this Agreement, the prevailing party shall be entitled to recover, as an element of damages, its cost of suit and, not as damages, a reasonable attorneys' fee to be fixed by the Court.

12. The words Secured Party and Debtor, as used herein, shall be construed to include the heirs, legatees, devisees, administrators, executors, successors and assigns, respectively, of Secured Party and Debtor. This Agreement shall bind and inure to the benefit of such third persons. Whenever the context so requires, the masculine gender includes the feminine and neuter, the singular number includes the plural, and vice versa. All references herein to the Uniform Commercial Code means the Uniform Commercial Code as adopted by the State in which Secured Party's principal place of business is located.

THE UNDERSIGNED DEBTOR HEREBY SPECIFICALLY CERTIFIES THAT HE HAS READ AND UNDERSTANDS THIS SECURITY AGREEMENT.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement the day and year first above written.

Secured Party:

BOOSKERDOO FRANCHISE LLC

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

Franchisee:

[_____]

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

SCHEDULE I

All leasehold improvements, furniture, fixtures, appliances, tools, equipment, cash registers, goods, inventories, and allied products, and finished goods and materials, now owned or hereafter at any time acquired by Debtor, and all accessories, parts, repossessions, and returns thereto or therefore; all accounts, general tangibles, chattel paper, documents, instruments, (whether negotiable or non-negotiable), deposit accounts, money, contract rights and rights to payment of every kind, now existing and hereafter arising; and all proceeds (including proceeds of insurance policies on the Collateral), products, additions, accessions, replacements and substitutions for and of such Collateral.

**EXHIBIT I TO
BOOSKERDOO FRANCHISE LLC FRANCHISE AGREEMENT**

PRE-CLOSING FRANCHISE SALES COMPLIANCE QUESTIONNAIRE

[To be completed by Franchisee and all Owners before signing Franchise Agreement]

As you know, you and BOOSKERDOO FRANCHISE LLC (the “Franchisor”) are about to enter into a franchise agreement for the development, opening and operation of Booskerdoo™ franchised café. The purpose of this Questionnaire is to determine if any improper sales practices have occurred, including, whether any statements or promises were made to you Franchisor has not authorized and that may be untrue, inaccurate or misleading. Please review each of the following questions carefully and provide honest and complete responses to each question. **The answers you provide in this Questionnaire are material to Franchisor and Franchisor is relying on all such answers in agreeing to enter into a franchise relationship with you.**

1. Have you received and personally reviewed Franchisor’s Franchise Disclosure Document?

Yes____ No____
2. Did you sign a receipt for the Franchise Disclosure Document indicating the date you received it?

Yes____ No____
3. Have you received and personally reviewed BOOSKERDOO FRANCHISE LLC Franchise Agreement and all accompanying Exhibits?

Yes____ No____
4. Has any employee or other person speaking on behalf of Franchisor made any statement, representation or promise concerning the revenue, profits or operating costs of a café operated by Franchisor or any of its affiliates?

Yes____ No____
5. Has any employee or other person speaking on behalf of Franchisor made any statement, representation or promise concerning the revenue, profits or operating costs of a café, including a franchised café, operated by a franchisee?

Yes____ No____
6. Has any employee or other person speaking on behalf of Franchisor made any statement or promise concerning the franchised business or franchise opportunity that is contrary to, different from, or in addition to, the information contained in the Disclosure Document?

Yes____ No____

7. Has any employee or other person speaking on behalf of Franchisor made any statement or promise regarding the amount of money you may earn or revenue you may derive in operating the franchised business?

Yes____ No____

8. Has any employee or other person speaking on behalf of Franchisor made any statement or promise concerning the amount of revenue a franchised café will generate?

Yes____ No____

9. Has any employee or other person speaking on behalf of Franchisor made any statement or promise regarding the costs you may incur in operating the franchised business that is contrary to, or different from, the information contained in the Disclosure Document?

Yes____ No____

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

Yes____ No____

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

Yes____ No____

12. Do you understand that Franchisor's approval of a location for the franchised business does not constitute an assurance, representation or warranty of any kind as to the successful operation or profitability of the franchised business at the location?

Yes____ No____

13. Do you understand that the approval of Franchisor of a financing plan for operation of the franchised business does not constitute any assurance that such financing plan is favorable, or not unduly burdensome, or that the franchised business will be successful if the financing plan is implemented?

Yes____ No____

14. Do you understand that in all dealings with you, the officers, directors, employees and agents of Franchisor act only in a representative capacity and not in an individual capacity and such dealings are solely between you and Franchisor?

Yes_____ No_____

If you have answered "Yes" to any of questions 4 through 11, please provide a full explanation by attaching an additional page. You understand that your answers are important to us and that we will rely on them in deciding to counter-sign the franchise agreement.

By signing this Questionnaire, you are representing that you have responded truthfully to the above questions. However, the representations contained herein are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

PROSPECTIVE FRANCHISEE/APPLICANT:

By:_____

Print Name:_____

Date:_____

By:_____

Print Name:_____

Date:_____

Exhibit C

**To BOOSKERDOO FRANCHISE LLC FRANCHISE
DISCLOSURE DOCUMENT**

Area Development Agreement

BOOSKERDOO FRANCHISE LLC
BOOSKERDOO
AREA DEVELOPMENT AGREEMENT

THIS AREA DEVELOPMENT AGREEMENT (the “Agreement”) is made and entered into by and between **BOOSKERDOO FRANCHISE LLC**, a New Jersey limited liability company located at 1321A Memorial Drive, Asbury Park, NJ 07712 (“we,” “us,” or “our”), and _____, a _____ having its principal business address at [_____] (“you” or “your”) as of the date signed by us and set forth opposite our signature on this Agreement (the “Effective Date”).

1. **PREAMBLES.**

A. We, as the result of the expenditure of significant time, skill, effort, and money, own and continue to develop the *Booskerdoo* franchise system (the “System”), which System involves the establishment and operation of quick service cafés (each, a “Café” or “Outlet”) offering a variety of specialty coffees, baked goods and designated food, drink or other items as Booskerdoo now or hereafter designates.

B. Booskerdoo identifies the System by means of certain trade names, service marks, trademarks, logos, emblems and indicia of origin, including, without limitation, the Booskerdoo and BOOSKERDOO COFFEE & BAKING CO. marks and the Booskerdoo and BOOSKERDOO COFFEE & BAKING CO. logos, and/or such other different and/or additional trade names, trademarks, and service marks as are now designated and may hereafter be designated by Booskerdoo in writing for use in connection with the System (collectively, the “Marks”).

C. You have received our most recently issued franchise disclosure document (“Current FDD”) at least fourteen (14) calendar days before the Effective Date.

D. We and you are signing this Agreement because you would like the right to develop and operate one (1) or more Booskerdoo Outlets within a certain geographic area over a certain period of time, and we are willing to grant you such rights subject to the terms of this Agreement.

E. Concurrently with signing this Agreement, we and you or your Controlled Affiliate (as defined in Section 2.A) have signed a franchise agreement dated as of _____, _____ for the operation of a Booskerdoo Outlet (the “Current Franchise Agreement”).

2. **GRANT OF DEVELOPMENT AND TERRITORIAL RIGHTS.**

A. **Grant of Development Rights.** Subject to the terms of this Agreement, and provided that you are in full compliance with this Agreement, we grant you (and/or any of your Controlled Affiliates) the right to develop _____ Booskerdoo Outlet(s) according to the mandatory development schedule identified on **Exhibit A** to this Agreement (the “Schedule”), within the geographic area described on **Exhibit B** to this Agreement (the “Area”). In this Agreement, the term “Controlled Affiliate” means any corporation, limited liability company or other business entity of which you or one or more of your majority owners owns at least fifty-one percent (51%) of the total authorized ownership interests, as long as you or such owner(s) have the right to control the entity’s management and policies, and in each case approved by us.

B. **Exclusivity.** Provided you and your Controlled Affiliates are in full compliance with this Agreement and all other agreements between you (or any of the Controlled Affiliates) and us (or any of our affiliates), including the Current Franchise Agreement, then, during this Agreement’s term only, except as otherwise provided in this Agreement, neither we nor our affiliates will operate, or authorize any other party to operate, a Booskerdoo Outlet the physical premises of which are located within the Area.

C. **Reservation of Rights.** You acknowledge and agree that we may exercise any and all of the rights that we reserve in the Current Franchise Agreement (and related documents), including in Article 1 of the Current Franchise Agreement. After this Agreement expires or is terminated (regardless of the reason), we and our affiliates may engage, and allow others to engage, in any activities we desire within and outside the Area without any restrictions whatsoever, subject only to your (or any Controlled Affiliate’s) rights under franchise agreements with us then in effect.

3. **DEVELOPMENT RIGHTS FEE.**

Simultaneously with signing this Agreement, you must pay us a “Development Rights Fee” of Fifty Thousand Dollars (\$50,000). The Development Rights Fee is fully earned by us when this Agreement is signed and is non-refundable. Upon the signing of each Franchise Agreement, you must pay us the Franchise Fee, which shall be reduced to Ten Thousand Dollars (\$10,000).

4. **DEVELOPMENT OBLIGATIONS AND REQUIREMENTS.**

A. **Development Obligations.** To maintain your rights under this Agreement, you (and/or your Controlled Affiliates) must sign franchise agreements for, develop, and open for business the agreed-upon number of Booskerdoo Outlets within the Area by the dates set forth on the Schedule. You or a Controlled Affiliate

will operate each Booskerdoo Outlet under a separate franchise agreement (and related documents) with us. The franchise agreement (and related documents) that you or your Controlled Affiliate will sign for each Booskerdoo Outlet will be our then current form of franchise agreement and related documents, including, without limitation, personal guarantees (collectively, the “Franchise Documents”), any or all of the terms of which may differ substantially from the terms contained in the Current Franchise Agreement.

B. **Ongoing Compliance.** To retain your rights under this Agreement, you or your Controlled Affiliate must develop, open and operate each Booskerdoo Outlet within the Area in accordance with the Schedule and pursuant to the terms of the Current Franchise Agreement and/or Franchise Documents. If you do not have a location for one (1) or more of the Booskerdoo Outlets you or your Controlled Affiliates must develop, open and operate pursuant to this Agreement, then this Section will govern the site selection, evaluation, and approval process.

C. **Site Evaluation and Approval Process.** Site evaluation and approval will be in accordance with the Current Franchise Agreement unless modified in our sole discretion upon notice to you.

D. **Ownership or Lease of Booskerdoo Outlets.** You or your Controlled Affiliates must provide us evidence of your or their ability to occupy any site we approve for a Booskerdoo Outlet either by signing a purchase agreement, or a lease or sublease for the site (each, a “Lease”), no later than one hundred twenty (120) days before the opening date of the Booskerdoo Outlet set forth on the Schedule. (You or your Controlled Affiliates also agree to begin diligently pursuing any necessary permits and licenses as soon as practicable in order to satisfy your or their development obligations and be able to reasonably meet the prescribed timeline for opening.) Neither you nor your Controlled Affiliate may sign any Lease or purchase agreement for a site without our pre-approval of your (or your Controlled Affiliate’s) financial and operational ability to develop and operate the Booskerdoo Outlet at such site. We have the right to approve the terms of any Lease before you (or your Controlled Affiliate) sign it. At our sole option, in the case of a lease or sublease, we may require that you (or your Controlled Affiliate) and the landlord of the site sign a rider to the Lease in a form that we specify (“Lease Rider”), which Lease Rider shall be incorporated as part of the Lease upon execution. Although we will not directly negotiate any Lease, a Lease must be in a form acceptable to us and must contain certain required terms and provisions (some or all of which may be covered by the Lease Rider if we require it).

You acknowledge that our approval of a Lease is not a guarantee or warranty, express or implied, of the success or profitability of a Booskerdoo Outlet operated at a site. Our approval indicates only that we believe that the site and the Lease’s terms meet our then acceptable criteria. You or your Controlled Affiliate must deliver to us a signed copy of each Lease within seven (7) days after its execution, including the signed Lease Rider if we require it.

E. **Franchise Documents.** Within thirty (30) days after you (or your Controlled Affiliate) sign a Lease or purchase agreement for a site at which to develop and operate a Booskerdoo Outlet, you or your Controlled Affiliate (and your or its owners) must sign Franchise Documents for the Booskerdoo Outlet to be developed at that site. If you or your Controlled Affiliate (and such owners) do not do so, then we may withdraw our approval for such site. After you (or your Controlled Affiliate) sign Franchise Documents for a particular Booskerdoo Outlet, the terms and conditions of the Franchise Documents will control the further development and operation of that Booskerdoo Outlet.

F. **Extensions.** During the term of this Agreement, we may, in our sole judgment, grant you extensions on any of the prescribed deadlines in this Agreement. You must request from us an extension of the applicable deadline at least fourteen (14) calendar days before the deadline date. If we grant an extension on any deadline, we will determine the amount of the extension fee and the length of the extension in our sole judgment. We may consider a variety of factors in whether we grant an extension, including the diligence you have shown in developing the Booskerdoo Outlet(s). Extensions do not change any date(s) listed on the Schedule, other than the particular date(s) then being adjusted by the extension.

5. NO SUBLICENSING OR OTHER RIGHTS.

This Agreement does not grant you any right to license others to operate Booskerdoo Outlets. Only you or your Controlled Affiliates may open and operate Booskerdoo Outlets pursuant to this Agreement and only under Franchise Documents with us. This Agreement is not a franchise agreement and does not grant you the right to engage in the business of offering, selling or distributing goods and services under the Marks, or to use the Marks in any manner. These rights are granted only by franchise agreements signed by you or your Controlled Affiliates, and us. Subject to Section 7(b) below, any and all Franchise Documents are independent of this Agreement.

6. TERM.

This Agreement's term begins on the Effective Date and ends on the date when (a) the final Booskerdoo Outlet under the Schedule opens for business, or (b) this Agreement otherwise is terminated.

7. TERMINATION.

We may terminate this Agreement and your right to develop additional Booskerdoo Outlets within the Area at any time, effective upon delivery of written notice of termination, if: (a) you fail to satisfy either your development obligations under the Schedule or any other obligation under this Agreement, which defaults you have no right to cure; or (b) the Current Franchise Agreement or any Franchise Documents between us and you (or any Controlled Affiliate) for a Booskerdoo Outlet is terminated by us or you (or the Controlled Affiliate) for any reason.

8. **TRANSFER.**

You (and each of your owners) acknowledge that we are granting you the rights under this Agreement because of our perception of your (and your owners') individual and collective character, skill, business acumen, financial capability and ability to operate Booskerdoo Outlets according to our standards. These rights are personal to you and your owners. Therefore, you and your owners may not transfer (as defined in the Current Franchise Agreement) this Agreement or any of your ownership interests (whether directly or indirectly). We may transfer or assign this Agreement or any of our ownership interests, rights or obligations, without restriction.

9. **INCORPORATION OF OTHER TERMS.**

Article 12 of the Current Franchise Agreement, entitled "Confidentiality," and Articles 22 through 26 of the Current Franchise Agreement, including, without limitation, the arbitration obligations under Article 25.03 of the Current Franchise Agreement, are incorporated by reference in this Agreement and will govern all aspects of this Agreement and your and our relationship as if fully restated within the text of this Agreement.

[Signature Page Follows]

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

BOOSKERDOO FRANCHISE LLC

By: _____

James Caverly, CEO

Dated: _____

(*Effective Date of this Agreement)

DEVELOPER:

By: _____

Print Name: _____

Title: _____

Dated: _____

EXHIBIT A
TO THE AREA DEVELOPMENT AGREEMENT

You agree to open ____ Booskerdoo Outlets within the Area, including the Booskerdoo Outlet developed or to be developed under the Current Franchise Agreement, according to the following Schedule:

Outlet Number	Outlet Opening by (Date)	Cumulative Number of Booskerdoo Outlets To Be Opened and Operating No Later Than the Opening Date (in Previous Column)

BOOSKERDOO FRANCHISE LLC

By: _____
James Caverly, CEO
Dated: _____

DEVELOPER:

By: _____
Print Name: _____
Title: _____
Dated: _____

EXHIBIT B
TO THE AREA DEVELOPMENT
AGREEMENT

The Area is defined as the city boundary limits encompassed by the following in the State of New Jersey:

Hoboken, Jersey City, Edgewater, Rochelle Park, and Hackensack

If the Area is identified by city or other political subdivisions, political boundaries will be considered fixed as of the date of this Agreement, notwithstanding any political reorganization or change to the boundaries.

BOOSKERDOO FRANCHISE LLC

By: _____
James Caverly, CEO
Dated: _____

DEVELOPER:

By: _____
Print Name: _____
Title: _____
Dated: _____

Exhibit D

**To BOOSKERDOO FRANCHISE LLC FRANCHISE DISCLOSURE
DOCUMENT**

Current Franchisees

**LIST OF CURRENT FRANCHISEES
AS OF DECEMBER 31, 2020**

State	Franchisee Name	Address	Phone Number
NEW JERSEY*	<i>Prospect Capital Restaurants</i>	101 Crawfords Corner Road, Suite 2327 Holmdel, NJ 07733	908-910-7567

*These locations were not yet open as of December 31, 2020.

Exhibit E

To BOOSKERDOO FRANCHISE LLC FRANCHISE DISCLOSURE DOCUMENT

Former Franchisees

As of the Issuance Date of this FDD there were no former franchisees.

Exhibit F

**To BOOSKERDOO FRANCHISE LLC FRANCHISE DISCLOSURE
DOCUMENT**

Financial Statements

BOOSKERDOO FRANCHISE LLC
FINANCIAL STATEMENTS
For the Year Ended December 31, 2021

BOOSKERDOO FRANCHISE LLC
FINANCIAL STATEMENTS
For the Year Ended December 31, 2021

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Focused on the road ahead

Tax, Audit & Advisory

INDEPENDENT AUDITOR'S REPORT

To the Member
Booskerdoo Franchise LLC
Asbury Park, New Jersey

Opinion

We have audited the accompanying financial statements of Booskerdoo Franchise LLC (a limited liability company) (the "Company"), which comprise the balance sheet as of December 31, 2021, and the related statements of operations, member's deficit, and cash flows for the year then ended December 31, 2021, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Booskerdoo Franchise LLC as of December 31, 2021, and the results of its operations and its cash flows for the year ended December 31, 2021 in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Cg Tax, Audit & Advisory

Tinton Falls, New Jersey
March 11, 2022



BOOSKERDOO FRANCHISE LLC

BALANCE SHEET
December 31, 2021

ASSETS

CURRENT ASSETS

Cash and Cash Equivalents	\$ 95
---------------------------	-------

Total Assets	<u>\$ 95</u>
--------------	--------------

LIABILITIES AND MEMBER'S DEFICIT

CURRENT LIABILITIES

Accounts Payable and Accrued Expenses	\$ 8,500
---------------------------------------	----------

LONG-TERM LIABILITIES

Deferred Revenue	<u>25,000</u>
------------------	---------------

Total Liabilities	33,500
-------------------	--------

Member's Deficit	<u>(33,405)</u>
------------------	-----------------

Total Liabilities and Member's Deficit	<u>\$ 95</u>
--	--------------

See Accompanying Notes and Independent Auditor's Report

BOOSKERDOO FRANCHISE LLC

STATEMENT OF OPERATIONS
For the Year Ended December 31, 2021

	<u>2021</u>
Revenues	
Franchise Fees	<u>\$ -</u>
Expenses	
General and Administrative	<u>21,355</u>
Total Expenses	<u>21,355</u>
Net Loss	<u>\$ (21,355)</u>

See Accompanying Notes and Independent Auditor's Report

BOOSKERDOO FRANCHISE LLC

STATEMENT OF CHANGES IN MEMBER'S DEFICIT

For the Year Ended December 31, 2021

	<u>Total</u>
Member's Deficit - January 1, 2021	\$ (12,050)
Net Loss	<u>(21,355)</u>
Member's Deficit at December 31, 2021	<u><u>\$ (33,405)</u></u>

See Accompanying Notes and Independent Auditor's Report

BOOSKERDOO FRANCHISE LLC

STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2021

	<u>2021</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Net Loss	\$ (21,355)
Adjustments to reconcile net loss to net cash provided from (used in) operating activities:	
Changes in assets and liabilities:	
Prepaid Expenses	1,665
Accrued Expenses	<u>8,500</u>
Net Cash Provided by (Used in) Operating Activities	<u>(11,190)</u>
Net Increase (Decrease) in Cash	(11,190)
Cash and Cash Equivalents, Beginning of Year	<u>11,285</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 95</u></u>

See Accompanying Notes and Independent Auditor's Report

BOOSKERDOO FRANCHISE LLC
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

Booskerdoo Franchise LLC (the "Company") was formed on September 23, 2019, as a limited liability company. The Company was established to offer and sell franchises for businesses known as "Booskerdoo Coffee & Baking Co." in the United States of America, pursuant to a non-exclusive license agreement between the Company and the related party, Booskerdoo Coffee LLC (the "Licensor"), an entity related to the Company by common ownership and control. Franchisees will establish and operate a cafe that offers a variety of specialty coffees, baked goods and other designated food and drink items served quickly for dine-in or carry-out customers.

As a limited liability company, the member is not liable for the debts, obligations, or liabilities of the Company, whether arising in contract, tort or otherwise, unless the member has signed a specific guarantee.

Basis of Accounting

The accompanying financial statements are presented in U.S. dollars and have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 expenses during the reporting period. Actual results could differ from those estimates.

The outbreak of the novel strain of coronavirus ("COVID-19") has severely impacted, and continues to severely impact the U.S. and global economies. We cannot estimate the length or severity of the COVID-19 pandemic or the related U.S. and global economic consequences on our business and operations, including whether and when historic economic and operating conditions will resume or the extent to which the disruption may impact our business, financial position, results of operations or cash flow. Our estimates, judgments and assumptions related to COVID-19 could ultimately differ over time.

Cash and Cash Equivalents

Cash and cash equivalents include accounts with original maturity dates of less than three months.

Income Taxes

The Company is a limited liability company. The Company's assets, liabilities and items of income, deductions and credits are combined with and included in the income tax return of Booskerdoo Coffee LLC. Accordingly, the accompanying financial statements do not include a provision or liability for federal or state income taxes.

The Company follows ASC Topic 740-10, "Accounting for Uncertainty in Income Taxes", which prescribes a recognition threshold and measurement attribute for combined financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return.

BOOSKERDOO FRANCHISE LLC
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Advertising Expenses

Advertising expenses were \$4,625 for the year ended December 31, 2021.

Subsequent Events

Subsequent events were evaluated through the date of the independent auditor's report which is the date the financial statements were available to be issued.

In January 2022, the Company sold a single franchise for \$25,000. They are still in process of locating a physical location and are not operating yet as of the financial statement issuance.

Revenue Recognition

The Company derives its revenues from franchise fee revenue, royalty revenue, transfer fees and advertising fees.

The Company's primary performance obligations under the franchise agreement include the granting of certain rights to access the Company's intellectual property in addition to a variety of activities relating to the opening of a franchise unit. Those obligations would include site selection, training and other such activities commonly referred to collectively as "pre-opening activities." Pre-opening activities consistent with those under Financial Accounting Standards Board ("FASB") Accounting Standards Update ("ASU") No. 2021-02, Franchisors - Revenue from Contracts with Customers (Subtopic 952- 606) ("ASU 2021 02"), are recognized as a single performance obligation. For all other pre-opening activities, if any, the Company will determine if a certain portion of those pre-opening activities provided are not brand specific and provides the franchisee with relevant general business information that is separate from the operation of a company-branded franchise unit. The portion of pre-opening activities, if any, that are not brand specific are deemed to be distinct as they provide a benefit to the franchisee and are not highly interrelated to the use of the Company's intellectual property and therefore accounted for as a separate performance obligation. All other pre-opening activities are highly interrelated to the use of the Company's intellectual property and therefore accounted for as a component of a single performance obligation which is satisfied along with granting of certain rights to use the Company's intellectual property over the term of each franchise agreement.

The Company estimates the stand-alone selling price of pre-opening activities using an adjusted market assessment approach. The Company first allocates the initial franchise fees and the fixed consideration under the franchise agreement to the stand-alone selling price of the pre-opening activities and the residual, if any, to the right to access the Company's intellectual property. Consideration allocated to pre-opening activities, other than those included under ASU 2021-02, which are not brand specific, are recognized when those performance obligations are satisfied. Consideration allocated to pre-opening activities included under ASU 2021-02 is recognized when those performance obligations are satisfied.

Initial and renewal franchise fees allocated to the right to access the Company's intellectual property are recognized as revenue on a straight-line basis over the term of the respective franchise agreement.

Royalties are earned as a percentage of franchisee gross sales ("sales-based royalties") over the term of the franchise agreement, as defined in each respective franchise agreement. Franchise royalties which represent sales-based royalties that are related entirely to the use of the Company's intellectual property are recognized as franchisee sales occur and the royalty is deemed collectible.

BOOSKERDOO FRANCHISE LLC

NOTES TO FINANCIAL STATEMENTS December 31, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Franchise outlets

The following data reflects the status of the Company's franchise outlets as of December 31, 2021:

Franchises sold	1
Franchises purchased	-
Franchised outlets in operation	-
Franchisor owned outlets in operation	-

NOTE 2 – REVENUES AND RELATED CONTRACT BALANCES

Disaggregated revenues

The Company derives its revenues from franchisees located in the United States. The economic risks of the Company's revenues is dependent on the strength of the economy in the United States and its ability to collect on its contracts. The Company disaggregates revenue from contracts with customers by the timing of revenue recognition by type of revenues, as it believes this best depicts how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors.

Contract balances

Contract liabilities are comprised of unamortized initial and renewal franchise fees received from franchisees, which are presented as "Deferred revenue" in the accompanying balance sheet. A summary of significant changes in deferred revenue as of December 31, 2021, is as follows:

Deferred revenue - beginning of year	\$ 25,000
Additions for initial/ renewal franchise fees received	-
Revenue recognized during the year	-
Deferred revenue - end of year	<u>\$ 25,000</u>

As performance obligations pursuant to the associated franchise agreements are met, the revenue will be recognized as follows:

Year ending December 31:	
2022	\$ 25,000
2023	-
2024	-
2025	-
2026	-
Thereafter	-
Total	<u>\$ 25,000</u>

NOTE 3 – LICENSE AGREEMENT

The Company entered into a 100-year licensing agreement with the Licensor, which is related to the Company through common ownership. The Licensor granted the Company a non-exclusive, non-assignable right and license for the use of certain trademarks, service marks, trade names, trade dress, designs and logos, and all goodwill symbolized thereby, which have been used in connection with the goods and services offered by the Booskerdoo franchise system and businesses operated thereunder. The agreement is set to expire on December 31, 2119.

BOOSKERDOO FRANCHISE LLC
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 4 – RELATED PARTY

For the year ended December 31, 2021, Booskerdoo Franchise, LLC has several related parties. There are no known related party transactions during 2021.

Exhibit G

**To BOOSKERDOO FRANCHISE LLC FRANCHISE DISCLOSURE
DOCUMENT**

Sample Release Agreement

SAMPLE GENERAL RELEASE

This General Release (the "Release") is made this _____ day of _____, _____, by and between BOOSKERDOO FRANCHISE LLC ("Franchisor"), and _____, ("Franchisee") and _____ ("Guarantor").

BACKGROUND

A. On _____, Franchisee entered into a franchise agreement (the "Franchise Agreement") with Franchisor for the right to operate BOOSKERDOO franchised business at _____ (the "FRANCHISED BUSINESS").

B. In order to induce Franchisor to enter into the Franchise Agreement with Franchisee, on _____, Guarantor executed a guarantee (the "Guarantee") under which Guarantor agreed to personally guarantee, and act as a surety for, Franchisee's obligations to Franchisor under the Franchise Agreement.

C. Franchisee wishes to *[enter into a Successor Franchise Agreement; assign its rights and duties under the Franchise Agreement]* and has agreed to execute this Release as a condition of obtaining the consent of Franchisor in connection with the *[entry into the Successor Franchise Agreement; or assignment]*.

AGREEMENT

In consideration of the mutual promises and covenants contained in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which is acknowledged, and intending to be legally bound, the parties agree as follows:

1. Release. Franchisee, Guarantor, and all persons and entities claiming by, through or under them, release, acquit and forever discharge Franchisor and its present and former officers, employees, shareholders, directors, agents, servants, representatives, affiliates, successors and assigns (the "Franchisor Releasees") from any and all obligations, claims, debts, demands, covenants, contracts, promises, agreements, liabilities, judgments, costs, attorney's fees, actions or causes of action whatsoever, whether known or unknown, which they, by themselves, on behalf of, or in conjunction with any other person, persons, partnership or corporation, have, had or claim to have against the Franchisor Releasees arising out of or related to the offer, sale and/or operation of the FRANCHISED BUSINESS, and the parties' rights or obligations under the Franchise Agreement and Guarantee, including, without limitation, claims arising under federal, state and local laws, rules and ordinances.

2. This Release shall not be amended or modified unless such amendment or modification is signed by Franchisor, Franchisee and Guarantors. Franchisee and Guarantors acknowledge that the terms of this Release have been completely read and are fully understood and voluntarily accepted by each party, after having a reasonable opportunity to retain and confer with counsel.

I HAVE READ THE ABOVE RELEASE AND UNDERSTAND ITS TERMS. I WOULD NOT SIGN THIS RELEASE IF I DID NOT UNDERSTAND AND AGREE TO BE BOUND BY ITS TERMS.

By:_____

By: _____

By: _____

By:_____

Exhibit H

To BOOSKERDOO FRANCHISE LLC FRANCHISE DISCLOSURE DOCUMENT

State Specific Addenda

The following are additional disclosures for the Franchise Disclosure Document of BOOSKERDOO FRANCHISE LLC required by various state franchise laws. Each provision of these additional disclosures will not apply unless, with respect to that provision, the jurisdictional requirements of the applicable state franchise registration and disclosure law are met independently without reference to these additional disclosures.

NEW YORK

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

INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR SERVICES OR INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THIS FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND THE APPROPRIATE STATE OR PROVINCIAL AUTHORITY. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

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

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

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

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

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

D. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State, or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective

injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

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

However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of General Business Law Sections 687(4) and 687(5) be satisfied.

4. The following language replaces the “Summary” section of Item 17(d), titled **“Termination by franchisee”**: You may terminate the agreement on any grounds available by law.

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

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

Exhibit I

**TO BOOSKERDOO FRANCHISE LLC FRANCHISE
DISCLOSURE DOCUMENT**

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Exhibit J

**To BOOSKERDOO FRANCHISE LLC FRANCHISE
DISCLOSURE DOCUMENT**

State Effective Dates

STATE EFFECTIVE DATES - 2022

The following states require that the Franchise Disclosure Document be registered or filed with the state or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington and Wisconsin.

This Franchise Disclosure Document is registered, on file or exempt from registration in the following states having franchise registration and disclosure laws, with the following effective dates:

STATE	EFFECTIVE DATE
New York	

In states that do not require a franchise registration or exemption filing, the effective date of this disclosure document is the issuance date of March 22, 2022, as amended July 28, 2022.

Exhibit K

**To BOOSKERDOO FRANCHISE LLC FRANCHISE
DISCLOSURE DOCUMENT**

Receipts

Item 23 – Receipt

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

If BOOSKERDOO FRANCHISE LLC offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale or grant. New York State Law requires a franchisor to provide the franchise disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

If BOOSKERDOO FRANCHISE 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 state agency listed in **Exhibit A**.

The franchisor is BOOSKERDOO FRANCHISE LLC, located at: 1321A Memorial Drive, Asbury Park, NJ 07712

Date of Issuance: March 22, 2022, as amended July 28, 2022

The franchise seller for this offering is: *[Check all that apply.]*

☐ Name: James Caverly
Address: 1321A Memorial Drive, Asbury Park, NJ 07712
Telephone: 732.439.1966

BOOSKERDOO FRANCHISE LLC authorizes the respective state agencies identified on **Exhibit A** to receive service of process for it in the particular state.

I have received a disclosure document dated March 22, 2022, as amended July 28, 2022 that included the following Exhibits:

- | | | | |
|---|--|---|--|
| A | State Administrators/Designation of Agent for Service of Process | G | Sample Release Agreement |
| B | Franchise Agreement | H | State Specific Addenda |
| C | Area Development Agreement | I | Table of Contents of Operations Manual |
| D | List of Current Franchisees | J | State Effective Dates |
| E | List of Former Franchisees | K | Receipts |
| F | Financial Statements | | |

Date: _____
(Do not leave blank)

Signature of Prospective Franchisee

Print Name

KEEP THIS COPY FOR YOUR RECORDS

Item 23 – Receipt

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

If BOOSKERDOO FRANCHISE LLC offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale or grant. New York State Law requires a franchisor to provide the franchise disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

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| D | List of Current Franchisees | J | State Effective Dates |
| E | List of Former Franchisees | K | Receipts |
| F | Financial Statements | | |

Date: _____
(Do not leave blank)

Signature of Prospective Franchisee

Print Name

Please sign this copy of the receipt, date your signature, and return it to James Caverly, Chief Executive Officer, 1321A Memorial Drive, Asbury Park, NJ 07712, 732-439-1966