

FRANCHISE DISCLOSURE DOCUMENT

LLJ FRANCHISE, LLC

A California Limited Liability Company
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live life juiced®

We offer franchises to own and operate an authentic California juice bar, a frozen yogurt shop or a “combo” store offering both product lines. Franchisees may purchase rights to a single Unit or several Units under our area development offering.

We offer 4 franchise programs:

1. A single juice bar. The total investment necessary to establish and begin operation of a **JUICE IT UP®** juice bar is between approximately \$167,444 and \$325,508. This includes a \$25,000 initial franchise fee that is paid to us for a Traditional Unit that is full-sized, or \$12,500 that is paid to us for Traditional Unit that is a kiosk. These sums do not represent your total investment in the **JUICE IT UP®** juice bar franchise.

2. A single soft-serve frozen yogurt shop. The total investment necessary to establish operation of a **JUICE IT UP®** frozen yogurt shop is between approximately \$189,544 and \$395,510. This includes a \$25,000 franchise fee that is paid to us for a Traditional Unit that is full-sized, or \$12,500 that is paid to us for a Traditional Unit that is a kiosk. These sums do not represent your total investment in the **JUICE IT UP®** frozen yogurt franchise.

3. A single combination juice bar/soft-serve frozen yogurt shop. The total investment necessary to establish operation of a combination **JUICE IT UP®** juice bar and frozen yogurt shop is between approximately \$203,464 and \$357,188. This includes a \$25,000 franchise fee that is paid to us for a Traditional Unit that is full-sized,

or \$12,500 that is paid to us for a Traditional Unit that is a kiosk. These sums do not represent your total investment in the combination **JUICE IT UP**[®] juice bar and frozen yogurt franchise.

4. Multi-Unit development of a minimum of 3 Units. These Units may include any combination of juice bars, yogurt shops, combination Units and/or kiosks, within a defined area pursuant to an Area Development Agreement. The franchise fee is \$25,000 for the first full-sized Traditional Unit, \$20,000 for the 2nd full-sized Traditional Unit and \$15,000 for the 3rd and all subsequent full-sized Traditional Units opened under an Area Development Agreement. The franchise fee for a kiosk is \$12,500, and is not discounted for any reason. There is an initial area development fee equal to 1/2 of the total initial franchise fees for the total number of Units you purchase. We will credit this development fee toward the initial franchise fee due under each Franchise Agreement at a maximum rate of 1/2 of the initial franchise fee owed for each Unit until the entire development fee has been credited. The balance remaining on the initial franchise fee for each Unit is paid when you sign each Franchise Agreement. We have estimated the total investment necessary to establish and begin operation of 3 **JUICE IT UP**[®] juice bars under an Area Development Agreement at approximately \$502,332 to \$961,524. This includes the \$37,500 to \$60,000 that must be paid to us or our affiliate in development fees and franchise fees for 3 Units. The total investment necessary to establish and begin operation of a minimum of 3 **JUICE IT UP**[®] frozen yogurt shops is approximately \$568,632 to \$1,171,530. This includes the \$37,500 – \$60,000 that must be paid to us or our affiliate. The total investment to establish and begin operation of any other combination of 3 or more Units under an Area Development Agreement can be calculated using the figures provided in Item 7 for the appropriate number and type of units designated on your Development Schedule.

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 disclosure in different formats, contact Suzanne Coshow at 17915 Sky Park Circle, Suite J, Irvine, California 92614 or call (949) 475-0146, ext. 203.

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

STATE COVER PAGE

Your state may have a franchise law that requires a franchisor to register or file with a state franchise administrator before offering or selling in your state. REGISTRATION OF A FRANCHISE BY A STATE DOES NOT MEAN THAT THE STATE RECOMMENDS THE FRANCHISE OR HAS VERIFIED THE INFORMATION IN THIS DISCLOSURE DOCUMENT.

Call the state administrators listed in Exhibit A-1 for information about the franchisor, about other franchisors, or about franchising in your state.

MANY FRANCHISE AGREEMENTS DO NOT ALLOW YOU TO RENEW UNCONDITIONALLY AFTER THE INITIAL TERM EXPIRES. YOU MAY HAVE TO SIGN A NEW AGREEMENT WITH DIFFERENT TERMS AND CONDITIONS IN ORDER TO CONTINUE TO OPERATE YOUR BUSINESS. BEFORE YOU BUY, CONSIDER WHAT RIGHTS YOU HAVE TO RENEW YOUR FRANCHISE, IF ANY, AND WHAT TERMS YOU MIGHT HAVE TO ACCEPT IN ORDER TO RENEW.

Please consider the following RISK FACTORS before you buy this franchise:

1. UNDER THE FRANCHISE AGREEMENT YOU MUST RESOLVE DISPUTES WITH US BY LITIGATION ONLY IN CALIFORNIA.
2. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

We use the services of one or more lead-generation or referral sources to assist us in selling our franchise. We pay such sources a fee for referring you to us and they represent us not you. You should be sure to do your own investigation of the franchise.

The Effective Date is noted on the following page.

STATE EFFECTIVE DATES

REGISTRATION OF DISCLOSURE DOCUMENT	
STATE	EFFECTIVE DATE
California	March 28, 2012

EXEMPTION FROM BUSINESS OPPORTUNITY LAWS	
STATE	EFFECTIVE DATE
Florida	March 8, 2012
Texas	May 24, 2010

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EXHIBITS:

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- A-2: Agents for Service of Process
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- C-1: Site Assistance Deposit Agreement
- C-2: Franchise Agreement
 - Attachments:
 - 1: Accepted Location
 - 2: Electronic Funds Transfer Agreement
 - 3: Lease Assignment Agreement
 - 4: Conditional Assignment of Telephone Numbers
 - 5: Nondisclosure and Noncompetition Agreement
 - 6: Personal Guaranty
 - 7: Terms of Use – Juice Net Website
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 - 9. SBA Addendum
- C-3: Area Development Agreement
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 - 1: Development Area
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- C-4: California Addendum
- C-5: Closing Questionnaire
- C-6: Equipment Lease
- D-1: Roster of Franchisees & Affiliate Owned Locations
- D-2: Former Franchisees
- E: Asset Purchase Agreement
- F: Operations Manual Tables of Contents
- G-1: Receipt (Your copy)
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JUICE IT UP®

FRANCHISE DISCLOSURE DOCUMENT

1. THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS AND AFFILIATES

The purpose of this disclosure document is to familiarize you with important legal and business aspects of our franchise company, LLJ Franchise, LLC, and the franchise programs we offer. To simplify the language, we refer to LLJ Franchise, LLC, as “we,” “us,” and “our,” and the person or company to whom we grant a franchise as “you” and “your.”

The words “you” and “your” do not include the owners of any franchisee business entity; these owners are described as “Related Parties.” “Affiliate” means a company controlled by, controlling, or under common control with either you or us as the context may indicate. For purposes of this Item 1 only, “Affiliate” further means that the company to which it refers offers franchises in any line of business or provides products or services to our franchisees. The word “Predecessor” means a person or entity from which we acquired, directly or indirectly, the major portion of our assets. The word “Parent” means an entity that controls another entity directly, or indirectly, through one or more subsidiaries.

We organized in California as LLJ Franchise, LLC, a limited liability company, on February 5, 2010. Our principal business office is located at 17915 Sky Park Circle, Suite J, Irvine, California 92614. The name and address of our agent for service of process in this state is stated in Exhibit A-1 to this disclosure document.

Our Affiliate, Balboa Brands, Inc. (“BBI”) was organized in California on April 19, 1996 and reincorporated in Delaware on March 31, 1999 under the name Juice Ventures, Inc. The corporate name was changed to Balboa Brands, Inc., in June of 2008. BBI’s Predecessor, Juice It Up, LLC, a California limited liability company, was organized on January 17, 1995 and offered **JUICE IT UP®** licenses from 1996 until 1998, none of which remains effective as of the date of this disclosure document. BBI’s address is 17915 Sky Park Circle, Suite J, Irvine, California 92614. BBI has the same agent for service of process in this state as we do. BBI never offered franchises. BBI owns and operates 3 **JUICE IT UP®** juice bars as of the date of this disclosure document. If you purchase a Unit owned by BBI, you will sign an Asset Purchase Agreement with BBI along with a Franchise Agreement with us for that location. The form of Asset Purchase Agreement is attached to this disclosure document as Exhibit E, but price, lease-related provisions and other terms will be negotiated between you, BBI and/or the lessor of the premises on a case by case basis.

Our Predecessor, Juice It Up Franchise Corporation (“JFC”) was incorporated to sell franchises in California on May 29, 1998 and was voluntarily dissolved by a plan of dissolution approved by the State of California. The dissolution transaction was concluded by December 31, 2009. JFC offered **JUICE IT UP**[®] franchises from 1998 through 2009. JFC’s principal business office was located at 17915 Sky Park Circle, Suite J, Irvine, California 92614.

By an Assignment and Assumption of Contracts and Intangible Property Agreement dated December 17, 2009, JFC assigned and transferred to our Affiliate, BBI, and BBI accepted and assumed the **JUICE IT UP**[®] System franchise agreements in the capacity of franchisor.

Shortly thereafter, by an Assignment and Assumption of Contracts dated March 22, 2010, BBI assigned and transferred to us, and we accepted and assumed the **JUICE IT UP**[®] System franchise agreements in the capacity of franchisor. BBI retained ownership of the Intellectual property.

Our former Affiliate, Ziiing, LLC (“ZIIING”), was a California limited liability company organized on January 9, 2008, which merged with us on April 8, 2011 into a single California limited liability company, with us as the surviving entity. We thus assumed the then-existing ZIIING system franchise agreements in the capacity of franchisor. ZIIING’s address was 17915 Sky Park Circle, Suite J, Irvine, California 92613. ZIIING had no Predecessor. As of the date of this disclosure document, there are 13 ZIIING franchise locations open or operating (12 of these are combination juice bars and frozen yogurt shops). ZIIING was granting yogurt shop franchises and providing franchisee support under the marks **JUICE IT UP**[®] and ZIIING[™].

We do business under the “**JUICE IT UP**[®]” marks pursuant to a license from BBI. As of the date of this disclosure document, we offer and sell **JUICE IT UP**[®] Units and provide franchisee support. As of the date of our last fiscal year end we had not yet granted any franchises. We have been offering franchises since May of 2010. We have never operated businesses of the type being offered, but BBI or its Predecessor has since March, 1995. Neither we nor BBI has ever offered franchises in other lines of business.

The franchise agreement grants the right to operate either an authentic California juice bar featuring fresh-squeezed, raw fruit and vegetable juices, delicious real fruit smoothies, baked pretzels, soups, oatmeal, hot and cold herbal fruit teas, dairy and non-dairy yogurt products, hot teas and coffee OR a self-serve frozen yogurt shop featuring a full line-up of delicious yogurts, yogurt based custards, gelatos, many gluten-free, fat-free and other uniquely different products OR a combo Unit that offers both product lines at one location. Additionally, all of the above options will offer other approved beverages and snacks for the health conscious consumer.

The fresh-squeezed, raw juices are made from fresh fruit and vegetables, including wheatgrass, kale, spinach, celery, cucumber, carrots, lemon, ginger and other micronutrient-rich fruits and vegetables. The smoothies are made from fresh fruit, fresh frozen fruit (individually quick frozen [“IQF”]), non-fat hard-pack yogurt, sherbets, fresh

squeezed, and/or exotic bottled juices. Branded vitamin powders and nutritional supplements are added to our beverages and may also be sold in retail packages for home consumption. The soft serve frozen yogurt is produced on site with approved soft serve machines and approved flavorings, a variety of fresh fruit toppings and dry toppings including but not limited to nuts, granolas, cereals, and candied toppings, as well as sundae toppings including chocolate, caramel, marshmallow, peanut butter, and fudge.

You must sign a Franchise Agreement (Exhibit “C-2”) to operate a single **JUICE IT UP®** juice bar, **JUICE IT UP®** frozen yogurt shop or combination **JUICE IT UP®** juice bar and frozen yogurt shop (the “Unit”) at an Accepted Location.

Under the Area Development Agreement, we assign a defined area within which you must develop and operate a specified number of **JUICE IT UP®** Units within a specified period of time. You will execute our then-current version of Franchise Agreement for each Unit identified on your Development Schedule.

The general market for **JUICE IT UP®** products includes primarily health-conscious people between the ages of 20 and 45 with an annual household income of over \$60,000. The market also includes elementary, high school and college students. Although the smoothie has been around for about 50 years, its popularity began to grow rapidly in 1994. Fresh squeezed raw juices and juice cleanses are becoming more mainstream. Similarly, although frozen yogurt has been around for about 35 years, its popularity began to increase in 1983. **JUICE IT UP®** products are now “life-style” products which consumers demand and frequently purchase. These products fit into their daily life and enhance who they are or their perception of themselves. These products integrate into their daily hobbies, activities, goals or vision for their self identity. The business is seasonal, with higher sales during warmer times of year; however, healthy hot soups, oatmeal, hot snacks and hot drinks are also offered to help balance sales during colder months.

JUICE IT UP® Units are regulated by state and local health and agricultural agencies, as well as requirements applicable to all food service establishments.

You will compete with other juice bar, smoothie and/or frozen yogurt chains including other franchise systems. Additional competition will come from grocery chains that offer juice bars, traditional quick service restaurants, well-known fast-food chains and franchises offering pre-packaged smoothies or soft serve desserts as well as by smaller “mom & pop” food service concepts that offer a limited selection of smoothies or frozen desserts.

2. BUSINESS EXPERIENCE

Frank N. Easterbrook – President and Managing Member

Frank N. Easterbrook became our President and Managing Member effective February 5, 2010. His responsibilities are to establish and oversee business strategies,

set goals, monitor performance, approve contracts and franchise appointments, and to ensure that proper, effective and timely management services are provided to meet the needs of and commitments to our consumers and franchisees. He has also been President and Board Member of our Affiliate, Balboa Brands, Inc. since January, 2001, and was President, Managing Member and Director of Ziiing LLC from January, 2008 through the merger of Ziiing LLC with us. Mr. Easterbrook was President, Chief Executive Officer and Director of Juice It Up Franchise Corporation from January, 2001 until December, 2009.

We currently have a management contract with our Affiliate, Balboa Brands, Inc., under which Balboa Brands, Inc. employs the following individuals to handle our operational and support functions.

Tim Malott – Vice President and CFO (of Balboa Brands, Inc.)

Tim Malott joined our Affiliate as Corporate Controller in September, 2010, and was promoted to Vice President and CFO shortly thereafter. With Automatic Data Processing Inc. (ADP) from October, 1985 until September, 2008, Mr. Malott held executive positions as Division VP, General Manager and CFO/Controller. While working for ADP, he held increasingly responsible positions at its Cerritos, California, Charlotte, North Carolina, and eventually Salt Lake City, Utah facilities, where his last assignment was DVP - CFO at their largest Health Benefits Administration processing center. From April, 2009 to September, 2010 Mr. Malott was Controller for Scuba.com, Inc. in Irvine, California.

Carol Skinner – Sr. Director of Business Development & Marketing (of Balboa Brands, Inc.)

Carol Skinner joined our Affiliate in November, 2008 as the Sr. Director of Business Development and Marketing. She is responsible for the direction and management of all system-wide business development/marketing initiatives and budget, as well as providing overall business development and marketing leadership, vision and direction to expand and grow the JUICE IT UP® brand. Carol was previously employed by our Affiliate in August 2006, where she was promoted from Franchise System Manager to Director of Business Development and Marketing in November 2008.

Suzanne Coshow – Director of Business Development (of Balboa Brands, Inc.)

Suzanne Coshow joined our Affiliate on March 3, 2011 as the Director of Business Development and is responsible for the development and expansion of our franchise business, and for expansion and growth of the JUICE IT UP® brand. Suzanne was previously employed as the Franchise Development Manager and Director of Operations for Cherry on Top, Inc. in Buena Park, California from April, 2010 to March, 2011, and was the Regional Operations Manager and Director of International Compliance with Yogurtland Franchising, Inc. in Anaheim, California from September, 2007 to April, 2010. Prior to that, she was the District Manager for Peets Coffee & Tea, Inc. in Seal Beach, California, from April, 2005 to September, 2007.

Cindi Romine – Operations Manager (of Balboa Brands, Inc.)

Cindi Romine first joined our Affiliate in February, 2004 as Customer Service/Vendor Relations Manager. She was promoted to Corporate Store Manager in April, 2005, to District Operations Manager overseeing 4 Corporate Stores in Northern California in June, 2006, to Training Manager in March, 2007, and to Regional Business Consultant in March, 2008 until May, 2009. Cindi was employed with IHP, Inc. as Operations Manager in 2010. In August, 2011 she was re-hired by our Affiliate as an independent business consultant, and then as full time Operations Manager in January, 2012. She is responsible for overseeing our franchisee training programs.

3. LITIGATION

LLJ Franchise LLC vs. Prosauce Industries, Inc.; RFP Legacy, Inc.; Ron Prosser; Febe Saucedo (Superior Court of California, County of Orange; Case Number: 30-2011-00509525). On September 20, 2011 we filed a complaint against Ron Prosser, Febe Saucedo, RFP Legacy, Inc. and Prosauce Industries, Inc. ("Defendants") for breach of contract (the Franchise Agreement), fraud and intentional interference with contract. In January of 2012, we filed a First Amended Complaint against Defendants containing additional grounds for the causes of action already stated. We later filed a Motion for Leave to Amend to File Supplemental Complaint which is pending. RFP Legacy, Inc is a former franchisee, in which Defendant Febe Saucedo is/was the owner and a personal guarantor. Defendant Prosauce Industries, Inc. is a current franchisee, in which Defendants Febe Saucedo and Ron Prosser are the owners and personal guarantors. Our complaint seeks unspecified damages according to proof including punitive damages and requests recovery of our attorney's fees. As of the date of this disclosure document, Defendants have not yet filed a response.

Except for the action disclosed above, there is no litigation that is required to be disclosed in this Item.

4. BANKRUPTCY

No bankruptcies are required to be disclosed in this Item.

5. INITIAL FEES

Site Assistance Deposit Fee

If you sign a Site Assistance Deposit Agreement, you will pay us a deposit fee of \$5,000 in cash or another form of payment that makes the funds immediately accessible to us, such as cashier's check or wire transfer, at the time of signing. The Site Assistance Deposit Agreement provides for our limited assistance (such as providing area demographic data from brokers and our criteria for a suitable site) while you are looking for a site, and compensation for the time and expenses we incur related to

inspecting proposed sites. Our acceptance of your Site Assistance Deposit does not grant or secure for you any rights in or to a **JUICE IT UP**[®] franchise, a territory or rights related to any intellectual property. Those rights may only be granted through a Franchise Agreement signed by us and you, and your payment of the required fees described below. The Site Assistance Deposit is entirely non-refundable but will be applied toward the initial franchise fee for a **JUICE IT UP**[®] Unit if you sign a Franchise Agreement within the time specified in the Site Assistance Deposit Agreement.

If you are unable to either locate a site that we find acceptable or do not accept a site we propose to you within 6 months after signing the Deposit Agreement, the Deposit Agreement may, at our option, be terminated. We may, at our option, extend the Deposit Agreement for an additional period but have no obligation to do so. Upon termination of the Deposit Agreement, we have no further obligation to you and will retain the entire deposit amount.

Initial Franchise Fee

The initial franchise fee is due in a lump sum at the time you sign the Franchise Agreement for your **JUICE IT UP**[®] Unit. It is payable to us in cash or other immediately accessible funds, such as cashier's check or wire transfer. The initial franchise fee for the first **JUICE IT UP**[®] Unit you purchase is \$25,000. If you are opening multiple Units under an Area Development Agreement, the initial franchise fee is \$20,000 for the 2nd Unit you purchase, due when you sign the Franchise Agreement, and \$15,000 for the 3rd and any subsequent Units, also due when you sign the applicable Franchise Agreement for each such Unit. If your **JUICE IT UP**[®] Unit will be a kiosk, then your initial franchise fee is \$12,500. We do not discount the initial franchise fee for a kiosk for any reason. The amount of any Site Assistance Deposit you paid will be credited toward the initial franchise fee for the applicable Unit under a Site Assistance Deposit Agreement. The initial franchise fee is non-refundable.

If you are purchasing a **JUICE IT UP**[®] Unit that is owned by us or an affiliate of ours, then in addition to signing the Franchising Agreement and paying the initial franchise fee described above, you must sign an Asset Purchase Agreement with us or our affiliate as well as an arrangement for transfer or assumption of a lease (Exhibit E and Attachment 3 to the Franchise Agreement); other negotiations may also be necessary depending on the circumstances.

We are a member of the International Franchise Association ("IFA") and participate in the IFA's VetFran Program, which provides special financial incentives to qualified Veterans. Through this program, the Small Business Association ("SBA") provides financing to qualified applicants. We offer a \$10,000 reduction on the initial franchise fee for qualified Veterans of the U.S. Armed Forces related to each Traditional Juice It Up[®] Unit purchased. The VetFran program cannot be used in connection with any other discount programs, i.e., your initial franchisee fee in these cases will be no less than the discounted \$15,000 fee for each Franchise Agreement as described in this Section above. In order to qualify, you must, among other business requirements, have received an Honorable Discharge and at all times, must own at least 50% of the franchise and/or the franchise business entity. You must advise us of your Veteran

status (and provide evidence of qualification) before signing your Franchise Agreement.

These initial fees are currently uniform for all Juice It Up® franchises; however, we reserve the right to waive or adjust the initial franchise fee for additional Non-Traditional Units in our Business Judgment.

Area Development Fees

When you sign the Area Development Agreement, you will pay us a lump sum in cash or other immediately accessible funds, an area development fee equal to 1/2 of the total initial franchise fees for the total number of Units (minimum of 3) on the Development Schedule (Area Development Fee). The initial franchise fee for each Traditional Unit is \$25,000 for a single **JUICE IT UP®** Unit, \$20,000 for the 2nd Unit, and \$15,000 for the 3rd and each subsequent Unit opened under the same Area Development Agreement. If one or more of your **JUICE IT UP®** Units will be a kiosk, then your initial franchise fee for such Unit(s) is \$12,500.

We will credit the development fees you pay toward each initial franchise fee due under each Franchise Agreement at a maximum rate of ½ of the initial franchise fee owed for each Unit, until all development fees have been credited. The balance remaining on the initial franchise fee for each Unit is paid when you sign each Franchise Agreement. The Area Development Fee is not refundable.

6. OTHER FEES¹

Type of Fee	Amount	Due Date	Remarks
Royalties	6.5% of Adjusted Gross Sales ² or \$200 per week, whichever is greater	Weekly by electronic transfer, as discussed in the Electronic Funds Transfer Agreement (See Franchise Agreement Attachment 2) ³	You pay us Royalties for each full or partial week after you open your JUICE IT UP® Unit, or 90 days after you sign a lease for the premises or take possession of the premises (if you own), whichever is earliest (the "Start Date").

Type of Fee	Amount	Due Date	Remarks
Advertising Fund	2.5% of Adjusted Gross Sales ² or \$65 per week, whichever is greater	Weekly by electronic transfer, as discussed in the Electronic Funds Transfer Agreement (See Franchise Agreement Attachment 2) ³	Advertising Fund fees are payable to us. We may offer a reduced Advertising Fund payment for Non-Traditional Units.
Local Advertising	1% of Adjusted Gross Sales ²	Quarterly, with documentation of your compliance submitted to us on or before the 15 th day of each calendar quarter.	Any amounts paid for mandatory mail advertising contributions or contributed to a Co-op will be credited toward this requirement.
Regional Advertising Fund	As determined by each Regional Advertising Co-op; but not to exceed 1.5% of Adjusted Gross Sales	As determined by each Regional Advertising Co-op	You must contribute to the Regional Advertising Fund if/when established. You will have one vote for each Unit you own within a particular Advertising Region. Amounts you contribute to the Regional Advertising Fund will be credited toward your local advertising requirements under Section 7.9 of your Franchise Agreement.

Type of Fee	Amount	Due Date	Remarks
Additional Training Fee	\$100 per hour (or our then-current rates), plus our costs and expenses if we conduct a training program at your Unit	Before any additional training	The Initial Training Program for up to 3 people is included in your initial franchise fee. You will reimburse us for expenses incurred if any part of the Initial Training is provided at your Unit. Some examples of when Additional Training Fees will be charged include: for anyone who does not successfully complete Initial Training; to train a replacement Designated Manager; or if you request additional training of any kind.
Audit	Cost of audit plus late fees and interest if 5% discrepancy is found between what has been reported/paid and what is due	Upon invoice	Your rights may be terminated if a 5% or greater discrepancy is found or intentional underreporting of any amount has occurred.
Relocation Fee	20% of our then-current initial franchise fee	Upon signing the Relocation Agreement or Franchise Agreement for your relocated Unit	If relocation takes place at the time of renewal, you only pay the Relocation Fee not the Renewal Fee. Then-current initial franchise fee is for a single Unit prior to offset by development fees, site assistance deposits, VetFran discounts or any other reductions.

Type of Fee	Amount	Due Date	Remarks
Renewal Fee	10% of our then-current initial franchise fee	As billed before we grant consent	Then-current initial franchise fee is for a single Unit prior to offset by development fees, site assistance deposits, VetFran discounts or any other reductions.
POS License Fee	\$79 per month	Monthly as required by Vendor	Subject to Vendor changes. See Item 11.
Transfer Fee ⁴	\$10,000 If you have signed an Area Development Agreement, the transfer must be for all Units identified on your Development Schedule, and the Transfer Fee is \$15,000 for all Units	The Transfer Fee must be paid when we sign the Consent to Transfer Agreement	No transfers permitted within 12 months of signing the Franchise Agreement or any transfer event absent consent in urgent circumstances and payment of increased Transfer Fee of \$13,000. No transfer fee if you are assigning your Franchise Agreement upon your death or to an entity 100% controlled by you, but you must reimburse us for all direct and indirect expenses we incur related to the transfer, including attorney's fees.
Interest and Administrative Fees on Late Payments and Reports ^{3,5}	Interest at a rate of 1.5% per month (18% APR where allowed by law) on unpaid amounts plus \$50 Administrative Fee per occurrence	Upon invoice	Assessed and begins accruing on the day the payment or report was due.
Conventions	Our then-current registration fee, up to \$500	Upon invoice	

Type of Fee	Amount	Due Date	Remarks
Inspection Reimbursement	Our costs and expenses in connection with any inspection of your Unit for which you receive a failing score	Upon demand	
Customer Complaint Reimbursements	Reimbursement of the amount we paid	Upon demand	You must handle customer complaints concerning your Unit. If we are contacted by a customer and determine, in our sole discretion, that we should act to allay concerns about your Unit, you will reimburse us for any gift cards or refunds given, or other amounts we incur.
Indemnification	The amount of any expenses and/or liabilities of any kind arising from any act or omission of yours relating to your Unit other than operation of your Unit in full compliance with the Franchise Agreement.	Upon written request for indemnification.	This includes, but is not limited to, our Customer Satisfaction Program and ethical business conduct (see Sections 7.2.8 and 7.2.12 of your Franchise Agreement)

1. All fees are imposed by and payable to us. All fees are non-refundable. Except as individually negotiated between us and a franchisee or except as otherwise expressly described in this disclosure document, we charge uniform fees for all franchises we currently offer in this state. We can adjust any amount described in the Franchise Agreement as subject to inflation adjustment on an annual basis and in proportion to the changes in the Consumer Price Index (U.S. Average, all items) maintained by the U.S. Department of Labor (or any successor index) as compared to the previous year. If we make an adjustment, we will give you at least 30 days' advance notice.
2. "Adjusted Gross Sales" is defined in Section 3 of your Franchise Agreement as the total amount of money or other consideration you and your Related Parties receive for all goods sold and services rendered from the Accepted Location or in association with our Trade Name or Marks, of any kind whatsoever.

3. You must sign the form in Attachment 2 to your Franchise Agreement before you open your Center, to establish an electronic funds transfer arrangement so we can debit your bank or other financial institution for the Royalty Fees, Advertising Fund, Interest on Late Payments, Administrative Fees on Late Payments and Reports and all other fees or payments due us or any of our affiliates. It is a material breach of your franchise agreement to fail to implement or maintain this EFT system in accordance with our instructions.
4. If you are a transferee, you must spend at least \$1,500 on re-opening promotion during the 1st 90 days after transfer to you. This informs the public of change of ownership.
5. Interest begins from the date of underpayment, and continues to accrue until paid.

7. ESTIMATED INITIAL INVESTMENT

Single, "Traditional" JUICE IT UP[®] Unit - Juice Bar

7 - A

YOUR ESTIMATED INITIAL INVESTMENT ¹

Type of Expenditure	Amount		Method of Payment	When Due	To Whom Payment is to be made
	Low	High			
Initial Franchise Fee	\$12,500 ²	\$25,000	Single payment	Upon signing Franchise Agreement	Us
Real Estate ³	\$6,000	\$12,000	Deposit, plus 1 month's rent	At lease signing	Lessor
Architect, and Blueprint Fees	\$6,500	\$7,500	As arranged	Before opening	Approved Architect
Building Permits	\$5,000	\$8,000	With applications	Before opening	Government Agencies
Tenant Improvements ⁴	\$48,825	\$107,000	As arranged	As arranged	Contractor
Signs & Menu Boards	\$3,560	\$9,620	As arranged	Before opening	Suppliers

Type of Expenditure	Amount		Method of Payment	When Due	To Whom Payment is to be made
	Low	High			
POS System & Office Equipment ⁵	\$4,834	\$7,168	Single payment	Before opening	Suppliers
Furniture, Fixtures & Other Equipment ⁶	\$49,700	\$95,120	Single payment or installments on lease	Before opening	Suppliers
Utility Deposits and Sales Tax Bonds ⁷	\$1,500	\$4,000	As incurred	Before opening	Municipal Utilities & Equipment Lessors
Opening Stock (Inventory)	\$3,500	\$8,000	Terms set by suppliers	As arranged	Distributors & Suppliers
Small Wares	\$2,600	\$3,500	As arranged	Before opening	Suppliers
Expenses While Training ⁸	\$575	\$3,500	As arranged	Before opening	Transportation, Hotel, Meals, etc.
Grand Opening Event ⁹	\$1,500	\$2,000	As arranged	8 weeks after opening of business	Various vendors
Additional Funds ¹⁰ (Prior to and for 3 months after opening)	\$20,850	\$33,100	Varies	As incurred	Various
Total	\$167,444	\$325,508			

All figures are estimates only.

All payments made to us are non-refundable. Payments made to third parties may or may not be refundable depending on the terms agreed to by you and the third party.

*All figures relate to the development and opening of a new **JUICE IT UP**[®] juice bar. If you acquire an operating **JUICE IT UP**[®] juice bar from our Affiliate, BBI, the price you pay for its assets and other terms will be negotiated between you and BBI and are not reflected in the above chart. Refer to the form of Asset Purchase Agreement attached as Exhibit E of this disclosure document.*

1. Except for the "Additional Funds" category shown above, the table shows estimated expenses until your Unit first opens for business. Most of these funds are non-

refundable, except for some insurance payments and security deposits in certain instances.

2. If you have paid a Site Assistance Deposit of \$5,000, it will be credited toward the initial franchise fee for the applicable **JUICE IT UP®** Unit. If your **JUICE IT UP®** Unit will be a kiosk (which is granted only with our prior written consent and may require you to execute other appropriate documents, including a general release, and/or to satisfy other conditions), then your initial franchise fee is \$12,500. If you open 3 or more Units in a defined area under an Area Development Agreement, the initial franchise fee for each Traditional Unit is \$25,000 for your 1st Unit, \$20,000 for your 2nd and \$15,000 for your 3rd and each subsequent Unit identified on your Development Schedule. Kiosk Units may be included in the Development Schedule, but we do not discount the \$12,500 initial franchise fee for kiosks. Area Development fees of ½ the amount of the initial franchise fees due for each Unit are paid when you sign the Area Development Agreement and are credited toward the initial franchise fees due, but are not refundable.

VETFRAN PROGRAM: The Initial Franchise Fee for veterans qualified under the IFA's VetFran Program, as described in Item 5, is \$15,000 for each **JUICE IT UP®** Unit purchased, regardless of quantity unless the Unit is a kiosk, in which case the initial franchise fee is \$12,500.

3. These figures are based on the assumption that premises will be rented and that lessor will require an initial payment of the first month's rent, plus a security deposit. The premises will probably be located in a strip center, mall, food court or market center; the size will range from 300 square feet to 1,000 square feet.
4. The cost of tenant improvements largely depends on the degree to which the space has been built out prior to delivery. The low estimate assumes you are building a kiosk or buying an existing or former **JUICE IT UP®** Unit or similar Unit. The high estimate assumes, among other things, that your build-out will be in an empty shell and will include costs for the merchandising presentation related to the fresh-squeezed, raw juice bar.
5. In addition to the POS (point-of-sale) cash register system, this category includes back office items such as a fax machine, personal computer, telephone, printer & miscellaneous office equipment, and a 42" or larger TV for the customer area. Some Units may require 2 POS systems, depending on the store size and expected traffic flow, and this is included in the high estimate.
6. This category includes such items as food preparation equipment, freezers, refrigerators, cabinets, janitorial equipment, alarm systems, installation, freight and taxes. Low range would be typical of a 2-blender juice bar, in a kiosk, or the purchase of approved used equipment. High range would be for new equipment plus equipment for the fresh-squeezed raw juice bar. You may purchase previously owned equipment from us or our Affiliate as available.
7. This category may include sales tax deposits or bonds, sewer hookup charges, utility deposits, and security deposits on leased equipment.
8. You must arrange and pay for transportation, meals, lodging and incidentals for you and your Designated Manager while attending our training programs. The amount you spend will depend upon several factors, including the distance you have to travel and the type of accommodations you choose. We based this estimate upon such expenses anticipated for 2 people, for 5 days, including approximate costs for hotel,

airfare, etc. You will also be responsible for wages you pay your employees during training.

9. **Grand Opening:** Within the first 45-90 days after opening your Unit, you must spend at least \$1,500 on grand opening advertising and promotion, but may choose to spend more. We recommend that you spend \$2,000 to do a proper Grand Opening, involving the Chamber of Commerce in your community. As discussed in Item 6, an existing operating Unit requires a re-opening expense of at least \$1,500.
10. This category includes estimated employee wages, opening cash, professional fees, and other miscellaneous expenses that you may incur from signing and during the first 90 days of your operations. This is an estimate and we cannot guarantee that you will not have additional expenses or that additional working capital will not be necessary during or after this start-up phase. Your actual costs will depend on factors including your management skill, experience and business acumen, local competition and economic conditions, the local market for the Unit, the prevailing wage rate, and the sales level reached during the start-up phase. We relied on the experience of our management in developing these figures. You should review them carefully in light of local conditions and the current economic outlook, consulting a business advisor if necessary.

7 – B

YOUR ESTIMATED INITIAL INVESTMENT ¹

Single, “Traditional” JUICE IT UP[®] Unit - Frozen Yogurt Shop

Type of Expenditure	Amount		Method of Payment	When Due	To Whom Payment is to be made
	Low	High			
Initial Franchise Fee	\$12,500 ²	\$25,000	Single payment	Upon signing Franchise Agreement	Us
Real Estate ³	\$6,000	\$12,000	Deposit, plus 1 month's rent	At lease signing	Lessor
Architect, and Blueprint Fees	\$6,500	\$7,500	As arranged	Before opening	Approved Architect
Building Permits	\$5,000	\$8,000	With applications	Before opening	Government Agencies
Tenant Improvements ⁴	\$48,825	\$92,000	As arranged	As arranged	Contractor

Type of Expenditure	Amount		Method of Payment	When Due	To Whom Payment is to be made
	Low	High			
Signs, Menu Boards	\$3,560	\$9,620	As arranged	Before opening	Suppliers
POS System And Office Equipment ⁵	\$4,834	\$7,168	Single payment	Before opening	Suppliers
Furniture, Fixtures And Other Equipment ⁶	\$70,300	\$180,122	Single payment or installments on lease	Before opening	Suppliers
Utility Deposits and Sales Tax Bonds ⁷	\$1,500	\$4,000	As incurred	Before opening	Municipal Utilities & Equipment Lessors
Opening Stock (Inventory)	\$5,000	\$8,000	Terms set by suppliers	As arranged	Distributors & Suppliers
Small Wares	\$2,600	\$3,500	As arranged	Before opening	Suppliers
Expenses While Training ⁸	\$575	\$3,500	As arranged	Before opening	Transportation, Hotel, Meals, etc.
Grand Opening Event ⁹	\$1,500	\$2,000	As arranged	8 weeks after opening of business	Various vendors
Additional Funds ¹⁰ (Prior to and for 3 months after opening)	\$20,850	\$33,100	Varies	As incurred	Various
TOTAL	\$189,544	\$395,510			

All figures are estimates only.

All payments made to us are non-refundable. Payments made to third parties may or may not be refundable depending on the terms agreed to by you and the third party.

All figures relate to the development and opening of a new **JUICE IT UP**[®] frozen yogurt shop. If you acquire an operating **JUICE IT UP**[®] frozen yogurt shop from our Affiliate, BBI, the price you pay for its assets and other terms will be negotiated between you and BBI and are not reflected in the above chart. Refer to the form of Asset Purchase Agreement attached as Exhibit E of this disclosure document.

1. Except for the “Additional Funds” category shown above, the table shows estimated expenses until your Unit first opens for business. Most of these funds are non refundable, except for some insurance payments and security deposits in certain instances.
2. If you have paid a Site Assistance Deposit of \$5,000, it will be credited toward the initial franchise fee for the applicable **JUICE IT UP**[®] Unit. If your **JUICE IT UP**[®] Unit will be a kiosk (which is granted only with our prior written consent and may require you to execute other appropriate documents, including a general release, and/or to satisfy other conditions), then your initial franchise fee is \$12,500. If you open 3 or more Units in a defined area under an Area Development Agreement, the initial franchise fee for each Traditional Unit is \$25,000 for your 1st Unit, \$20,000 for your 2nd and \$15,000 for your 3rd and each subsequent Unit identified on your Development Schedule. Kiosk Units may be included in the Development Schedule, but we do not discount the \$12,500 initial franchise fee for kiosks. Area Development fees of ½ the amount of the initial franchise fees due for each Unit are paid when you sign the Area Development Agreement and are credited toward the initial franchise fees due, but are not refundable.

VETFRAN PROGRAM: The Initial Franchise Fee for veterans qualified under the IFA’s VetFran Program, as described in Item 5, is \$15,000 for each **JUICE IT UP**[®] Unit purchased, regardless of quantity unless the Unit is a kiosk, in which case the initial franchise fee is \$12,500.

3. These figures are based on the assumption that premises will be rented and that lessor will require an initial payment of the first month’s rent, plus a security deposit. The premises will probably be located in a strip center, mall, food court or market center; the size will range from 300 square feet to 1,000 square feet.
4. The cost of tenant improvements largely depends on the degree to which the space has been built out prior to delivery. The low estimate assumes you are building a kiosk, or buying an existing or former **JUICE IT UP**[®] Unit or similar Unit. The high estimate assumes you are building out an empty shell with a fresh fruit and dry toppings bar for your self-serve yogurt shop.
5. In addition to the POS (point-of-sale) cash register system, this category includes back office items such as a fax machine, personal computer, telephone, printer & miscellaneous office equipment and a 42” or larger TV for the customer area. Some Units may require 2 POS systems depending on the store size and expected traffic flow, and this is included in the high estimate.
6. This category includes such items as food preparation equipment, freezers, refrigerators, cabinets, alarm systems, janitorial equipment, installation, freight and taxes. Low range would be typical of a “two yogurt machine installation” with approved used machines in an existing location or in a 300 square foot kiosk. High range would be for a new “six yogurt machine” installation and new supporting equipment. You may purchase previously owned equipment from us or our Affiliate as available.

7. This category may include sales tax deposits or bonds, sewer hookup charges, utility deposits, and security deposits on leased equipment.
8. You must arrange and pay for transportation, meals, lodging and incidentals for you and your Designated Manager while attending our training programs. The amount you spend will depend upon several factors, including the distance you have to travel and the type of accommodations you choose. We based this estimate upon such expenses anticipated for 2 people, for 5 days, including approximate costs for hotel, airfare, etc. You will also be responsible for wages you pay your employees during training.
9. Grand Opening: Within the first 45-90 days after opening your Unit, you must spend at least \$1,500 on grand opening advertising and promotion, but may choose to spend more. We recommend that you spend \$2,000 to do a proper Grand Opening involving the Chamber of Commerce in your community. As discussed in Item 6, an existing operating Unit requires a re-opening expense of at least \$1,500.
10. This category includes estimated employee wages, opening cash, professional fees, and other miscellaneous expenses that you may incur from signing and during the first 90 days of your operations. This is an estimate and we cannot guarantee that you will not have additional expenses or that additional working capital will not be necessary during or after this start-up phase. Your actual costs will depend on factors including your management skill, experience and business acumen, local competition and economic conditions, the local market for the Unit, the prevailing wage rate, and the sales level reached during the start-up phase. We relied on the experience of our management in developing these figures. You should review them carefully in light of local conditions and the current economic outlook, consulting a business advisor if necessary.

7 - C

YOUR ESTIMATED INITIAL INVESTMENT ¹

Single, "Traditional" Combination JUICE IT UP[®] Unit - Juice Bar/Frozen Yogurt Shop

Type of Expenditure	Amount		Method of Payment	When Due	To Whom Payment is to be made
	Low	High			
Initial Franchise Fee	\$12,500 ²	\$25,000	Single payment	Upon signing Franchise Agreement	Us
Real Estate ³	\$6,000	\$12,000	Deposit, plus 1 month's rent	At lease signing	Lessor
Architect, and Blueprint Fees	\$6,500	\$7,500	As arranged	Before opening	Approved Architect

Type of Expenditure	Amount		Method of Payment	When Due	To Whom Payment is to be made
	Low	High			
Building Permits	\$5,000	\$8,000	With applications	Before opening	Government Agencies
Tenant Improvements ⁴	\$48,825	\$107,000	As arranged	As arranged	Contractor
Signs & Menu Boards	\$3,560	\$9,620	As arranged	Before opening	Suppliers
POS System & Office Equipment ⁵	\$4,834	\$7,168	Single payment	Before opening	Suppliers
Furniture, Fixtures & Other Equipment ⁶	\$83,500	\$126,300	Single payment or installments on lease	Before opening	Suppliers
Utility Deposits and Sales Tax Bonds ⁷	\$1,500	\$4,000	As incurred	Before opening	Municipal Utilities & Equipment Lessors
Opening Stock (Inventory)	\$5,500	\$8,000	Terms set by suppliers	As arranged	Distributors & Suppliers
Small Wares	\$2,820	\$4,000	As arranged	Before opening	Suppliers
Expenses While Training ⁸	\$575	\$3,500	As arranged	Before opening	Transportation, Hotel, Meals, etc.
Grand Opening Event ⁹	\$1,500	\$2,000	As arranged	8 weeks after opening of business	Various vendors
Additional Funds ¹⁰ (Prior to and for 3 months after opening)	\$20,850	\$33,100	Varies	As incurred	Various
Total	\$203,464	\$357,188			

All figures are estimates only.

All payments made to us are non-refundable. Payments made to third parties may or may not be refundable depending on the terms agreed to by you and the third party.

All figures relate to the development and opening of a new combo **JUICE IT UP**[®] juice bar and frozen yogurt shop. If you acquire an operating combo **JUICE IT UP**[®] juice bar and frozen yogurt shop from our Affiliate, BBI, the price you pay for its assets and other terms will be negotiated between you and BBI and are not reflected in the above chart. Refer to the form of Asset Purchase Agreement attached as Exhibit E of this disclosure document.

1. Except for the “Additional Funds” category shown above, the table shows estimated expenses until your Unit first opens for business. Most of these funds are non-refundable, except for some insurance payments, and security deposits in certain instances.
2. If you have paid a Site Assistance Deposit of \$5,000, it will be credited toward the initial franchise fee for the applicable **JUICE IT UP**[®] Unit. If your **JUICE IT UP**[®] Unit will be a kiosk (which is granted only with our prior written consent and may require you to execute other appropriate documents, including a general release, and/or to satisfy other conditions), then your initial franchise fee is \$12,500. If you open 3 or more Units in a defined area under an Area Development Agreement, the initial franchise fee for each Traditional Unit is \$25,000 for your 1st Unit, \$20,000 for your 2nd and \$15,000 for your 3rd and each subsequent Unit identified on your Development Schedule. Kiosk Units may be included in the Development Schedule, but we do not discount the \$12,500 initial franchise fee for kiosks. Area Development fees of ½ the amount of the initial franchise fees due for each Unit are paid when you sign the Area Development Agreement and are credited toward the initial franchise fees due, but are not refundable.

VETFRAN PROGRAM: The Initial Franchise Fee for veterans qualified under the IFA's VetFran Program, as described in Item 5, is \$15,000 for each **JUICE IT UP**[®] Unit purchased, regardless of quantity unless the Unit is a kiosk, in which case the initial franchise fee is \$12,500.

If you wish to upgrade your existing **JUICE IT UP**[®] juice bar or **JUICE IT UP**[®] frozen yogurt shop to a combination store, you are responsible for the purchase of additional furniture, fixtures, equipment and inventory needed to complete the upgrade. These costs can vary greatly depending on costs for renovation and adherence to building codes. You must provide and we must approve an architect's rendering of the changes, and you must verify that you have the ability to upgrade per building codes and requirements. The costs to obtain architects drawings, city permits and approvals will be borne solely by you.

3. These figures are based on the assumption that premises will be rented and that lessor will require an initial payment of the first month's rent, plus a security deposit. The premises will probably be located in a strip center, mall, food court or market center; the size will range from 300 square feet to 1,000 square feet.
4. The cost of tenant improvements largely depends on the degree to which the space has been built out prior to delivery. The low estimate assumes you are building a kiosk, or buying an existing or former **JUICE IT UP**[®] Unit or similar Unit. The high estimate assumes that your build-out will be in an empty shell and will include costs for the merchandising presentation related to the smoothie, raw juice bar, and yogurt shop.
5. In addition to the POS (point-of-sale) cash register system, this category includes back office items such as a fax machine, personal computer, telephone, printer & miscellaneous office equipment, and a 42" or larger TV for the customer area. Some Units may require 2 POS systems depending on the store size and expected traffic flow, and this is included in the high estimate.

6. This category includes such items as food preparation equipment, freezers, refrigerators, cabinets, alarm systems, janitorial equipment, installation, freight and taxes. Low range would be typical of a kiosk with minimal equipment and/or the purchase of approved used equipment. High range would be for new equipment. You may purchase previously owned equipment from us or our affiliate as available.
7. This category may include sales tax deposits or bonds, sewer hookup charges, utility deposits, and security deposits on leased equipment.
8. You must arrange and pay for transportation, meals, lodging and incidentals for you and your Designated Manager while attending our training programs. The amount you spend will depend upon several factors, including the distance you have to travel and the type of accommodations you choose. We based this estimate upon such expenses anticipated for 2 people, for 5 days, including approximate costs for hotel, airfare, etc. You will also be responsible for wages you pay your employees during training.
9. Grand Opening: Within the first 45-90 days after opening your Unit, you must spend at least \$1,500 on grand opening advertising and promotion, but may choose to spend more. We recommend that you spend \$2,000 to do a proper Grand Opening involving the Chamber of Commerce in your community. As discussed in Item 6, an existing operating Unit requires a re-opening expense of at least \$1,500.
10. This category includes estimated employee wages, opening cash, professional fees, and other miscellaneous expenses that you may incur from signing and during the first 90 days of your operations. This is an estimate and we cannot guarantee that you will not have additional expenses or that additional working capital will not be necessary during or after this start-up phase. Your actual costs will depend on factors including your management skill, experience and business acumen, local competition and economic conditions, the local market for the Unit, the prevailing wage rate, and the sales level reached during the start-up phase. We relied on the experience of our management in developing these figures. You should review them carefully in light of local conditions and the current economic outlook, consulting a business advisor if necessary.

8. RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

You must offer and sell all the products and services we specify, and only the products and services, that we authorize. Within 30 days after written notice from us (unless we specify a longer period), you must commence and continue to offer and sell all additional products and services we specify or, if we decide to withdraw our approval of any products or services, you must cease offering and selling those products or services.

All products and services prepared, sold or provided by you from your **JUICE IT UP[®]** Unit must be prepared, sold and/or manufactured in strict accordance with our recipes, standards and specifications, including specifications as to ingredients, brand names, preparation and presentation. Additionally, you must use and sell only the specified retail supplements, snacks, hot drinks, and other products we designate.

We will give you, in the Operations Manual or in writing, a list of names and addresses of suppliers of goods and services that currently meet our standards. These may be “designated suppliers” from which you are required to purchase certain types of

goods or services or “approved suppliers” from whom you may purchase certain types of goods or services. We require that you use only designated and approved suppliers to ensure that uniform, high quality standards are part of each customer’s experience, throughout the System which in turn promotes goodwill in the **JUICE IT UP®** brand and Marks. In addition, many of the products and items supplied are proprietary and/or private label items which have aspects which must be kept confidential. Also, by entering into exclusive purchasing agreements with these suppliers, we may have negotiated quantity, ingredient and distribution discounts for the **JUICE IT UP®** Network as a whole. The amount of any discounts may vary and the precise terms of these agreements are confidential. To become an approved supplier, a supplier must stock items meeting our specifications, be reliable, charge reasonable prices, and be willing to make deliveries to individual locations. We may choose to withhold our approval of a supplier if we feel granting approval would jeopardize current supplier relationships. You are required to accept delivery of approved products and items in accordance with the terms negotiated for the benefit of the Network which may include automatic shipments at the then current product cost plus distribution margin.

Promotional Items, including signs, menus, gift and loyalty card machines, supplement guides, in-store promotional posters, training and recipe cards, and point-of-sale materials for new promotions may be purchased only from us or a designated or approved supplier as set forth in the Manual. All promotional, advertising and informational materials must be uniform in all **JUICE IT UP®** Units; you must remove all unauthorized or unapproved items from your Unit. Many **JUICE IT UP®** items are copyrighted, and may be proprietary to us. Local store advertising and marketing materials must be produced by you, either utilizing LLJ-provided templates or professionally generated materials approved by us prior to use.

You must use an architect, general contractor and equipment suppliers to design and build your **JUICE IT UP®** Unit. Your contractor must be state licensed and bonded in compliance with all applicable laws. You must buy fruit juices, frozen hard-pack and soft-serve yogurt, sherbets, IQF (individually quick frozen) or fresh fruit, nutritional supplements, hot tea and coffee, snacks, gift and loyalty card machines, POS system and polling software exclusively from approved suppliers.

Paper goods, including logo cups, bowls, lids, napkins and straws, may be purchased only from approved suppliers. To be approved, besides meeting the criteria described above, the supplier must stock all of the long list of paper and non-paper items used in a **JUICE IT UP®** Unit, including logo cups and other items bearing the Marks. The movement to “green,” or eco-friendly packaging will impact the business and may increase costs of cups, bowls and other items. We intend to be environmentally compliant and will require use of only approved packaging materials which may change over time.

Products or services must be purchased from a currently approved supplier. If you wish to purchase from an alternate supplier or secure products and ingredients not currently offered, you must first advise us of this fact in advance of selling or using the item and, upon our request, give us product specifications, sample products, and/or information about the supplier. We will communicate in writing to you either our approval

or reasons for withholding our approval within a month. Silence may not be construed as consent. Normally, we will not expect you to pay for our evaluation of a supplier. However, if, in our opinion, the cost of inspecting the supplier's premises, checking the supplier's credentials, and/or testing the product will result in costs of \$500 or more, we will invoice you for any of these amounts over \$500. As a condition of approving a supplier of any product that bears the Trade Name or Marks, we may require that the supplier sign our then current form of License Agreement. We may withdraw our approval of a supplier if it no longer meets our standards. If this occurs you will be notified in writing.

Operating equipment for the Unit must meet our standards and specifications. IQF fruit, fresh fruits and vegetables, juice, frozen yogurt & sherbets, baked goods such as pretzels, bagels, and muffins, nutritional supplements, protein bars, healthy snacks, soft-serve yogurt and toppings must also meet standards and specifications. Normally, we formulate specifications based on our experience and standards established by the USDA (United States Department of Agriculture). If you submit new products for evaluation, the product will be evaluated in the manner described above for approving a supplier. Standards, specifications and any related modifications will be communicated to you in the Manual or otherwise in writing. Upon request, applicable standards and specifications will also be communicated to suppliers. You may be in breach of your Franchise Agreement if you do not comply with our standards, which are intended to provide a consistent and uniform product and experience for customers. This could result in termination of your Franchise Agreement.

You must purchase and maintain a policy or policies of comprehensive public liability insurance, including product liability coverage, covering all Unit assets, personnel, and activities on an occurrence basis with a combined single limit for bodily injury, death or property damage of not less than \$2,000,000. We may increase the minimum coverage requirement annually if necessary to reflect inflation or other changes in circumstances. You must also carry 1) casualty insurance in a minimum amount equal to the replacement value of your interest in the **JUICE IT UP®** Unit premises, including furniture, fixtures and equipment, and 2) business interruption insurance in an amount sufficient to cover the rent of the **JUICE IT UP®** Unit premises, salary or wages of key personnel, and other fixed expenses. In addition, you must maintain policies of worker's compensation insurance, disability insurance and any other types of insurance required by applicable law. Each insurance policy that is required under this Agreement must contain a provision that the policy cannot be canceled without 10 days' written notice to us. It must be issued by an insurance company of recognized responsibility, designate us and our Affiliate as additional named insureds, and be satisfactory to us in form, substance and coverage. Your policy must include the following language showing us and our Affiliate as additional insureds: "LLJ Franchise, LLC, Balboa Brands, Inc., their partners and joint ventures, and the officers, directors, shareholder, agents, servants and employees of each of them." You must deliver a certificate of the issuing insurance company evidencing each policy to us within 10 days after the policy is issued or renewed. Failure to do so is a material breach of the franchise agreement.

As described above, you agree to submit to us copies of all non-LLJ-generated advertising materials that you propose to use at least 2 weeks before the first time they are broadcast or published. We will review the materials within a reasonable time and will promptly notify you in writing whether we approve or reject them. We may withhold our approval if, in our opinion, the materials are not professionally prepared or do not convey the image and informational data consistent with our advertising program. For purposes of this paragraph, advertising materials that differ from previously approved materials only in such variables as date or price will be considered to be previously approved. Even if we have approved specified materials, we may later withdraw our approval if we reasonably believe it necessary to make the advertising conform to changes in the System or to correct unacceptable features of the advertising, including any misrepresentations.

As of the date of this disclosure document, neither we nor BBI receive rebates or discounts from suppliers based upon purchases from those suppliers by franchisees. We or BBI may, in the future, collect rebates and credits from suppliers based on purchases or sales by franchisees and, in our sole discretion, we may refund those amounts to franchisees or contribute those amounts to the Advertising Fund.

We are the designated supplier for certain point-of-purchase ("POP") materials and marketing kits which you must purchase from us on an on-going basis. Your costs for these POP materials are nominal, and thus not reflected in the Item 6 chart. During 2011, we received no revenue from franchisees for these products, but do add a 15% mark-up to cover our shipping and out-of-pocket costs.

Our Affiliate, BBI, is currently the designated supplier for JUICE IT UP CLEANSE™, a bottled juice purchased from a third party manufacturer. BBI incurs costs for transportation, shipping and handling to distribute this product but receives no profit on the product from our franchisees. BBI adds a 15% mark-up on the price of the product to help cover the costs it incurs in distribution, including the purchase of a delivery vehicle.

Our President owns an interest in us and in Balboa Brands Inc, both of which are designated suppliers.

We estimate that about 90% of your startup expenses and 50% of your ongoing expenses will be incurred for required purchases.

We do not provide material benefits (for example, renewal or granting additional franchises) to you based on your purchase of particular products or services or use of particular suppliers.

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 Agreement	Disclosure Document Item
a. Site selection and acquisition/lease	Site Assistance Deposit Agreement § 3; Franchise Agreement §§ 4.2, 7.2.2; Area Development Agreement § 5.1	7, 8, 11
b. Pre-opening purchases/ leases	Franchise Agreement § 7.2.3; Area Development Agreement § 5.1; Asset Purchase Agreement §§ 1.1 – 1.5	5, 8
c. Site development and other pre-opening requirements	Franchise Agreement §§ 5.1, 7.2.2, 7.2.5; Area Development Agreement §§ 3.2, 5.1; Asset Purchase Agreement §§ 3.1, 5.1, 6.1, 7.3, 7.5	5, 7, 12
d. Initial and ongoing training	Franchise Agreement §§ 5.2, 7.2.4	11
e. Opening	Franchise Agreement § 7.2.5; Area Development Agreement § 3.4.1 and Attachment 2	11
f. Fees	Site Assistance Deposit Agreement § 1; Franchise Agreement § 6; Area Development Agreement § 5; Asset Purchase Agreement §§ 1.2, 1.4, 1.5, 7.3, 10.1	5, 6
g. Compliance with standards and policies/Operating Manual	Franchise Agreement §§ 3.14, 3.17, 7.2.1; Area Development Agreement §§ 5.1, 10.1	11

Obligation	Section in Agreement	Disclosure Document Item
h. Trademarks and proprietary information	Franchise Agreement §§ 3.18, 7.1, 8.1, 8.4, Attachment 5; Area Development Agreement § 7; Asset Purchase Agreement § 12.2	13, 14
i. Restrictions on products/services offered	Franchise Agreement § 7.2.6	16
j. Warranty and customer service requirements	Franchise Agreement §§ 7.2.7, 7.2.8	
k. Territorial development and sales quotas	Franchise Agreement § 4.2.2, Area Development Agreement § 3 and Attachments 1, 2	12
l. Ongoing product/services purchases	Franchise Agreement § 7.2.6	8, 10
m. Maintenance, appearance, and remodeling requirements	Franchise Agreement §§ 4.3.2, 7.2.3, 9.4	8, 17
n. Insurance	Franchise Agreement § 7.6	6, 8
o. Advertising	Franchise Agreement §§ 5.6, 6.3, 7.1.3	6, 8, 11
p. Indemnification	Franchise Agreement § 8.5; and Area Development Agreement § 8.1; Asset Purchase Agreement § 12.4	6
q. Owner's participation management/staffing	Franchise Agreement § 7.3	15
r. Records/reports	Franchise Agreement § 7.5; Area Development Agreement § 9	6
s. Inspections/audits	Franchise Agreement §§ 6.5, 7.2.10	6
t. Transfer	Franchise Agreement §§ 3.29, 6.8, § 9; Area Development Agreement § 6; Asset Purchase Agreement §§ 1, 11 and Exhibit 3	6, 17

Obligation	Section in Agreement	Disclosure Document Item
u. Renewal	Franchise Agreement § 4.3.2; Area Development Agreement § 3.4.2	6, 17
v. Post-termination obligations	Franchise Agreement § 10.4 and Attachment 5; Area Development Agreement §§ 7, 8.1	17
w. Non-competition covenants	Franchise Agreement § 8.6 and Attachment 5; Area Development Agreement § 7	17
x. Dispute resolution	Franchise Agreement § 11.2 and Attachment 5; Area Development Agreement §§ 7, 10.6; Asset Purchase Agreement § 12.7	17
y. Other: guaranty of franchisee obligations ⁽¹⁾	Franchise Agreement § 8.7 and Attachment 6; Asset Purchase Agreement Exhibit 3	None

Notes:

⁽¹⁾ If you are a corporation, limited liability company, limited partnership or other business entity, each of your owners, and the spouse or domestic partner of each owner, must personally guarantee all of your obligations to us (see Personal Guaranty, Attachment 6 to Exhibit C-2).

10. FINANCING

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

We are registered with the SBA Franchise Registry. This affiliation may assist you with obtaining expedited loan processing if you seek SBA financing. If you obtain SBA funding, you may be required to sign an SBA Addendum similar to the one in Attachment 9 to the Franchise Agreement, depending on local SBA office practices.

We provide assistance for franchisees in accessing financing through our subscription with BoeFly.com business financing company. Our subscription to the BoeFly website does not constitute an endorsement of the website, its terms and conditions or policies. We do not encourage or require franchisees to use the website to

identify a source for funding or related services, and make no warranty or representation that a franchisee will obtain financing through the Boefly™ website or that any such financing will be on the most favorable terms available. We receive no commission or remuneration from BoeFly.

11. FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS AND TRAINING

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

Pre-Opening Obligations

Site Selection Assistance

We grant to you, for a period of 6 months from the date of the Site Assistance Deposit Agreement, the nonexclusive right to our advice and support in seeking a site that is available for lease within a specific geographic area ("Target Area") and that, in our sole judgment, is desirable as a location for a **JUICE IT UP®** Unit. During this period, we will lend you our confidential site selection manual and give you information and guidance to help you find a suitable site for your franchised Unit. (Site Assistance Deposit Agreement §§ 2 and 4.2).

Site Selection and Approval

You must, on your own initiative and at your own expense, locate the site for your Unit. When you locate a proposed site, we will review it and decide if it is suitable from our point of view. You must obtain our written approval of the proposed site and proposed lease or purchase agreement before you sign the lease or purchase agreement. We may not unreasonably withhold our approval.

To seek our approval of a site, you must advise us in writing of the street address of the proposed site and provide a copy of any demographic information you have about it and any additional information we request. We will base our approval of the site on guidelines for suitable franchise premises that we will give to you in writing. **By approving a particular site for the premises of a JUICE IT UP® Unit, we do not guarantee that the JUICE IT UP® Unit operating at that location will be successful.** Success will depend on many factors that are not within our control, including your ability, hard work and financial resources.

To seek our approval of the lease or purchase agreement for the premises of the Unit, you must give us a copy of the proposed lease or purchase agreement. The terms of the lease or purchase agreement must, in our reasonable opinion, not be so onerous as to prevent you from operating the franchised Unit. However, you should have your own attorney or accountant review your lease or purchase agreement on your behalf. By approving a lease or purchase agreement for the premises, we do not guarantee that the **JUICE IT UP®** Unit operating at that location will be successful, nor do we express an opinion regarding the terms of such lease or purchase agreement. You and

the lessor must sign a Conditional Lease Assignment Agreement granting us the option to assume the lease if you default under the Lease or the Franchise Agreement, or if we exercise our right of first refusal pursuant to the Franchise Agreement, or if you opt not to renew or extend the lease. You must give us a copy of the signed lease or purchase agreement within 15 days after it is signed. (Franchise Agreement §7.2.2 and Attachment 3).

The lease or purchase agreement must be signed by or assigned to the same party that signs the franchise agreement. In other words, the tenant must be the franchisee.

Some of the factors we consider in approving a site are suitable demographics, adequate population density, heavy foot and drive-by traffic, strong tenant mix, a strong anchor tenant, availability of parking, convenient access, high visibility and proximity to health-related facilities such as gyms, and to high schools and colleges. Among the factors we consider in making a decision on whether to accept a lease or purchase agreement is whether the proposed lease or purchase agreement provisions are satisfactory to us in light of our own interests.

We will approve or disapprove your proposed site within 2 weeks after you present the information described above to us. If we do not agree with you about a site, you may not use that site for your Unit.

If you do not find a site that we approve within the term of the Site Assistance Deposit Agreement, the agreement will terminate unless we decide to extend the agreement. You may submit a written request for extension of the agreement, which we may either grant or withhold, in our Business Judgment. (Site Assistance Deposit Agreement § 7.4). Our determination will be based on a number of factors, including the diligence with which you have pursued a site and your adherence to our site selection guidelines in presenting sites and leases for review. We do not refund the Site Assistance Deposit if you do not find a site.

Construction and Decor

We will provide you with a template layout (in plan view) and specifications for the design and layout of a typical **JUICE IT UP**[®] Unit and required fixtures, equipment, furnishings, decor, trade dress, and signs. You must, at your own expense, tailor the plans and specifications provided by us for your individual use and then submit the customized plans and specifications to us for written approval. We will also prepare and provide you with a project and construction management activity timeline for the development and construction of your Unit. (Franchise Agreement § 5.1).

Orientation Program

Before your Unit is first opened for business, we will conduct an Orientation Program at our headquarters or another location we designate. The program will consist of approximately 8 hours of introductory training in the System. You and your Designated Manager must attend. (Franchise Agreement § 5.2.1).

Initial Training Program

Before the opening of your Unit, or if you are a transferee, before you first begin operating the business, we will conduct an Initial Training Program in the operation of the Unit under the **JUICE IT UP**[®] System for you and as many as 2 employees at locations we select. You and your Designated Manager, if different, must attend and successfully complete the Initial Training Program to our satisfaction before you may open your Unit. The Initial Training Program will include both classroom training and hands-on training. (Franchise Agreement § 5.2.2). Your Unit must always be actively supervised by a person who has successfully completed our Initial Training Program and is certified by us to act as Designated Manager. (Franchise Agreement § 7.3.1).

On-the-Job Training Program

We will send a representative to help you in opening and initially managing your Unit and to help you complete the On-the-Job Training of your employees for up to approximately 50 hours over a period of 5-6 days around the time you open. The trainer will be present in a teaching capacity only and will not be responsible for any aspect of Unit operations. We will use commercially reasonable efforts to provide opening assistance and training promptly following the scheduled completion date of which you notify us, but the timing of the assistance is subject to availability of our personnel. You must have all of your new employees in attendance during the entire week of the On-the-Job Training Program. (Franchise Agreement § 5. 2.3).

Operations Manual and our Exclusive Secure Website

We will lend you the relevant Operations Manual, including training (“Smoothie 101” and/or “Yogurt 101”), the Local Store Marketing Manual (“LSM”), the employee manual and manager’s guide. These will be referred to collectively as the “Manual.” The Manual contains explicit instructions for use of the Marks, specifications for goods that will be used in or sold by the Unit, sample business forms, information on marketing, health and safety, management, and administrative methods developed by us for use in the Unit, names of approved suppliers, and other information that we believe may be necessary or helpful to you in your operation of the Unit, including the proven techniques to market your Unit.

Copies of the Tables of Contents of the 3 different sections of our Manual are attached as Exhibit F. Our juice bar section of the Manual contains a total of 324 pages, our frozen yogurt shop section of the Manual contains a total of 292 pages, and our LSM section of the Manual contains a total of 180 pages.

We will revise the Manuals periodically to conform to the changing needs of the Franchise Network and will distribute updated pages containing these revisions to you via our exclusive secure website, “Juice Net.” (Franchise Agreement § 5.3). You must incorporate these revisions in your copy of the Manual to stay current. We have no obligation to maintain the Juice Net website indefinitely and may dismantle it at any time without liability to you. You will have the mere privilege, and not the right, to use the Juice Net website, subject to your compliance with our specifications and policies. You

must sign the Juice Net website terms of use attached as Attachment 7 to the Franchise Agreement. You must own and be proficient with the use of a PC for use in your Unit or your operating office. In addition to operating Manual updates, many Point-Of-Sale (“POS”) advertising documents will be offered via the Juice Net website. The Juice Net website is the primary communication vehicle for all official corporate announcements.

Qualifications and Experience

We recommend you have certain qualifications in order to successfully operate the business. These qualifications include passion for the product and lifestyle, desire to be an entrepreneur, willingness to learn from and listen to us, retail and management experience including dealing directly with the public, being marketing-minded and community driven, having an enthusiastic, friendly and outgoing attitude and drive to succeed. If you do not have these skills, additional personnel will be required to assist with operating the business.

Time Before Opening

We estimate that the normal length of time between signing a franchise agreement and opening a franchised business is between 4 and 12 months. This period does not include time spent looking for a site because you must have an acceptable site before entering into a **JUICE IT UP**[®] franchise agreement. Factors that may affect the length of time it takes to open include progress of negotiating a lease, site or unit construction delays, drafting architectural plans, securing plan approval, and obtaining permits. You may not open your **JUICE IT UP**[®] Unit for business until you receive written authorization from us. We have the option to terminate the Franchise Agreement if you fail to begin operation of your Unit by (i) the Start Date of the Franchise Agreement; or (ii) 18 months following the date of the Franchise Agreement, whichever is earlier. (Franchise Agreement §10.2.2).

Post-Opening Obligations

Approved or Designated Suppliers

We will give you, in the Manual or otherwise in writing, names and addresses of approved or designated suppliers of specified goods and services that you may or must, respectively, use or sell in your Unit. (Franchise Agreement §5.4).

Consultation

We will use reasonable efforts to make our personnel available to you by telephone, fax, email or, if an intranet is established, intranet for consultation on all aspects of your business in a timely manner for no additional charge. (Franchise Agreement § 5.5).

Proprietary Products and Promotional Items Availability

We will use commercially reasonable efforts to ensure that a designated supplier will at all times have a supply of Proprietary Products and Promotional Items for sale to you at fair market value. (Franchise Agreement § 5.10).

Additional Training

We will provide additional training to you during the term of the franchise agreement if we believe that additional training is needed. The training may be administered at an annual meeting, regional or periodic meetings, or otherwise, as we determine. (Franchise Agreement § 6.6).

Advertising Services

We conduct an advertising program for the Franchise Network. We may use print and media advertising, in store and outdoor advertising/promotions, online and social media advertising, events and sponsorships and public relations campaigns. Community service programs and specialty discount promotions also play an important part in our marketing plan. You must participate in our gift card/ loyalty card program. (Franchise Agreement § 7.2.7).

Currently our advertising projects are primarily regional in scope. We reserve the unqualified right to decide, in our sole discretion, where, when and how fund money will be spent.

Some of our advertising materials are created in-house, while others are created by regional advertising agencies.

Advertising Council

There is presently a Marketing Advisory Council (MAC) composed of franchisees that we select to participate with us in strategic planning, communication, and execution of the marketing plans and initiatives to support the **JUICE IT UP**[®] Juice Bar and **JUICE IT UP**[®] Frozen Yogurt brands. The MAC exists solely at our discretion.

Cooperative Advertising

As of the date of this disclosure document, we have not established any local or regional advertising cooperatives ("Co-ops"). If we do so in the future, you must participate in any advertising Co-op for the region in which your Unit is located. Neither we nor our Affiliate, as applicable, are required to contribute to advertising cooperatives for company- or affiliate- owned Units although we may elect to do so. We may change, dissolve, or merge Co-ops in our sole discretion. You must contribute to the Co-op as determined by the members of the Co-op, not to exceed 1.5% of your Adjusted Gross Sales as determined by vote of the Co-op members, subject to our written approval. All of your contributions to the Co Op will be applied to the minimum local advertising requirement described below. (Franchise Agreement § 5.7).

Local Advertising

You must spend at least 1% of your Adjusted Gross Sales on individual Local Store Marketing ("LSM") events, less any amounts paid for mandatory mail advertising contributions or contributed to a Co-op, and must conduct social media advertising as defined by us. You must submit documentation of your compliance on or before the 15th day of each calendar quarter. (Franchise Agreement § 7.9).

All advertising and promotion that you undertake must be completely truthful, conform to the highest standard of ethical advertising, and comply with any applicable laws and regulations. You must submit to us copies of all advertising materials that we did not create at least 2 weeks before the first time they are broadcast or published. We will review the materials within a reasonable time and promptly notify you whether we approve or reject them. We may not withhold our approval unreasonably. Advertising materials that differ from previously approved materials only in such variables as date or price will be covered by any previous approval. Even if we have approved specified materials, we may later withdraw our approval if we reasonably believe we must do so to make the advertising conform to changes in the System or to correct unacceptable features of the advertising, including any misrepresentations. (Franchise Agreement § 7.1.3).

Advertising Fund

We will administer the Advertising Fund, which we will keep in a separate bank account. We may use the Fund to pay for market research, advertising materials, media space and time for a national or regional advertising program, a promotional web site, a referral program and public relations activities. The fund may also be used for advertising grants to franchisees, collectively or individually. We may use up to 15% of fund money to compensate ourselves for overhead, including salaries of marketing, administrative or other personnel, and other expenses incurred in connection with our implementation of the fund. (Franchise Agreement § 5.6.1).

The amount of your contribution to the Advertising Fund is disclosed in Item 6. We have the right to waive or defer payment of Advertising Fund contributions by specified franchisees at our sole discretion and have, in fact, waived or deferred advertising fees for some franchisees of Non-Traditional Units. Although we have the right to waive or defer fees for units owned by our Affiliate, our Affiliate currently pays the same percentage of advertising fees as our other franchisees.

We will distribute to our franchisees, once a year upon request, an Advertising Fund report that will state the total amounts of money collected and spent by the Fund during the past year and list, by general category, the manner in which we spent the money. The Fund does not have separate financial statements that you may review and its books are not audited separately from our general accounts.

During 2011, the Advertising Fund was spent as follows: 41% print and media advertising, 11% in-unit advertising and promotions, 15% public relations, 6% events and sponsorships, 2% design and branding 9% Internet/Intranet, 14% administration and 2% other miscellaneous, including mail and courier costs for ad materials. We did not retain any compensation for our administration of the Fund.

If not all Advertising Fund contributions are spent in the year in which they are collected, they will be retained in the Advertising Fund for use in the following year. We have the right to lend money to the Advertising Fund, without interest, and to repay ourselves from fund money during the same or a subsequent fiscal year. (Franchise Agreement § 5.6.2).

We do not use any portion of the Advertising Fund for advertisements that principally solicit new franchise sales.

Training

The training program will cover the following:

TRAINING PROGRAM – JUICE IT UP® JUICE BAR, FROZEN YOGURT SHOP OR COMBINATION JUICE BAR AND FROZEN YOGURT SHOP

Subject	Classroom Training Hours	Hands-On Training Hours	Total Hours of Training	Location
ORIENTATION PROGRAM				
Orientation	8	0	8	Orange County, California
INITIAL TRAINING PROGRAM				
Pre-Store Start-Up, Hands-on and Local Store Marketing (LSM) Training	20	30	50	Orange County, California
ON-THE-JOB TRAINING PROGRAM				
Unit Setup	0	8	8	Your JUICE IT UP® Unit
Unit Operations	0	46	46	Your JUICE IT UP® Unit
Totals	28	84	112	

If you are granted a franchise for a juice bar and add the capability to offer **JUICE IT UP®** branded frozen yogurt products, or if you are granted a franchise for a frozen yogurt shop and add the capability to offer **JUICE IT UP®** branded smoothie products, then you will also attend an additional training module on preparing and serving these products at locations in Orange County, California.

The franchisee training programs are subject to change. The tables above show you how management currently administers the training programs. The training programs will be supervised by Cindi Romine, our Affiliate’s Operations Manager, through the management contract described in Item 2 of this FDD. Cindi has over 5 years experience with our Affiliate and with the subjects taught. Various additional

trainers may supplement the training provided by Ms. Romine or may work under her supervision, and will have operational and management experience. In addition, our trainers are industry certified "ServSafe®" trainers. The training materials will include our Operations Manual, Orientation Manual, New Franchise Orientation Book and other materials. Classroom training will be administered at our corporate headquarters in Irvine, California. Hands-On Training will take place in one or more **JUICE IT UP®** Units in Orange County, California, or at the Corporate Training Center. You will not be compensated by us for any work that you or your employees perform while attending the training program.

You and your Designated Manager must attend our Orientation Program. You may not open your **JUICE IT UP®** Unit to the public until you, your Designated Manager, and not more than 1 additional individual who will work at your **JUICE IT UP®** Unit attend, participate in, and successfully complete our Initial Training Program to our reasonable satisfaction. There is no training fee unless we need to provide additional training for individuals who did not successfully complete the training program to our satisfaction.

You and your Designated Manager, as well as all of your new employees, must be present for the entire duration of the On-the-Job Training Program, which will cover certain aspects of Unit operations, including "early morning" Unit opening procedures and "end-of-the day" Unit closing and clean up procedures. We do not charge a fee for this training or the training materials unless you request more than one copy of the materials, in which case you will pay for the additional materials at our cost.

You will pay for any incidental expenses, such as the cost of meals, travel, and lodging, incurred by you and/or your employees during the training programs, as well as the wages of your employees.

Under the Franchise Agreement, you must also pay or reimburse us for all of our costs and expenses in connection with travel, lodging, meals and other incidental expenses we incur to provide you and your staff On-the-Job Training.

You must have hired 10-11 part time employees plus a full time Designated Manager and trained them as outlined in the Manual to operate your Unit prior to On-the-Job Training. If we determine that your operating staff is inadequate or that your management and/or operating team failed to grasp the procedures and techniques, then your team must undergo retraining in one or more components of the Initial Training Program and we will charge you for the additional training at our then current rates, which are currently \$100 per hour. Additional training will be required any time you hire a replacement Designated Manager. We may occasionally offer continuing education courses at our Corporate Training Center or at a location we deem appropriate, which may be voluntary or required for you and/or your Designated Manager to attend.

If you are signing your Franchise Agreement in connection with the transfer of an existing **JUICE IT UP®** Franchise Agreement, we will provide you with the Initial Training Program at no additional charge to you, for you, your Designated Manager and not more than 1 additional individual who will work at your **JUICE IT UP®** Unit. If we deem it

appropriate, we may also provide you the Orientation Program and the On-the-Job Training Program, also at no additional charge. You, your Designated Manager and the 1 additional individual who will work at your **JUICE IT UP**[®] Unit must complete the Initial Training Program to our satisfaction before the transfer occurs, and before you may open your Unit to the public.

The programs will be given as often as necessary to make certain that each franchisee completes training within 4 to 6 weeks before opening.

Selection and Installation of Computer Equipment and Software (“POS System”)

We require the following Point of Sale cash register system, consisting of:

- 1 System Hardware – Provided by Vivonet
- 1 System Software – Halo application Provided by Vivonet
- 1 Cash Drawer
- 1 Electronic receipt printer
- 1 Verifone Omni VX 570 Gift/Loyalty terminal
- 1 Personal Computer capable of internet access
- 1 Printer/copier/fax machine
- 1 Four port router/modem
DSL or Internet connection

The initial cost for the complete POS system listed above is an approximate \$3,900 one-time fee. Monthly ongoing fees consist of a \$79 Halo licensing fee and an internet connection cost of an approximate \$125 a month.

You must subscribe to the Halo license contract in order to operate and maintain the system. This fee also includes regular updates and maintenance from Vivonet.

You must have or upgrade your existing phone line capacity to - 2 separate and dedicated telephone lines for use with this POS system. (Franchise Agreement 7.5.2).

You are contractually obligated to “close” the POS system every night. This process will record the sales data for the day and reset the system for the next day’s data. Doing this gives us access to the sales information we use on a variety of sales reports which may be used to calculate royalties and Advertising Fund amounts. (Franchise Agreement 7.5.2).

We may upgrade specifications to the technology in place at the time you sign your Franchise Agreement and you will be required to upgrade the hardware and/or software at your own expense whenever we inform you that it is necessary.

If we develop a proprietary software system for our franchisees’ use, you agree to purchase, install, use and maintain the software. We will use reasonable efforts to minimize expense to you in connection with any required software. (Franchise Agreement § 7.8). We will not require that you replace your POS system any more frequently than once every 3 years. (Franchise Agreement 7.5.2).

12. TERRITORY

Site Assistance Deposit Agreement

If you sign a Site Assistance Deposit Agreement, you have 6 months (unless we agree in writing to a longer period) to locate a site within a non-exclusive general territory (the "Target Area"). You have no rights whatsoever with respect to the Target Area. We may ourselves, or permit others to, enter the Target Area to locate potential sites and may consider or grant any other person or entity a franchise to establish one or more **JUICE IT UP**[®] Units within or outside the Target Area. We may conduct whatever franchise sales activities we deem appropriate within the Target Area. After you have found a site that is acceptable to us (see Item 11), you may sign a Franchise Agreement for the Accepted Location.

Franchise Agreement

Under the Franchise Agreement, your **JUICE IT UP**[®] Unit must be located at an Accepted Location. You may not establish your business premises or engage in business activities except at an Accepted Location. You may not engage in mail order, Internet, or catalog sales or in any other alternative channel of distribution. You may not operate any permanent or temporary mobile vending vehicle, grab 'n go case, cart, kiosk or any other form of distribution without our prior written consent, for which we may require you to execute other appropriate documents, including a general release, and/or to satisfy other conditions and remain in full compliance with the Manual. All money you receive from the sale of all goods or services from a distribution (i.e., catering) site other than the Accepted Location, including products produced at the Accepted Location and sold off-site, must be inputted into your POS upon receipt of payment and will be added to your Adjusted Gross Sales under the Franchise Agreement, and are subject to Royalty and Advertising Fund payments.

Under the Franchise Agreement, 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. We may (a) locate or relocate any company-owned or franchised unit to any site regardless of how close the site is to one or more of your Units, (b) own or operate, and license others (which may include our Related Parties) to own and/or operate (i) juice bars or yogurt shops under the **JUICE IT UP**[®] trade name ("Trade Name") and Marks and/or using the System at any location regardless of how close the site is to one or more of your Units; and (ii) businesses, including juice bars and yogurt shops, operating under names other than the Trade Name, at any location, and of any type whatsoever, regardless of their proximity to your **JUICE IT UP**[®] Unit; (c) produce, license, distribute and market foods and other products bearing the Marks, including Promotional Items, pre-packaged juices, smoothies, supplements, snacks and other food and beverage products; books; clothing; souvenirs and novelty items; through any outlet (regardless of its proximity to your **JUICE IT UP**[®] Unit), including grocery stores, supermarkets and convenience stores and through any distribution channel, at wholesale or retail, including by means of the Internet or Internet web site, mail order catalogs, direct mail advertising and other

distribution methods; and to advertise and promote the System through any means, including the Internet; and (d) acquire, be acquired by, merge, affiliate with or engage in any transaction with other businesses, including arrangements in which company-owned or franchised units (including your **Juice It Up**[®] Unit) are converted to another format.

You may not relocate your Unit without our express written consent, and payment of our relocation fee, which is 20% of our then-current initial franchise fee.

Area Development Agreement

If you participate in the Area Development Structure:

During the term of an Area Development Agreement, you will have the exclusive right to develop and operate your **JUICE IT UP**[®] Units within the Area Development Area specified in the Agreement. During the term of your Area Development Agreement, we may not operate or grant a franchise to any other person to operate a Traditional Unit within the Development Area. "Development Area" means the geographic area more fully described in Attachment 1 to the Area Development Agreement by means of a map. We reserve to us and our affiliates all rights to any Non-Traditional Units. We do not permit more than one franchisee to operate within a given territory.

Franchise Agreement and Area Development Agreement

Neither the Franchise Agreement nor Area Development Agreement restricts you from advertising or promoting your **JUICE IT UP**[®] Unit(s) anywhere. You are not restricted from soliciting or accepting orders from customers, regardless of their location. However, you may engage only in over-the-counter retail sales at an Accepted Location. You do not have the right to use other channels of distribution, such as the Internet, catalog sales, telemarketing or other direct marketing, to make sales. You may not undertake catering activities without our advance written consent which may be withheld in our sole discretion.

Under an Area Development Agreement, unless you individually negotiate and pay for an option or right of first refusal, you will not have any option or right of first refusal to acquire additional franchises either inside or outside your Development Area.

If you participate in the Area Development Structure, we will not have the right to compete with you under the **JUICE IT UP**[®] marks by establishing company-owned, or authorizing any 3rd party to establish, **JUICE IT UP**[®] Units within your Development Area, during the term of your Area Development Agreement.

If you participate in the Area Development Structure, to maintain your exclusive right to develop your Development Area under the Area Development Agreement, you must be in Good Standing under your Area Development Agreement and each of your Franchise Agreements and you must meet your Area Development Schedule under the Area Development Agreement. If you fail to meet these conditions, we may temporarily

suspend your right to expand until you are in Good Standing in regard to your operational stores. If you fail to cure defaults in meeting your Area Development Schedule within the cure period allowed under the Area Development Agreement, we may terminate your Area Development Agreement.

If you fail to cure other curable defaults under your Area Development Agreement or commit incurable defaults under your Franchise Agreement, we may terminate your Franchise Agreement. There are no other circumstances under which we may modify your territorial rights.

If we propose any Non-Traditional Units within the Development Area, and you are in Good Standing during the term of your Area Development Agreement, we will send you written notice of the relevant price, location and other primary terms. If, within 30 days after the date of notice, you are uninterested or unable to complete the proposed Non-Traditional Unit development, we may own or operate, or franchise or license others to own or operate any Non-Traditional Units, even if located within the Development Area. If we determine, in our Business Judgment, that the proposed Non-Traditional Unit would be delayed or adversely impacted by providing you with the option to complete the proposed Non-Traditional Unit development, then we have no obligation to send you the aforementioned notice.

If during the term of your Area Development Agreement, we determine that further development of the Development Area is desirable, we will notify you in writing of our decision to develop additional Units in the Development Area. Subject to conditions described in §§ 3.6 and 3.7 of the Area Development Agreement, you have a right to undertake any additional development that we have stated in our notice to you. If you do not exercise the right of additional development, we may, directly or through any Franchisor Related Party or franchisee, construct, equip, open, and operate additional Units in the Development Area.

Asset Purchase Agreement



It is also important for you to understand that if you acquire the assets of your **JUICE IT UP**[®] Unit from our Affiliate and take over its location, you could be a sublessee under a lease held by our Affiliate. In that case, your ability to operate your franchised business in your specific location is tied to our Affiliate's ability to maintain a lease agreement with the owner of the Premises and to any decision it and/or the lessor makes with respect to the lease and the leased Premises. We do not control and cannot predict what many of those decisions may be. Also, if the master lease agreement with the lessor ends for any reason, your sublease and your franchise can also end and neither we nor our Affiliate have any liability to you. Refer to Exhibit 2 of the Asset Purchase Agreement for more information on the termination of a master lease or sublease.



13. TRADEMARKS


You are granted the right to operate your Unit under the “**JUICE IT UP®**” name. You may also use our other current or future trademarks to operate your Unit. You may not operate your Unit under any other name or trademark, and may not use the “**JUICE IT UP®**” name or any of the trademarks that are part of the “**JUICE IT UP®**” System as part of any business or trade name you establish for any business entity you form.

BBI is the registered owner of the principal trademarks in the following chart on the Principal Register of the U.S. Patent and Trademark Office (USPTO). By “principal trademark,” we mean primary trademarks, service marks, names, logos and commercial symbols used to identify your Unit. In addition, BBI is the registered owner of the trademarks used to identify certain of the branded proprietary smoothie products that you will be licensed to offer for sale in your juice bar, which are also listed in the following chart. We and BBI have executed a perpetual Trademark License Agreement dated March 22, 2010 which permits us to use and sublicense all of the **JUICE IT UP** trademarks with our sale and administration of **JUICE IT UP®** franchises throughout the world. The license does not limit our right to use or license the use of any of the trademarks in any manner material to the franchise.

We or others from whom we derived our rights have filed all required affidavits with regard to the following trademark application and registrations.

Trademark	Registration Date and Renewal Date (if Applicable)	Register	Application or Registration No.
JUICE IT UP!	Registered 6/29/04	Principal	2,857,441
JUICE IT UP	Registered 4/19/11	Principal	3,949,373
	Registered 12/15/98, Renewed 5/6/09	Principal	2,210,602
	Registered 11/16/04	Principal	2,903,470

LIVE LIFE JUICED	Registered 11/9/04	Principal	2,901,821
	Registered 1/25/05	Principal	2,920,735
	Registered 11/23/04	Principal	2,905,129
JUMPIN JAVA	Registered 7/19/05	Principal	2,970,071
JUMPIN JAVA	Registered 6/1/99, Renewed 6/28/08	Principal	2,248,570
STRAWBERRY WAVE	Registered 2/8/05	Principal	2,925,349
BANANA RAMA	Registered 2/1/05	Principal	2,923,411
SEABREEZE SQUEEZE	Registered 2/1/05	Principal	2,923,412
BIG BERRY COMBO	Registered 2/22/05	Principal	2,927,962
RASPBERRY CRAZE	Registered 2/22/05	Principal	2,927,963

	Registered 12/27/05	Principal	3,034,421
CONGO LIME	Registered 12/13/05	Principal	3,027,739
LAVA FLOW	Registered 10/17/06	Principal	3,158,664
LIVE LIFE GREEN	Registered 6/1/2010	Principal	3,796,927
TROPICAL TANGO	Registered 12/19/06	Principal	3,186,432
PINEAPPLE PUNCH	Registered 9/18/07	Principal	3,293,677
PASSION PUNCH	Registered 9/18/07	Principal	3,293,678
SMOOTH ECLUB	Registered 2/12/08	Principal	3,380,605
PASSION FOR JUICE	(application pending)	Principal	85/416572
ZIING	(application pending)	Principal	77/336863

There is no currently effective determination of the USPTO, the Trademark Trial and Appeal Board, or any state trademark administrator or court; nor is there any pending infringement, opposition, or cancellation proceeding, or any pending material federal or state court litigation involving the Marks. No agreements are currently in effect which limit our rights to use or license the use of the Marks in any manner material to the franchise.

We are not aware of any infringing uses presently occurring as to any Mark we will license to you.

Under the Franchise Agreement, you agree to notify us immediately in writing if you become aware of any unauthorized use of the **JUICE IT UP**[®] Trade Name, Marks, or System or of any claim of rights to a mark identical or confusingly similar to any of the Marks. You will promptly notify us in writing of any claim, demand, or suit against you or against your principals in connection with your use of the Trade Name, Marks, or System. The Franchise Agreement does not obligate us to indemnify or defend you in

any action or proceeding arising from or in connection with any such claim, demand, or suit. If we do intervene on our own behalf or act to defend you in any such action, you agree that we may select legal counsel and have the right to control the proceedings.

Under the Franchise Agreement, we are not obligated to take affirmative action to protect you against claims of infringement or unfair competition arising out of your use of the Trade Name, Marks, or System. You do not have the right to make any demand against any alleged infringer or to prosecute any claim of any kind or nature whatsoever against any alleged infringer for or on account of any infringement. We have invested substantial time, energy, and money in the promotion and protection of the Trade Name and other Marks as they exist as of the date of this disclosure document. We have no present intention of altering them. However, we recognize that rights in intangible property such as the Trade Name and Marks are often difficult to establish and defend and that changes in the cultural and economic environment within which the System operates, or 3rd party challenges to our rights in the Marks may make changes in the Trade Name and Marks desirable or necessary.

We reserve the right to discontinue, change, add to and/or substitute new names and marks for the Trade Name and Marks and the specifications for each when we believe that such changes will benefit the Franchise Network. If this occurs, we will endeavor to minimize the cost to you of making the changes. You agree that you will fully and promptly conform, at your own expense, to any such changes.

14. PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION

We have not registered any patents or copyrights. There are currently no pending patent applications that are material to the franchise.

We claim common law copyrights for our advertising materials and Manual. Our right to use or license these copyrighted items is not materially limited by an agreement or known infringing use.

Under the Franchise Agreement we are not obligated to take affirmative action when or if notified of any infringement of the copyrights. You agree to notify us immediately in writing if you become aware of any unauthorized use of our copyrights which are part of the System. You will promptly notify us in writing of any claim, demand, or suit against you or against your principals in connection with our copyrights. The Franchise Agreement does not obligate us to indemnify or defend you in any action or proceeding involving our copyrights. If we do intervene on our own behalf or act to defend you in any such action, we may select legal counsel and have the right to control the proceedings.

You do not have the right to make any demand against any alleged infringer or to prosecute any claim of any kind or nature whatsoever against any alleged infringer for or on account of any infringement.

We reserve the right to change or modify any subject matter containing our copyrights when we believe that the changes will benefit the Franchise Network. If this occurs, we will endeavor to minimize the cost to you of making the changes. You agree that you will promptly conform, at your own expense, to any such changes.

15. OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISED BUSINESS

While there is no requirement that you do so, we strongly encourage you to personally supervise your **JUICE IT UP**[®] Unit. You must have a Designated Manager who will serve as the general manager of the **JUICE IT UP**[®] Unit. If you are a natural person, you may be the Designated Manager. There is no requirement that your Designated Manager have an equity interest in the franchise or your Unit and there are no limitations on whom you may hire as a Designated Manager. However, your Designated Manager must successfully complete our training programs before working in your **JUICE IT UP**[®] Unit. Your Managers must sign a Nondisclosure and Non-competition Agreement in the form of Attachment 5 to the Franchise Agreement.

You, if you are the Designated Manager, or the person you have employed as your Designated Manager must devote all your/his/her productive time and effort to the management and operation of the Unit in the minimum amount of 40 hours per week. The Designated Manager or another employee who has successfully completed our Initial Training Program must be present at the Accepted Location whenever the Unit is open for business. If we, in our sole discretion, determine that a Designated Manager is not properly performing his/her duties, we will advise you and you must immediately take steps to correct the situation. You must keep us informed as to the identity of your Designated Manager. Upon the termination of employment of a Designated Manager, you must appoint a successor within 30 days. Any successor Designated Manager must successfully complete the training program conducted by us, at your expense, before starting work in the **JUICE IT UP**[®] Unit.

16. RESTRICTIONS ON WHAT YOU MAY SELL

You must offer and sell all the products and services and only the products and services that we have authorized you to provide. We may change the menu and/or menu format periodically, or from region to region, or authorize product and service testing from region to region. On receipt of notice from us, you must add, delete or revise the goods and services offered at your Unit according to the instructions contained in the notice. You will have at least 30 days, but not more than 60 days, after receipt of notice from us in which to fully implement any change. You must cease selling any previously approved product within 30 days after receipt of notice that the product is no longer approved. You may be in breach of your Franchise Agreement if you do not comply with the standards we establish, which are intended to provide consistent and uniform products and services to the customer. This could result in the termination of your franchise agreement.

Subject to applicable law or a written agreement between you and us to the contrary, your **JUICE IT UP**[®] Unit must be open and operational at least 12 hours per day, 7 days per week, except that you and we may agree that your Unit must be open for longer or less hours (by written consent) to maximize operations and sales.

You must operate the Unit in complete compliance with the standards and specifications set out in the Manual. We may make changes in these standards and specifications, when, in our reasonable discretion, change is needed for the continued success and development of the Franchise Network. Such changes may necessitate the change or improvement in customer service techniques, the purchase of equipment, signs, menu boards, unit upgrades, supplies, furnishings or other goods, completion of additional training by your employees, or other costs to you. You must promptly conform to the modified standards and specifications at your own expense. You must at all times keep your copy of the Manual current by inserting in it revised pages we give to you via the Juice Net website, and deleting superseded pages or exchanging the outdated Manual for a new one, at our option. If there is any dispute as to the requirements of the Manual at any point in time, the terms of the master copy of the Manual that we maintain will control.

We may, on occasion, require you to test market products and/or services at your **JUICE IT UP**[®] Unit. You must cooperate with us in conducting these test marketing programs and must comply with all rules and regulations established by us.

No vending machines, magazine or paper racks, gaming machines, payphones, automatic teller machines, Internet kiosks or other mechanical or electrical devices are permitted in your Unit without our express written consent. If we provide consent for any of these, you must include the related sales in your Adjusted Gross Sales.

You may not engage in any co-branding in or in connection with your **JUICE IT UP**[®] Unit except with our express written consent, in our sole discretion. "Co-branding" includes the operation of an independent business, product line or operating system owned or licensed by another entity (not us) that is featured or incorporated within the Accepted Location or is adjacent to the Accepted Location and operated in a manner which is likely to cause the public to perceive it to be related to your **JUICE IT UP**[®] Unit. An example would be an independent sandwich shop or counter installed within your Unit.

There is no restriction on the customers to whom you may sell.

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17. RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION

Although we use the term “renewal” to refer to extending our franchise relationship at the end of your initial term (and any other renewal or extension of the initial term), you must at our option sign a new franchise agreement or area development agreement with materially different terms and conditions from those of your original contract, as described in more detail below.

THE FRANCHISE RELATIONSHIP

These tables list certain important provisions of the franchise and related agreements. You should read these provisions in the agreements attached to this disclosure document.

SITE ASSISTANCE DEPOSIT AGREEMENT

Provision	Section in Site Assistance Deposit Agreement	Summary
a. Term of the Site Assistance Deposit Agreement	2	Term is 6 months
b. Renewal or extension of the term	7.4	We must give written authorization for extension.
c. Requirements for you to renew or extend	7.4	You may make a written request. We have sole discretion whether to extend, but will consider your diligence and adherence to our procedures.
d. Termination by you	Not Applicable	Not Applicable
e. Termination by LLJ without cause	Not Applicable	Not Applicable
f. Termination by LLJ with cause	5	We may terminate immediately upon default.
g. “Cause” defined - defaults which can be cured	Not Applicable	Not Applicable
h. “Cause” defined - defaults which cannot be cured	5	Misrepresentation or omission in franchise application, failure to proceed with franchise agreement in a timely manner, failure to qualify as a franchisee.

Provision	Section in Site Assistance Deposit Agreement	Summary
i. Your obligations on termination/non-renewal	Not Applicable	Not Applicable
j. Assignment of contract by LLJ	7.5	No restrictions on our right to assign.
k. "Transfer" by you - defined	Not Applicable	Not Applicable
l. LLJ's approval of your transfer	Not Applicable	Not Applicable
m. Conditions for LLJ's approval or transfer	Not Applicable	Not Applicable
n. LLJ's right of first refusal to buy your business	Not Applicable	Not Applicable
o. LLJ's option to buy your business	Not Applicable	Not Applicable
p. Your death or disability	Not Applicable	Not Applicable
q. Noncompetition covenants during term of franchise	Not Applicable	Not Applicable
r. Noncompetition covenants after franchise is terminated or expires	Not Applicable	Not Applicable
s. Modification of the agreement	7.4	Modification only by written agreement of both parties.
t. Integration/merger clause	7.7	Only the terms of the written Site Assistance Deposit Agreement, Franchise Agreement, their exhibits, riders and Manuals are binding, except FDD disclosures are not waived. Prior, inconsistent or outside promises are not enforceable.
u. Dispute resolution by arbitration or mediation	Not Applicable	Not Applicable
v. Choice of forum	7.8	Disputes must be litigated in Orange County, California. Both LLJ and you waive the right to a trial by jury.
w. Choice of law	7.2	California.

FRANCHISE AGREEMENT

Provision	Section in Franchise Agreement	Summary
a. Term of the franchise	4.3.1	Term is 10 years.
b. Renewal or extension of the term	4.3.2	If you meet conditions, you can add 2 additional 5-year terms.
c. Requirements for you to renew or extend	4.3.2	Upon renewal, you will be asked to sign a new franchise agreement that may have materially different terms and conditions. Other conditions: be in Good Standing, give timely notice, pay fee, remodel if necessary and sign release.
d. Termination by you	Not Applicable	Not Applicable
e. Termination by LLJ without cause	Not Applicable	Not Applicable
f. Termination by LLJ with cause	10.2	We may terminate only upon uncured or noncurable material default.
g. "Cause" defined - defaults which can be cured	10.2.2	You have 5 days to cure non-payment defaults; you have 30 days to cure other defaults that can be cured.
h. "Cause" defined - defaults which cannot be cured	10.2.2	Non-curable defaults include , misuse of marks, misrepresentation in securing franchise, abandonment for 7 or more days or failure to relocate on expiration or termination of the lease, repeated defaults, unapproved transfer, certain action without our written approval, insolvency, 5% or greater discrepancy in payment of royalties or advertising fees, intentional underreporting of amounts, conviction of criminal conduct, threat to public safety and competition with Franchise Network.
i. Your obligations on termination/non-renewal	10.3	Complete de-identification, payment of amounts due, honoring option to purchase or lease, assigning phone numbers, domain names and more.

Provision	Section in Franchise Agreement	Summary
j. Assignment of contract by LLJ	9.7	May assign to company that we reasonably believe can perform obligations and agrees in writing to perform our obligations.
k. "Transfer" by you - definition	3.29, 9	Includes transfer of contract or assets or ownership change.
l. LLJ's approval of your transfer	9.2, 9.4	You must obtain our approval which we will not unreasonably withhold.
m. Conditions for LLJ's approval or transfer	9.4	You provide written notice and, if applicable, copies of signed purchase agreement, escrow instructions and your financial statements and tax returns for the previous 2 years; new franchisee qualifies, transfer fee paid, cure of any defaults, purchase agreement approved, training completed, special release signed, remodeling completed, all outstanding fees brought current, and new franchisee signs then current agreement and agrees to spend at least \$1,500 on re-opening promotion.
n. LLJ's right of first refusal to buy your business	9.3	We have the right to match any offer to buy your business.
o. LLJ's option to buy your business	10.3	LLJ has option to buy the assets of your business upon Termination.
p. Your death or disability	9.6	Heirs must qualify as franchisees within 60 days, or, if they do not qualify, must sell within 120 days of notice that they do not qualify.
q. Noncompetition covenants during term of franchise	8.6, Attachment 5	No involvement in any Similar Business.
r. Noncompetition covenants after franchise is terminated or expires	8.6, Attachment 5	No involvement in Similar Business for 2 years.
s. Modification of the agreement	11.4	Modification of agreement only by written agreement of the parties; Manual may change from time to time.

Provision	Section in Franchise Agreement	Summary
t. Integration/merger clause	11.6	Only the terms of the written Franchise Agreement, its exhibits, riders and Manuals are binding, except FDD disclosures are not waived. Inconsistent or outside promises are not enforceable.
u. Dispute resolution by arbitration or mediation	Not Applicable	Not Applicable
v. Choice of forum	11.2	Disputes must be litigated in Orange County, California. Both LLJ and you waive the right to a trial by jury.
w. Choice of law	11.2	California law applies, except 1) the provisions respecting non-competition are governed by local law; 2) Franchise Investment Law applies only if independent jurisdiction exists; 3) trademark matters are governed by the Lanham Act. Breach of terms of your Franchise Agreement entitle us to injunction, without posting of bond, and/or to specific performance, without showing or proving actual damage, until final determination is made by court.

AREA DEVELOPMENT AGREEMENT

Provision	Section in Area Development Agreement	Summary
a. Term of the agreement	3.4.1	Term is the earlier of the term of Area Development Schedule, or until the actual Opening Date for the last scheduled Juice It Up Unit.
b. Renew or extension of the term	4.5.2	No right to renew, but we may negotiate new term upon expiration.

Provision	Section in Area Development Agreement	Summary
c. Requirements for you to renew or extend	Not Applicable	No right to renew, but we may negotiate new term upon expiration, based on obligations performed, demonstration of financial capability and adherence to Area Development Schedule.
d. Termination by you	Not Applicable	Not Applicable
e. Termination by LLJ without cause	Not Applicable	Not Applicable
f. Termination by LLJ with cause	8	We may terminate unilaterally only upon uncured or noncurable material event of default.
g. "Cause" defined - defaults which can be cured	Not Applicable	Not Applicable
h. "Cause" defined - defaults which cannot be cured	8	Failure to meet Area Development Schedule, failure to make timely payment, attempt to transfer or encumber agreements without written consent or material default of another agreement.
i. Your obligations on termination/non-renewal	8	No further right to develop units in the Development Area.
j. Assignment of contract by LLJ	6	We can assign Area Development Agreement without your consent.
k. "Transfer" by you - definition	6	Includes assignment of your interest in agreement or ownership change.
l. LLJ's approval of your transfer	6	We have the right to approve all assignments.
m. Conditions for LLJ's approval or transfer	6	We may apply conditions from your most-current Franchise Agreement (see previous Item 17 chart). Transfer must be of all Development Units, transfer fee paid, and all outstanding fees brought current.
n. LLJ's right of first refusal to buy your business	6	We have the right to match any offer to buy your business.

Provision	Section in Area Development Agreement	Summary
o. LLJ's option to buy your business	Not Applicable	Not Applicable
p. Your death or disability	Not Applicable	Subject to the same terms as contained in any of your franchise agreements, at our option.
q. Noncompetition covenants during term of franchise	7	No involvement in any Similar Business.
r. Noncompetition covenants after franchise is terminated or expires	7 and 10.9	No involvement in Similar Business for 2 years.
s. Modification of the agreement	10.3	Only by written agreement of parties.
t. Integration/merger clause	10.5	Only the terms of the written Area Development Agreement, Franchise Agreement, their exhibits, riders and Manuals are binding, except FDD disclosures are not waived. Inconsistent or outside promises are not enforceable.
u. Dispute resolution by arbitration or mediation	7	Subject to the dispute resolution provisions of the Franchise Agreement between LLJ and you, namely, dispute resolution by arbitration or mediation is not applicable
v. Choice of forum	7	Subject to the choice of forum provisions of your Franchise Agreement, namely, disputes must be litigated in Orange County, California. Both LLJ and you waive the right to a trial by jury.
w. Choice of law	7	Subject to the choice of law provisions of your Franchise Agreement, namely, California law applies, except 1) Franchise Investment Law applies only if independent jurisdiction exists; 2) the provisions respecting non-competition are governed by local law; 3)

Provision	Section in Area Development Agreement	Summary
		trademark matters are governed by the Lanham Act. Breach of terms of your Area Development Agreement entitle us to injunction, without posting of bond, and/or to specific performance, without showing or proving actual damage, until final determination is made by court.

ASSET PURCHASE AGREEMENT

Provision	Section in Asset Purchase Agreement	Summary
a. Term of the agreement	Not Applicable	Not Applicable
b. Renew or extension of the term	Not Applicable	Not Applicable
c. Requirements for you to renew or extend	Not Applicable	Not Applicable
d. Termination by you	12.1	Loss, damage, or destruction to the Assets.
e. Termination by Seller without cause	Not Applicable	Not Applicable
f. Termination by Seller with cause	12.11	Bankruptcy of Buyer.
g. "Cause" defined - defaults which can be cured	Not Applicable	Not Applicable
h. "Cause" defined - defaults which cannot be cured	12.11	Bankruptcy of Buyer.
i. Your obligations on termination/non-renewal	Not Applicable	Not Applicable
j. Assignment of contract by Seller	11.1	No restrictions on Seller's right to transfer; Seller's obligations are terminated upon transfer.
k. "Transfer" by you - definition	Not Applicable	Not Applicable

Provision	Section in Asset Purchase Agreement	Summary
l. Seller's approval of your transfer	11.2	Seller has the right to approve all transfers at its sole and absolute discretion.
m. Conditions for Seller's approval or transfer	Not Applicable	Not Applicable
n. Seller's right of first refusal to buy your business	Not Applicable	Not Applicable
o. Seller's option to buy your business	Not Applicable	Not Applicable
p. Your death or disability	Not Applicable	Not Applicable
q. Noncompetition covenants during term of franchise	Not Applicable	Not Applicable
r. Noncompetition covenants after franchise is terminated or expires	Not Applicable	Not Applicable
s. Modification of the agreement	12.10	Agreement may only be modified in writing by all parties.
t. Integration/merger clause	12.9	Only the terms of the Agreement and its exhibits are binding. Any representations or promises outside of the Agreement may not be enforceable.
u. Dispute resolution by arbitration or mediation	12.7	Subject to the dispute resolution provisions of the Franchise Agreement between LLJ and you, namely, dispute resolution by arbitration or mediation is not applicable.
v. Choice of forum	12.7	Subject to the forum selection provisions of your Franchise Agreement, namely, disputes must be litigated in Orange County, California. Both LLJ and you waive the right to a trial by jury.

Provision	Section in Asset Purchase Agreement	Summary
w. Choice of law	12.7	Subject to the choice of law provisions of your Franchise Agreement, namely, California law applies, except 1) the provisions respecting non-competition are governed by local law; 2) Franchise Investment Law applies only if independent jurisdiction exists; 3) trademark matters are governed by the Lanham Act. Breach of terms of your Asset Purchase Agreement entitle us to injunction, without posting of bond, and/or to specific performance, without showing or proving actual damage, until final determination is made by court.

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

Note: Please see specific state disclosures in Exhibit C-4 of this disclosure document.

18. PUBLIC FIGURES

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

19. FINANCIAL PERFORMANCE REPRESENTATION

The FTC's Franchise Rule permits a franchisor to provide information about the actual or potential financial performance of its franchise 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 also be given, but only if: (1) a franchisor provides the actual records of an existing outlet you are considering buying; or (2) a franchisor supplements the information provided in this Item 19, for example, by providing information about possible performance at a particular location or under particular circumstances.

We do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet,

however, we may provide you with actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting our President, Frank N. Easterbrook at 17915 Sky Park Circle, Suite J, Irvine, CA 92614, (949) 475-0146, ext 230; the Federal Trade Commission; and the appropriate state regulatory agencies.

20. OUTLETS AND FRANCHISEE INFORMATION

Table No. 1
Systemwide Outlet Summary*
For Years 2009 to 2011

Column 1 Outlet Type	Column 2 Year	Column 3 Outlets at the Start of the Year	Column 4 Outlets at the End of the Year	Column 5 Net Change
Franchised	2009	129	102	-27
	2010	102	91	-11
	2011	91	83	-8
Affiliate-Owned	2009	4	3	-1
	2010	3	4	+1
	2011	4	3	-1
Totals	2009	133	105	-28
	2010	105	95	-10
	2011	95	86	-9

* The "Franchised" juice bar Outlets included in the above chart were acquired by LLJ effective March 22, 2010 pursuant to the Assignment and Assumption of Contracts between BBI and LLJ, as described in Item 1. The "Franchised" frozen yogurt Outlets included in the above chart were acquired by LLJ effective April 8, 2011 pursuant to the merger of Ziiing and LLJ, as described in Item 1. Although the juice bar assignment had not yet occurred as of December 31 of 2009, and the frozen yogurt merger had not occurred as of December 31 of 2009 or 2010, these actions have since occurred, and we are therefore presenting a consolidation of all units in this Item 20 as though these actions had taken place as of the 2009 and 2010 year-ends, for the sake of clarity and ease of presentation.

Table No. 2
Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)
For Years 2009 to 2011

Column 1	Column 2	Column 3
State	Year	Number of Transfers
California	2009	10
	2010	4
	2011	11
New York	2009	1
	2010	0
	2011	0
Texas	2009	1
	2010	1
	2011	0
Total	2009	12
	2010	5
	2011	11

Table No. 3
Status of Franchised Outlets* **
For Years 2009 to 2011

Col. 1	Col. 2	Col. 3	Col. 4	Col. 5	Col. 6	Col. 7	Col. 8	Col. 9
State	Year	Outlets at Start of Year**	Outlets Opened	Terminations	Non-Renewals	Re-acquired by Franchisor or an Affiliate	Ceased Operations Other Reasons	Outlets at End of the Year
Arizona	2009	3	0	1	0	0	0	2
	2010	2	0	0	0	0	0	2
	2011	2	0	0	0	0	0	2
California	2009	121	2	2	0	6	18	97
	2010	97	1	7	0	0	4	87
	2011	87	1*	7	0	0*	2	79
Colorado	2009	1	0	0	0	0	0	1
	2010	1	0	1	0	0	0	0
	2011	0	0	0	0	0	0	0
Florida	2009	1	0	0	0	0	1	0
	2010	0	0	0	0	0	0	0
	2011	0	0	0	0	0	0	0

Col. 1 State	Col. 2 Year	Col. 3 Outlets at Start of Year**	Col. 4 Outlets Opened	Col. 5 Termin- -ations	Col. 6 Non- Renewals	Col. 7 Re- acquired by Franchisor or an Affiliate	Col. 8 Ceased Opera- tions Other Reasons	Col. 9 Outlets at End of the Year
Nevada	2009	1	0	0	0	0	1	0
	2010	0	0	0	0	0	0	0
	2011	0	0	0	0	0	0	0
New York	2009	1	0	0	0	0	0	1
	2010	1	0	0	0	0	0	1
	2011	1	0	0	0	0	0	1
Texas	2009	1	0	0	0	0	0	1
	2010	1	0	0	0	0	0	1
	2011	1	0	0	0	0	0	1
Totals	2009	129	2	3	0	6	20	102
	2010	102	1	8	0	0	4	91
	2011	91	1*	7	0	0*	2	83

* If multiple events occurred affecting an outlet, this table shows the event that occurred last in time.

** The "Franchised" juice bar Outlets included in the above chart were acquired by LLJ effective March 22, 2010 pursuant to the Assignment and Assumption of Contracts between BBI and LLJ as described in Item 1. The "Franchised" frozen yogurt Outlets included in the above chart were acquired by LLJ effective April 8, 2011 pursuant to the merger of Ziiing and LLJ, as described in Item 1. Although the juice bar assignment had not yet occurred as of December 31 of 2009, and the frozen yogurt merger had not occurred as of December 31 of 2009 or 2010, these actions have since occurred, and we are therefore presenting a consolidation of all units in this Item 20 as though these actions had taken place as of the 2009 and 2010 year-ends, for the sake of clarity and ease of presentation.

**Table No. 4
Status of Affiliate-Owned Outlets*
For Years 2009 to 2011**

Col. 1 State	Col. 2 Year	Col. 3 Outlets at Start of Year	Col. 4 Outlets Opened	Col. 5 Outlets Reacquired from Franchisee	Col. 6 Outlets Closed	Col. 7 Outlets Sold to Franchisee	Col. 9 Outlets at End of the Year
California	2009	3	0	6	2	4	3
	2010	3	1	0	0	0	4
	2011	4	1	1	1	2	3
Texas	2009	1	0	0	1	0	0
	2010	0	0	0	0	0	0
	2011	0	0	0	0	0	0
Totals	2009	4	0	6	3	4	3
	2010	3	1	0	0	0	4
	2011	4	1	1	1	2	3

* The Affiliate ownership shown above refers to BBI.

**Table No. 5
Projected Openings as of December 31, 2011**

Column 1 State	Column 2 Franchise Agreements Signed But Outlet Not Opened	Column 3 Projected New Franchise Outlet in the Next Fiscal Year	Column 4 Projected New Company-Owned Outlet in the Next Fiscal Year
California	19	8	0
Florida	1	0	0
Texas	0	2	0
Total	20	10	0

Exhibit D-1 lists the name of all current franchisees and the addresses and telephone number of their Units.

Exhibit D-2 lists the name, city and state, and current phone number of all franchises who had an outlet terminated, cancelled, not renewed, or who otherwise voluntarily or involuntarily ceased to do business under the franchise agreement during 2011 or who have not communicated with us within 10 weeks of the date of this disclosure document. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

We have not entered into any agreements with a franchisee containing confidentiality clauses during the last 3 fiscal years.

We may from time to time request input from a Marketing Advisory Council composed of franchisees that we select to participate with us in strategic planning, communication, and execution of the marketing plans and initiatives to support the **JUICE IT UP®** brand. This is not a decision making body but an informal advisory group to provide us with feedback and input. We currently have no specific contact information for this group. There are no independent trademark-specific franchisee organizations associated with the franchise system being offered that have asked to be included in this disclosure document.

21. FINANCIAL STATEMENTS

The combined audited financial statements for LLJ Franchise, LLC and Ziiing, LLC as of December 31, 2011 are attached as Exhibit B. Our fiscal year end is December 31.

22. CONTRACTS

<u>Exhibit</u>	<u>Agreement</u>
C-1	Site Assistance Deposit Agreement
C-2	Franchise Agreement
C-3	Area Development Agreement
C- 5	Closing Questionnaire
C-6	Equipment Lease
E	Asset Purchase Agreement

23. RECEIPT

You will find copies of detachable receipts in Exhibit G at the very end of this disclosure document.

EXHIBITS A-1 AND A-2
TO THE DISCLOSURE DOCUMENT
STATE ADMINISTRATORS
AGENTS FOR SERVICE OF PROCESS

EXHIBIT A-1

STATE FRANCHISE LAW ADMINISTRATORS

California:

Department of Corporations
One Sansome Street, Ste. 600
San Francisco, CA 94104

320 West 4th Street, Suite 750
Los Angeles, CA 90013-2344

1515 K Street, Suite 200
Sacramento, CA 95814-4052

1350 Front Street, Room 2034
San Diego, CA 92101-4233

1-866-ASK-CORP

Hawaii:

Department of Commerce and
Consumer Affairs
Business Registration Division
335 Merchant Street, Room 203
Honolulu, HI 96813

Illinois:

Office of the Attorney General
500 South Second Street
Springfield, IL 62706

Indiana:

Indiana Securities Division
Secretary of State
302 West Washington Street, Room E-111
Indianapolis, IN 46204

Maryland:

Office of the Attorney General
Division of Securities
200 Saint Paul Place, 20th Floor
Baltimore, MD 21202-2020

Michigan:

Consumer Protection Division
Michigan Department of Attorney General
525 W. Ottawa Street
G. Mennen Williams Building, 1st Floor Lansing,
MI 48913

Minnesota:

Minnesota Department of Commerce
85 7th Place East, Suite 500
St. Paul, MN 55101

New York:

New York State Department of Law
Bureau of Investor Protection and Securities
120 Broadway, 23rd Floor
New York, NY 10271

North Dakota:

Office of Securities Commissioner
600 East Boulevard, 5th Floor
Bismarck, ND 58505

Oregon

Director
Department of Consumer & Business Services
Division of Finance & Corporate Securities
P.O. Box 14480
Salem, Oregon 97309-0405
(503) 378-4140

Rhode Island:

Division of Securities
1511 Pontiac Avenue
John O. Pastore Complex 69-1
Cranston, RI 02920-4407

South Dakota:

Department of Commerce and Regulation
Division of Securities
445 East Capital Avenue
Pierre, SD 57501-3185

Virginia:

State Corporation Commission
Division of Securities and
Retail Franchising
1300 East Main Street, 9th Floor
Richmond, VA 23219

Washington:

Department of Financial Institutions
Securities Division
150 Israel Road SW
Tumwater, WA 98501

Wisconsin:

State of Wisconsin
Office of the Commissioner of Securities
345 West Washington Avenue, 4th Floor
Madison, WI 53703

EXHIBIT A-2

AGENTS FOR SERVICE OF PROCESS

The Franchisor has not appointed the agent identified below unless it has registered in that state, as noted on the page following the State Cover page.

California:

California Commissioner of Corporations
Department of Corporations
320 West 4th Street, Suite 750
Los Angeles, CA 90013-2344

Hawaii:

Commissioner of Securities
Department of Commerce and
Consumer Affairs
Business Registration Division
335 Merchant Street, Room 203
Honolulu, Hawaii 96813

Illinois:

Illinois Attorney General
500 South Second Street
Springfield, Illinois 62706

Indiana:

Secretary of State
201 State House
200 West Washington Street
Indianapolis, Indiana 46204

Maryland:

Securities Commissioner
200 Saint Paul Place
Baltimore, Maryland 21202-2020

Michigan:

Department of Attorney General's Office
Consumer Protection Division
525 W. Ottawa Street
G. Mennen Williams Building, 1st Floor Lansing,
Michigan 48913

Minnesota:

Commissioner of Commerce
85 7th Place E.
St. Paul, MN 55101

New York:

Secretary of State
41 State Street
Albany, New York 12231

North Dakota:

Commissioner of Securities
600 East Blvd., 5th Floor
Bismarck, North Dakota 58505

Rhode Island:

Director of Business Regulation
Division of Securities
John O. Pastore Complex 69-1
1511 Pontiac Avenue
Cranston, RI 02920

South Dakota:

Director
Securities Division
445 East Capitol
Pierre, South Dakota 57501-5070

Virginia:

Clerk of the State Corporation Commission
1300 East Main Street, 1st Floor
Richmond, Virginia 23219

Washington:

Director
Department of Financial Institutions
Securities Division
P. O. Box 9033
Olympia, Washington 98507-9033

Wisconsin:

Administrator
Department of Financial Institutions
Division of Securities
345 West Washington Avenue, 4th Floor
Madison, Wisconsin 53703

EXHIBIT B
TO THE DISCLOSURE DOCUMENT
FINANCIAL STATEMENTS

LLJ Franchise, LLC
Financial Statements
December 31, 2011 and 2010

LLJ Franchise, LLC
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December, 2011 and 2010

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INDEPENDENT AUDITOR'S REPORT

To the Members and Executive Board
of LLJ Franchise, LLC

We have audited the accompanying balance sheets of LLJ Franchise, LLC (the Company) as of December 31, 2011 and 2010 and the related statements of operations, members' equity, and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2011 and 2010, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Kling & Pathak LLP

March 5, 2012

LLJ Franchise, LLC
 Balance Sheets
 December 31, 2011 and 2010

Assets

	2011	2010
Current assets		
Cash and cash equivalents	\$ 138,131	\$ 186,153
Accounts receivable, related party	14,722	7,133
Total current assets	152,853	193,286
Other assets		
Intangible assets	32,232	31,232
Less accumulated amortization	(8,317)	(6,055)
Total other assets	23,915	25,177
Total assets	\$ 176,768	\$ 218,463

See accompanying notes and independent auditor's report.

LLJ Franchise, LLC
Balance Sheets (continued)
December 31, 2011 and 2010

Liabilities and Members' Equity

	2011	2010
Current liabilities		
Accounts payable	\$ 18,810	\$ 55,016
Total current liabilities	18,810	55,016
Members' equity		
Members' contributions	317,857	317,857
Accumulated deficit	(154,410)	(164,958)
Net income (loss)	(5,489)	10,548
Total members' equity	157,958	163,447
Total liabilities and members' equity	\$ 176,768	\$ 218,463

See accompanying notes and independent auditor's report.

LLJ Franchise, LLC
 Statements of Operations
 For the Years Ended December 31, 2011 and 2010

	2011	2010
Revenues		
Franchise and license fee revenues	\$ 1,649,820	\$ 1,287,618
Total revenues	1,649,820	1,287,618
Income before operating expenses	1,649,820	1,287,618
Operating expenses		
Advertising	439,091	356,703
Amortization	2,262	2,185
Bank charges	72	3,610
Dues and subscriptions	1,950	12,287
Licenses and fees	600	2,743
Management fees	1,123,743	832,462
Professional services	72,017	63,938
Other expenses	1,974	1,542
Total operating expenses	1,641,709	1,275,470
Income before taxes	8,111	12,148
Provision for taxes	13,600	1,600
Net income (loss)	\$ (5,489)	\$ 10,548

See accompanying notes and independent auditor's report.

LLJ Franchise, LLC
 Statements of Members' Equity
 For the Years Ended December 31, 2011 and 2010

	Easterbrook Family Trust	James Pickren	Total
Balance at December 31, 2009	\$ 9,538	\$ 54,504	\$ 64,042
Member contributions	86,657	2,200	88,857
Net income	9,493	1,055	10,548
Balance at December 31, 2010	105,688	57,759	163,447
Member contributions	-	-	-
Net loss	(5,335)	(154)	(5,489)
Balance at December 31, 2011	\$ 100,353	\$ 57,605	\$ 157,958

See accompanying notes and independent auditor's report.

LLJ Franchise, LLC
 Statements of Cash Flows
 For the Years Ended December 31, 2011 and 2010

	2011	2010
Operating activities		
Net income (loss)	\$ (5,489)	\$ 10,548
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Amortization	2,262	2,185
Changes in operating assets and liabilities:		
Accounts receivable, related party	(7,589)	17,807
Accounts payable	(36,206)	53,116
Accrued expenses	-	(800)
Net cash provided by (used in) operating activities	(47,022)	82,856
Investing activities		
Acquisition of intangible assets	(1,000)	(1,150)
Net cash used in investing activities	(1,000)	(1,150)
Financing activities		
Contributions from members	-	88,857
Net cash provided by financing activities	-	88,857
Net increase (decrease) in cash and cash equivalents	(48,022)	170,563
Cash and cash equivalents at beginning of year	186,153	15,590
Cash and cash equivalents at end of year	\$ 138,131	\$ 186,153
<u>Supplemental cash flow information</u>		
Cash paid for income tax	\$ 13,600	\$ 1,600

See accompanying notes and independent auditor's report.

LLJ Franchise, LLC
Notes to Financial Statements
December 31, 2011 and 2010

1. Summary of significant accounting policies

Description of current business activities

LLJ Franchise, LLC (the Company) is a California limited liability company that was formed on February 5, 2010. The Company franchises juice bars, which sell juice drinks, smoothies and other food and drinks to the public primarily in California.

All profits and losses of the Company are allocated to its members in accordance with their ownership interests as follows:

Easterbrook Family Trust	97.2%
James Pickren	2.8%
	<hr/>
	100.0%

All of the Company's franchised locations operate as Juice It Up![®]. As of December 31, 2011 and 2010, there were 83 franchisees plus 3 affiliate units totaling 86 operating units and there were 91 franchisees plus 4 affiliate units totaling 95 operating units, respectively. The brand name Juice It Up![®] is owned by Balboa Brands, Inc. ("BBI"), a related party, and licensed to the Company under a separate Trademark and System License Agreement. As of December 31, 2011 and 2010, there were no retail locations owned by the Company.

Cash and cash equivalents

For purposes of the statement of cash flows, the Company considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

Accounts receivable

Trade accounts receivable are stated at the amount the Company expects to collect from outstanding balances. The Company provides for probable uncollectible amounts through a charge to earnings and a credit to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after the Company has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to trade accounts receivable.

Intangible assets

Intangible assets are amortized using the straight-line method over their estimated useful lives. The recoverability of intangible assets is periodically reviewed to determine whether adjustments are needed to carrying values.

LLJ Franchise, LLC
Notes to Financial Statements (continued)
December 31, 2011 and 2010

1. Summary of accounting policies (continued)

Income taxes

The Company is not a tax paying entity for federal income tax purposes. The Company is subject to a California tax on gross receipts. The results of the Company's operations are included in the tax filings of its members. No provision for income tax expense has been included in the accompanying financial statements except for the applicable California limited liability company annual tax and gross receipts tax.

Advertising costs

Advertising costs incurred by the Company for the years ended December 31, 2011 and 2010 were \$439,091 and \$356,703, respectively. Advertising costs are charged to expenses as incurred.

Fair value of financial instruments

The Company's financial instruments, which consist primarily of cash, trade receivables, and payables, approximate their fair values.

Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Revenue

The Company earns a monthly royalty fee from its franchisees ranging from 5% to 6% of each franchised store's adjusted gross sales. The Company also earns advertising fees and transfer fees. The advertising fees are a reimbursement of advertising costs incurred by the Company on behalf of its franchisees. The transfer fees are fees charged to the franchisees for the transfer of their franchise to another party. Such fees are collected by BBI as described in Note 3.

Initial franchise fees related to sales of franchises for the years ended December 31, 2011 and 2010 was \$20,000 for each year. These initial fees are recognized as revenue upon substantial performance by the Company of all material conditions relating to the initial fee.

Start-up costs

Costs incurred in connection with start-up of new franchise stores are expensed as incurred.

Seasonal business

Franchisee operations are seasonal. As such, franchise fees paid to the Company may vary substantially from month to month.

LLJ Franchise, LLC
Notes to Financial Statements (continued)
December 31, 2011 and 2010

1. Summary of accounting policies (continued)

Recent accounting pronouncements

During the years ended December 31, 2011 and 2010, there were several new accounting pronouncements issued by the Financial Accounting Standards Board (FASB). Each of these pronouncements, as applicable, has been or will be adopted by the Company, if applicable. Management does not believe the adoption of any of these accounting pronouncements has had or will have a material impact on the Company's financial statements.

2. Merger

Effective April 8, 2011, Ziiing, LLC (formerly related to the Company through common ownership) was merged with the Company. Ziiing, LLC was a California limited liability company that franchised soft serve yogurt bars. As a result of the merger, the Company became the surviving entity and assumed the existing franchise agreements of Ziiing, LLC. As part of the merger, Ziiing, LLC's membership interests were canceled without consideration with the Company's membership interests remaining unaffected.

The Company accounted for the merger pursuant to the accounting guidance for business combinations as it relates to entities under common control. Accordingly, the merger between the Company and Ziiing, LLC has been reflected as of the beginning of the period for the year ended December 31, 2011 with comparative financial statements being retrospectively adjusted to reflect the combination of the two entities under common control.

As such, the financial statements include the combined accounts of the Company and Ziiing, LLC for the year ended December 31, 2010. For the year ended December 31, 2011, the year of the merger transaction, the accounts of Ziiing, LLC are reflected in the accounts of the Company as of the beginning of the period.

3. Related party relationships and transactions

The Company is related to BBI, a corporation owned by the managing member of the Company. The Company utilizes BBI for certain management services under a management services agreement. Under the management services agreement, BBI collects royalty fee revenue and advertising revenue from the franchisees of the Company. In turn, the Company pays a management fee to BBI for these services and related franchise agreement management services.

During the years ended December 31, 2011 and 2010, the Company paid BBI \$1,123,743 and \$832,462, respectively, for management services provided and expenses incurred. The Company also had accounts receivable due from BBI at December 31, 2011 and 2010 of \$14,722 and \$7,133, respectively.

LLJ Franchise, LLC
Notes to Financial Statements (continued)
December 31, 2011 and 2010

4. Intangible assets

Intangible assets include legal costs to develop branding for the Company and purchased software. Amortization expense for the years ended December 31, 2011 and 2010 were \$2,262 and \$2,185, respectively. Estimated amortization expense for 2012 and for 2013 through 2016 is \$2,150 and \$2,037, respectively.

5. Litigation

The Company, from time to time, is involved in certain legal matters which arise in the normal course of business. Management believes that any resolution of such matters will not have a material adverse effect on the financial position of the Company.

6. Subsequent events

Management has evaluated all activity through March 5, 2012, the issue date of these financial statements, and has concluded that no subsequent events have occurred that would require recognition in the financial statements or disclosure in the notes to the financial statements.

EXHIBIT C-1

TO THE DISCLOSURE DOCUMENT

SITE ASSISTANCE DEPOSIT AGREEMENT



live life juiced®

SITE ASSISTANCE DEPOSIT AGREEMENT

JUICE IT UP

SITE ASSISTANCE DEPOSIT AGREEMENT

THIS SITE ASSISTANCE DEPOSIT AGREEMENT (“**Agreement**”) is entered into by and between LLJ Franchise, LLC, a California limited liability company (“LLJ”, “us”, “our” or “we”) and _____ (“**you**” or “your”) as of the date indicated opposite the signature of our authorized officer at the end of this Agreement (the “Effective Date”).

You acknowledge by initialing below that you received a copy of our Franchise Disclosure Document, including a template Site Assistance Deposit Agreement in substantially the same form as this Agreement, *at least 14 days before you signed this Agreement or paid the Deposit described herein*, AND you received a “signature-ready” copy of this Agreement with all the blanks filled in at least 7 days before you signed this Agreement or paid the Deposit. _____ (Initials)

BACKGROUND FACTS:

A. We grant franchises for **JUICE IT UP**[®] Juice Bars, Yogurt Shops and “Combo” stores which offer both product lines (collectively referred to as “Units”).

B. You would like to obtain a franchise to operate a **JUICE IT UP**[®] Unit. However, before signing a Franchise Agreement with us, you must identify a specific site for a **JUICE IT UP**[®] Unit that is available for lease or purchase and that is acceptable to us in our Business Judgment (the “**Location**”). The purpose of this Agreement is to compensate us for our assistance and input to you related to your site selection efforts during the term of this Agreement.

NOW, THEREFORE, in reliance on and in consideration of the above facts and the terms and conditions stated below, the parties agree as follows:

1. Deposit

Upon signing this Agreement you will pay to us the sum of five thousand dollars (\$5,000) (“**Deposit Fee**”). This fee will not be refunded under any circumstance, however, the entire amount of the Deposit Fee will be applied toward your initial franchise fee related to the purchase of a **JUICE IT UP**[®] Unit unless this Agreement is terminated as described below.

2. Target Area

For a period of six (6) months from the Effective Date, you are hereby granted a nonexclusive right within the area described on Attachment 1 to this Agreement (the “**Target Area**”) to identify a Location approved by us in our Business Judgment as satisfactory for the operation of a **JUICE IT UP**[®] Unit. During this period, we will lend you our confidential site selection manual and give you information and guidance to help you find a suitable site for your franchised Unit. You acknowledge and agree that this Agreement does not grant you any other rights whatsoever with respect to the

Target Area or to a franchise agreement with any exclusive area, market or protected territorial rights and that we may directly, or through others, during the term of this Agreement, enter the Target Area to locate potential sites and establish one or more **JUICE IT UP**[®] Units.

3. Site Location

3.1. Proposal

You must submit for our approval, a proposal which includes the specific address; a description of the general dimensions of the proposed Location; the number of parking spaces available for your use and those of your employees and customers in the adjacent parking lot, if any; the amount of available street parking and the hours when street parking is permissible; all demographic information with respect to the Location which you may have prepared or obtained; adequate proof, as determined by us, in our sole discretion, that a **JUICE IT UP** Unit located at the Location is not prohibited by any governmental authority from continuously operating seven (7) days per week, twelve (12) hours per day; and such other information as we may request (the "Written Proposal"). The Written Proposal must also include, as applicable: monthly rent, delivery date, rent commencement, list of co-tenants, site plan, lease term, use language and the landlord's work letter, or the terms of the purchase and sale. The Location must be for lease in accordance with the terms and provisions of our then-current franchise agreement and both the Location and the terms of any proposed lease, if applicable, will be subject to our prior written acceptance which may be withheld in our Business Judgment. You understand that if you are granted a single Unit franchise, no exclusive or protected territory will be granted with it.

3.2. Owner's Refusal to Lease

If the owner of the Location will not sign a lease for the Location (or sell you the Location, if applicable) in accordance with the terms stated in your Written Proposal or pursuant to the proposed lease terms for a Location suggested by us, you will be entitled to locate another Location within the Target Area and deliver a Written Proposal as to the other Location to us during the remainder of the six (6) month term beginning on the Effective Date.

3.3. Location Review by Us

(a) Upon receipt of the Written Proposal, we will promptly evaluate the proposed Location in terms of its suitability for a **JUICE IT UP** Unit and will either accept or reject it. Among the factors considered by us in making our decision is whether the lease provisions are acceptable to us.

(b) We may voluntarily (without obligation) assist you in obtaining an acceptable location. Neither any assistance or input that we may provide to you nor our acceptance of your proposed site or of the proposed lease or purchase agreement shall be construed as an assurance or guarantee of the profitable or potential success of a **JUICE IT UP** Unit by you, and we hereby expressly disclaim any such responsibility for your success. You acknowledge that it is your sole responsibility to find an acceptable Location.

3.4 Franchise Agreement

(a) Promptly, after our notification to you of acceptance of a proposed Location and provided that you are otherwise acceptable to us we will enter into our then-current form of franchise agreement ("**Franchise Agreement**") pertaining to the accepted Location.

4. Your Additional Agreements

4.1 Acknowledgements and Agreements by You

By executing this Agreement, you agree and acknowledge that:

(a) You have conducted an independent investigation of the business venture contemplated by this Agreement and the Franchise Agreement and recognize that the success of this business venture involves substantial business risks and will largely depend upon your ability.

(b) Our acceptance of the Deposit Fee does not constitute the grant of any rights in or to a franchise to operate a **JUICE IT UP** Unit; and that such rights may only be granted through a franchise agreement that has been duly executed by both us and you and payment of the initial franchise fee specified therein.

(c) We have not made any representations or promises concerning the grant of a **JUICE IT UP** franchise to you or any other person or entity, nor have you been induced to take any action as a result of, or in reliance upon, any representations or promises by us.

(d) We have made no promises or representation regarding the particular suitability or unsuitability of the Location as any measure of your likely or unlikely success or the financial results related to your operation of a **JUICE IT UP** Unit, and have cautioned that the location of your **JUICE IT UP** Unit is only one factor in determining your potential for success, and that such results are in large part dependent on your ability to manage and operate the **JUICE IT UP** Unit.

(e) You have received, read and understood this Agreement and the Franchise Agreement and related attachments and agreements and have had the opportunity to consult with advisors selected by you about the potential benefits and risks of entering into this Agreement.

(f) We may refuse to grant to you or any other person or entity a **JUICE IT UP** franchise for any reason, within our Business Judgment.

(g) During the term of this Agreement, we are in no manner restricted from (i) establishing directly (or through our affiliates) or licensing any third party to establish another **JUICE IT UP** Unit in the Target Area; (ii) considering or granting any other person or entity a **JUICE IT UP** franchise within or outside of the Target Area; or (iii) conducting whatever franchise sales activities we deem appropriate within the Target Area.

(h) You received a complete copy of this Agreement and all related attachments and agreements at least seven (7) days prior to the date on which you signed this Agreement. You received our Franchise Disclosure Document at least 14 days prior to the date on which you signed this Agreement.

(i) You acknowledge that until we have given written notification to you that your proposed Location has been accepted by us and we have signed and delivered to you a Franchise Agreement for the accepted Location, you should not sign any lease, purchase agreement or other binding agreement for the accepted Location. If you sign any lease, purchase agreement or other binding agreement for the accepted Location prior to receiving a franchise agreement signed by us, you represent that you will have independently determined that leasing or purchasing the accepted Location is in your best interest regardless of whether we accept the proposed Location or execute a Franchise Agreement for the accepted Location, and is not in reliance upon any prospective acceptance by us and you assume the entire risk of doing so and hold us harmless for any losses or expenses you incur as a result thereof.

4.2 Confidential Information

(a) In connection with your ongoing discussions with us pertaining to entering into a franchise agreement for the operation of a **JUICE IT UP** Unit in the Target Area, you acknowledge that we will disclose to you certain confidential and proprietary information of a non-public nature, including our confidential site selection manual (the "**Confidential Information**").

(b) In consideration of such disclosures, you agree that any and all Confidential Information, whether written or oral, including all data, books, materials, reports or other information developed by us or our affiliates prior to or during any discussion with you, that is made available to you or that you obtain or to which you have access by any means, shall be held and treated by you, your agents and employees as our trade secret and in the strictest confidence. Such Confidential Information shall not be disclosed in whole or in part by you, your agents or employees in any manner whatsoever or used or reproduced for any purposes other than for purposes directly connected with the discussions and activities described in this Agreement.

(c) You agree that all documents and other materials containing Confidential Information shall remain our property at all times and that you shall account for and return to us all documents, papers, books, records, data, translations and other information provided by us under this Agreement, within 10 days of either your or our decision not to proceed further with discussions concerning the operation of a **JUICE IT UP** Unit as described in this Agreement, or upon our written request.

(d) The confidentiality provisions of this Agreement shall survive the expiration or termination of this Agreement.

4.3 No License

You understand and agree that no right or license is granted to you by us in or to the name **JUICE IT UP**[®] or any other trademark we may own or license, the Confidential Information or any documents or data contained therein, derived therefrom,

or relating thereto (except as otherwise permitted herein). Further, you agree that, without limiting any other rights and remedies we may have, upon breach of this Agreement, we may exercise any and all remedies, including obtaining an injunction to protect our rights under this Agreement. If we exercise any of our legal or equitable remedies, you will be responsible for any reasonable attorneys' fees or costs incurred by us.

5. Termination

We may elect to terminate your rights under this Agreement for any of the following reasons:

- (a) Our discovery that you have misstated or omitted any information required by the franchise application submitted to us or otherwise given to us in connection with your purchase of a JUICE IT UP[®] franchise;
- (b) Your failure to deliver to us a signed Franchise Agreement and the remainder of the initial franchise fee within five (5) business days after (but not earlier than promptly following the expiration of any waiting periods required by applicable law) either (1) your receipt of written notice from us that we have accepted the Location that you proposed; or (2) your delivery of notice to us of your acceptance of a Location suggested by us. However, you will not be required to sign a franchise agreement until the expiration of any waiting periods required by applicable law; or
- (c) Your failure to qualify as a franchisee in our Business Judgment.

6. No Refund/Damages

You understand that we will incur expenses in reviewing and making a decision on your Written Proposal or proposals for a Location. The Deposit Fee will be deemed earned by us whether or not you ultimately are granted a franchise. The parties further acknowledge that the amount of actual damages that would result if this Agreement is terminated would be uncertain and extremely difficult to ascertain. Consequently, if this Agreement is terminated for any reason, you agree that we will be entitled to retain the entire Deposit Fee as reasonable compensation for the damages sustained. You understand that you will not receive a refund under any circumstance.

7. Miscellaneous Provisions

7.1. Construction of Contract

Captions or paragraph headings included in this Agreement are for reference purposes only and will not in any way modify or limit the statements contained in any section or provision of this Agreement. All words in this Agreement will be considered to include any number or gender as the context or sense of this Agreement requires. If there is any conflict between this Agreement any other document, this Agreement will control. All terms used in any one number or gender shall extend to mean and include any other number and gender as the facts, context, or sense of this Agreement or any article or paragraph hereof may require. As used in this Agreement, the words

“include,” “includes” or “including” are used in a non-exclusive sense. Unless otherwise expressly provided herein to the contrary, any consent, acceptance or authorization by us which you may be required to obtain hereunder may be given or withheld by us in our Business Judgment, and on any occasion where we are required or permitted hereunder to make any judgment or determination, including any decision as to whether any condition or circumstance meets our standards or satisfaction, we may do so in its sole subjective judgment. Time is of the essence in the performance by you of your obligations under this Agreement.

7.2. Governing Law

This Agreement is made in the State of California and all rights created by it will be governed by and interpreted under the laws of that state, without giving effect to any conflict of laws principles, except the provisions of the California Franchise Investment Law and California Franchise Relations Act shall not apply unless they would be otherwise applicable without this Agreement’s designation of governing law.

7.3. Payments, Notices, and Communications

All payments are to be paid and any notices or communications should be directed to the parties to this Agreement at the addresses specified on the final page of this Agreement and may be delivered (1) personally; (2) by mail, first class, fully prepaid; or (3) by courier. The address specified for service of notices may be changed at any time by the party making the change giving written notice to the other party. Any notice delivered in the manner specified in this section will be considered to be delivered three (3) days after mailing, or, if received earlier, on actual receipt.

7.4. Amendments

This Agreement may be amended, modified, extended or discharged, in whole or in part, only by a document in writing signed by all of the parties to this Agreement or by their authorized agents. If you wish to extend or otherwise amend this Agreement, you must make a written request. We will approve or deny such request in our Business Judgment, but will consider your diligence and adherence to our procedures.

7.5. Successors and Assigns

None of your rights or duties may be assigned or delegated. . We have the right to assign this Agreement in whole or in part to any person, firm or entity. This Agreement will benefit, and be binding on, the parties to this Agreement and their permitted heirs, successors, representatives, and transferees.

7.6. Waiver

Waiver of any default or breach of this Agreement will not be interpreted as a waiver of any subsequent breach.

7.7. Integration

This Agreement, together with any exhibits or addenda to it, constitutes the entire agreement between the parties with respect to the subject matter addressed in it and all other agreements, understandings, conditions, warranties, and representations other than those included in the Disclosure Document, are superseded by this Agreement.

7.8. Venue, and Waiver of Jury

Any suit brought hereon any and all legal proceedings to enforce this Agreement, whether in contract, tort, equity or otherwise, shall be brought in the state or federal courts sitting in Orange County, California, the parties hereto hereby waiving any claim or defense that such forum is not convenient or proper. Each party hereby agrees that any such court shall have in personam jurisdiction over it, and agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner specified by law.

EACH OF THE PARTIES HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE ANY AND ALL RIGHTS IT MAY HAVE TO TRIAL BY JURY IN RESPECT OF ANY ACTION, SUIT, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER VERBAL OR WRITTEN) OR ACTIONS OR OMISSIONS OF US OR YOU OR ANY OTHER PERSON RELATING TO THIS AGREEMENT, OR ANY OTHER AGREEMENT, PROCEEDING OR OTHER LITIGATION BROUGHT TO RESOLVE ANY DISPUTE ARISING UNDER, ARISING OUT OF, OR IN CONNECTION WITH THIS AGREEMENT OR ANY OTHER AGREEMENT, DOCUMENT OR INSTRUMENT EXECUTED OR DELIVERED IN CONNECTION HEREWITH OR THEREWITH.

7.9. Severability

Each section or provision of this Agreement will be considered severable. If, for any reason, any section or provision of this Agreement is determined to be invalid or in conflict with any existing or future law or regulation, the section or provision will not impair the operation of the remaining sections or provisions of this Agreement. The latter will continue to be given full force and effect and will bind the parties to this Agreement. The invalid sections or provisions will be considered not to be a part of this Agreement.

7.10. Disclaimer of Representations

NO REPRESENTATIONS, PROMISES, GUARANTIES OR WARRANTIES OF ANY KIND ARE MADE BY US TO INDUCE YOU TO SIGN THIS AGREEMENT EXCEPT THOSE SPECIFICALLY STATED IN THIS AGREEMENT. YOU ACKNOWLEDGE THAT WE HAVE MADE NO PROMISES OR WARRANTIES TO YOU CONCERNING THE APPROPRIATENESS OF THE TARGET AREA OR THE LOCATION FOR A **JUICE IT UP** UNIT OR CONCERNING THE PROFITABILITY OR LIKELIHOOD OF SUCCESS OF THE FRANCHISED BUSINESS.

IN WITNESS TO these facts, the parties have signed this Agreement as of the date written below.

Dated: _____ FRANCHISOR
(the Effective Date) LLJ FRANCHISE, LLC

By: _____
Frank N. Easterbrook, President

Address:

17915 Sky Park Circle, Suite J
Irvine, CA 92614

Date: _____ YOU
(date you sign)

Address:

TARGET AREA

Note: Boundary lines include only the area within the boundary line and extend only to the middle of the boundary demarcation (for example, only to the middle of a street or highway.) You have no rights under this Agreement or otherwise with respect to a location on the other side of the boundary line, street or highway or otherwise, and no matter how close to such boundary a location may be, regardless of the distance from, impact on, or vicinity of, your Target Area or otherwise in any area or market.

Initials _____

EXHIBIT C-2

TO THE DISCLOSURE DOCUMENT

FRANCHISE AGREEMENT



live life juiced®

JUICE IT UP®
FRANCHISE AGREEMENT

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ATTACHMENTS:

- 1: Accepted Location
- 2: Electronic Funds Transfer Agreement
- 3: Conditional Lease Assignment Agreement
- 4: Conditional Assignment of Telephone Numbers, E-Mail Addresses and URLs
- 5: Nondisclosure and Noncompetition Agreement
- 6: Personal Guaranty and Subordination Agreement
- 7: Terms of Use – Juice Net Website
- 8: General Releasing Language
- 9: SBA Addendum

JUICE IT UP®

FRANCHISE AGREEMENT

1. PARTIES

This Franchise Agreement (this "Agreement") is made and entered into as of the _____ day of _____, 201__ (the "Effective Date"), by and between LLJ Franchise, LLC ("LLJ," "we," "our" or "us"), a California limited liability company with its principal office in Irvine, California, and _____ [*franchisee's name or legal entity name*] ("you", "your" or "Franchisee" as defined in Section 3.30 below).

2. RECITALS

2.1. Ownership of Marks and System

We license certain intellectual property rights, including the trademark "JUICE IT UP®," and other Marks, by virtue of a license granted to us by our affiliate, Balboa Brands, Inc., which owns such property and the Marks. We have spent a considerable amount of money, time, and effort, to construct, and continues to develop, business methods, technical knowledge, and marketing concepts, including proprietary recipes, trade secrets, commercial ideas, administrative procedures, information on sources of supply, supply contracts, marketing strategies, business forms, advertising materials, distinctive signs, trade dress, uniforms, and owner/employee training techniques that, taken together, comprise a proprietary System for the operation of juice bars featuring delicious smoothies, fresh frozen and fresh-squeezed fruit and vegetable juices, organic coffee, and snacks for health conscious consumers as well as yogurt shops offering a variety of cold and frozen dessert items.

Subject to the terms and conditions of this Agreement, we hereby grant you a franchise to operate a Traditional Unit under the Program indicated below (one Program per Franchise Agreement):

- Program 1: a juice bar and related products; _____ / _____ (Initials)
- Program 2: a yogurt shop with related products; _____ / _____ (Initials)
- Program 3: a "combo" store including Programs 1 & 2 _____ / _____ (Initials)

2.2. Objectives of Parties

We grant to you, and you accept from us a license to own and operate a **JUICE IT UP®** Unit, using the JUICE IT UP® Trade Name, Marks, and System, upon the terms and conditions contained in this Agreement. You desire to become part of our team of franchisees, understanding that, as a **JUICE IT UP** franchisee, it is critical that you operate your **JUICE IT UP** Unit in strict compliance with our System Standards and fulfill your obligations under this Agreement as they may change from time to time, and without this commitment from you, we would not enter into this Agreement with you.

3. DEFINITIONS

To simplify this Agreement, we have defined certain terms in Section 3 below. When you see a capitalized word, or if you do not understand the meaning of a particular pronoun reference, refer to Section 3 to see whether the term has been defined. Capitalized words that are not defined in Section 3 are defined in the section in which they first appear.

3.1. Accepted Location

“**Accepted Location**” means a location that LLJ has accepted in writing as a site at which you may own and operate a **JUICE IT UP** Unit.

3.2. Adjusted Gross Sales

“**Adjusted Gross Sales**” means the total amount of revenues which are or could be charged, received or earned by you and your Franchisee Related Parties for all goods sold and services now or in the future rendered from the Accepted Location or in connection with the Trade Name or Marks, whether evidenced by cash, services, property, barter, or other means of exchange, and whether or not we offer such services or products in our other locations, including; (a) revenues from sales of any nature or kind whatsoever, derived by you and your Franchisee Related Parties; (b) sales of Promotional Items in contravention of this Agreement at the Accepted Location or at locations other than at the Accepted Location; (c) the proceeds of any business interruption insurance, after the satisfaction of any applicable deductible; (d) sales from vending devices including pay telephones; (e) mail or telephone orders received or filled in or from the JUICE IT UP Unit; (f) orders taken in or from the JUICE IT UP Unit although filled elsewhere, including products produced at the Accepted Location and sold off-site; and (g) of or relating to a Similar Business; (h) with respect to any tenants and/or subtenants of yours on the premises (including rent and other lease payments); and/or (i) with respect to any co-branding activities.

Notwithstanding the foregoing, “Adjusted Gross Sales” shall exclude the amount of actual, bona fide refunds paid to customers, the amount of any state or local sales or use tax actually paid by you and sales of fixtures or other capital items you sell after use thereof in the operation of the **JUICE IT UP** Unit. All sales and/or billings, whether collected or not, will be included in Gross Revenue, with no deduction for credit card or other charges.

3.3. Agreement

“**The Agreement**” or “**this Agreement**” means this Franchise Agreement.

3.4. Business Judgment

“**Business Judgment**” means that we are allowed to exercise our judgment however we consider appropriate in our Business Judgment, without any limitation. You and we agree that when in this Agreement we describe instances in which we may exercise Business Judgment, we must and do have the unrestricted right to make decisions and/or take (or refrain from taking) actions. We have this right even if a particular decision/action may have negative consequences for you, a particular franchisee or group of franchisees. You understand and agree that the exercise of Business Judgment is critical to our role as Franchisor of the System and to our goals for its continuing development. This is a defined term for the purposes of this Agreement and is not intended to incorporate principles related to the application of the business judgment rule in a corporate law context.

3.5. Crisis Management Event

“**Crisis Management Event**” means any event that occurs at or about the **JUICE IT UP** Unit that has or may cause harm or injury to customers or employees, such as food contamination, food spoilage/poisoning, food tampering/sabotage, contagious diseases, natural disasters, terrorist acts, shootings, or any other circumstance which may damage the System, Marks, or image or reputation of **JUICE IT UP** Units, the Franchise Network, or us or our Franchisor Related Parties.

3.6. Designated Manager

“**Designated Manager**” means the general manager of the **JUICE IT UP** Unit.

3.7. Entity

“**Entity**” means any limited liability company, Partnership, trust, association, corporation or other entity which is not an individual.

3.8. Equity

“**Equity**” means capital stock, membership interests, Partnership Rights, or other equity ownership interests of an Entity.

3.9. Force Majeure

“**Force Majeure**” means acts of God (such as tornadoes, earthquakes, hurricanes, floods, fire or other natural catastrophe); strikes, lockouts or other industrial disturbances; war, riot, terrorism, or other civil disturbance; epidemics; or other unforeseeable forces which you could not by the exercise of due diligence have avoided,

provided however, that (a) you must use all commercially reasonable efforts to mitigate the effect of the event of Force Majeure upon your performance and to fulfill your obligations under this Agreement, and upon completion of the event of Force Majeure, you must as soon as reasonably practicable recommence the performance of your obligations under this Agreement, and (b) neither an act or failure to act by a governmental authority (*i.e.* Federal, state, county, municipal and local governmental and quasi-governmental agencies, commissions and authorities), nor the performance, non-performance or exercise of rights under any agreement with you by any lender, contractor, landlord, or other person (other than us) shall be an event of Force Majeure hereunder, except to the extent that such act, failure to act, performance, non-performance or exercise of rights results from an act which is otherwise an event of Force Majeure. For the avoidance of doubt, your financial inability to perform or your insolvency shall not be an event of Force Majeure hereunder.

3.10. Franchise Network

“**Franchise Network**” means the interdependent network composed of LLJ, all LLJ franchisees, LLJ’s Related Parties, and any other people or business entities that LLJ has licensed to use the Trade Name, Marks, System or any of them.

3.11. Franchisee Related Party

“**Franchisee Related Party**” or “**Franchisee Related Parties**” means people and companies affiliated with you, including, your direct or indirect Owners. .

3.12. Franchisor Related Party/ies

“**Franchisor Related Party/ies**” means LLJ Franchise, LLC, Ziiing LLC, Balboa Brands, Inc., and each and all of the following, whether past, current and/or future: each and all company(ies) and/or person(s) acting through, in concert with us and/or any of the foregoing, and/or as Affiliates of ours and/or of any of the foregoing; each and all of the Affiliates, partners, shareholders, officers, directors, agents, attorneys, accountants, and/or employees of us and/or any of the foregoing; and each and all of the predecessors, successors and/or assigns of us and/or any of the foregoing.

3.13. General Release

“**General Release**” means a form of release agreement that will include the Franchisor’s then current releasing language. The releasing language current as of the date of this Agreement is attached hereto as Attachment 8.

3.14. Good Standing

“**Good Standing**” means you (and each of your owners and Affiliates) are not in default of any obligation to us and/or any of the Franchisor Related Parties and/or the advertising Fund, whether arising under this Agreement or any other agreement between you (and each of your owners and Affiliates) and us (and/or any of the Franchisor Related Parties and/or the advertising Fund), the Manuals or other System

requirements (collectively, the “Obligations”); provided that you are not in Good Standing if you have been in default of any Obligations and such defaults are incurable by nature and/or part of a series of repeated defaults as defined in this Agreement.

3.15. Juice It Up® Unit, Traditional Unit or Unit

A “**Juice It Up® Unit**,” “**Traditional Unit**” or “**Unit**” means a full-size, “brick and mortar” physical location that we have authorized you to develop and operate under the Program and using the Trade Name, Marks, and System at the Accepted Location specified under this Agreement and may include a kiosk Unit that we approve under the terms of a franchise agreement with you.

3.16. Juice Net Website

“**Juice Net**” website means the intranet web site utilized, from time to time, by us to facilitate communications with you and other franchisees and licensees of ours and through which we may disseminate the Manual, disseminate updates to the Manual, disseminate advertising and marketing materials, conduct promotions, and communicate and conduct other matters.

3.17. Manual

“**Manual**” means the Operations Manual, as amended from time to time, that LLJ will lend you during the term of this Agreement and that contains information, forms and requirements for the establishment and operation of a **JUICE IT UP** Unit and for use of LLJ’s Trade Name and Marks.

3.18. Marks

“**Marks**” means the trademarks, service marks and other commercial symbols now and/or in the future owned by (or licensed to) us to identify the services and/or products offered by Juice It Up® Units, including (but not limited to) “Juice It Up®,” the Trade Dress and other logos and identifiers designated by us from time to time.

3.19. Non-Traditional Unit

As used in this Agreement, “**Non-Traditional Unit**” means a Unit located within another primary business or in conjunction with other businesses or at institutional settings, (other than a kiosk Unit that we approve under the terms of a franchise agreement with you) including, toll roads, hotels and motels, casinos, airports, sports arena, stadiums, train stations, casinos, theme parks, military and other governmental facilities, movie theaters, hospitals, grocery stores, supermarkets, convenience stores, schools, college and university campus, piers, gyms, offices or in-plant food service facilities, shopping mall food courts operated by a master concessionaire, and any site for which the lessor, owner or operator thereof shall have indicated its intent to prefer or limit the operation of its food service facilities to a master concessionaire or contract food service provider.

3.20. Owner

“**Owner**” means any direct or indirect shareholder, member, general or limited partner, trustee, or other equity owner of an Entity, except, that if we or any of our Franchisor Related Parties has any ownership interest in you, the term “Owner” shall not include or refer to us or that Franchisor Related Party or their respective direct and indirect parents and subsidiaries, and no obligation or restriction upon the “you”, or your Owners shall bind us, or said Franchisor Related Parties or their respective direct and indirect parents and subsidiaries or their respective officers, directors, or managers.

3.21. Partnership

“**Partnership**” means any general partnership, limited partnership, or limited liability partnership.

3.22. Partnership Rights

“**Partnership Rights**” means voting power, property, profits or losses, or partnership interests of a Partnership.

3.23. Promotional Item

“**Promotional Item**” means any product that has been prepared or manufactured in accordance with LLJ’s secret recipes or specifications or that has been packaged or labeled with any of the Marks.

3.24. Similar Business

“**Similar Business**” - Any enterprise that offers, is otherwise involved in, or deals with any goods, products and/or services, which are substantially similar to those goods, products and/or services now or in the future authorized by us to be offered at or from Juice It Up® Units (including any such enterprise and/or entity awarding franchises or licenses to operate or be involved with any such business) and which would inherently involve the disclosure and/or use of confidential information or trade secrets. Our receipt of any royalties with respect to any Similar Business is not an approval of your involvement with any Similar Business.

3.25. Start Date

“**Start Date**” means the earlier of (i) ninety (90) days following the date after the date your landlord delivers possession of the Accepted Location to you, if you lease the Accepted Location, or the date you take possession of the Accepted Location, if you own the fee simple title to the Accepted Location; or (ii) the date when your **JUICE IT UP** Unit opens. The Start Date may be extended only with our prior written consent.

3.26. System

“**System**” means the business methods, technical knowledge and marketing concepts licensed by LLJ to you under this Agreement, including the right to use LLJ’s trade secrets, purchasing arrangements, commercial ideas, advertising materials, marketing strategies, information on sources of supply, administrative procedures, business forms, distinctive signs, trade dress, architectural design and uniforms, and employee training techniques.

3.27. Termination

“**Termination**” means expiration of this Agreement; non-renewal of this Agreement; or termination, under the circumstances described in Article 10 of this Agreement, of the then-current term of this Agreement before its normal expiration date.

3.28. Trade Name

“**Trade Name**” means the commercial name “**JUICE IT UP**”.

3.29. Transfer

“**Transfer**” means any direct or indirect sale, assignment, transfer, gift, pledge, mortgage, encumbrance, or other change in ownership of all or any part of the rights and obligations: 1) of this Agreement, 2) of or all or any substantial portion of the assets of the **JUICE IT UP** Unit, including the lease for the Accepted Location, or 3) of an ownership interest in you of a magnitude at least as great as that described in this Section. If you are an Entity, each of the following shall be deemed to be a Transfer: (i) the sale, assignment, transfer, conveyance, gift, pledge, mortgage, or other encumbrance of more than 25% in the aggregate, whether in one or more transactions, of the Equity or voting power of you, by operation of law or otherwise or any other event(s) or transaction(s) which, directly or indirectly, effectively changes control of you; (ii) the issuance of any securities by you which itself or in combination with any other transaction(s) results in its Owners, as constituted on the Effective Date, owning less than 75% of the outstanding Equity or voting power of you; (iii) if you are a Partnership, the resignation, removal, withdrawal, death or legal incapacity of a general partner or of any limited partner owning more than 25% of the Partnership Rights of the Partnership, or the admission of any additional general partner, or the transfer by any general partner of any of its Partnership Rights in the Partnership, or any change in the ownership or control of any general partner; (iv) the death or legal incapacity of any of your Owners owning more than 25% of your Equity; and (v) any merger, stock redemption, consolidation, reorganization, recapitalization or other transfer of control of your, however effected. If you are an Entity, you must promptly provide us with written notice (stating such information as we may from time to time require) of each and every transfer, assignment and encumbrance by any Owner of any direct or indirect Equity or voting rights in you, notwithstanding that the same may not constitute a “Transfer.”

3.30. Us, We, Our or Franchisor

“Us,” “We,” “Our” or “Franchisor” means LLJ Franchise, LLC, a California limited liability company and/or any successor in interest.

3.31. You, Your or Franchisee

“You”, “your” or “Franchisee” means the person(s) or Entity that is/are named as “you” in Article 1 of this Agreement.” “You” means, in addition, all natural person(s) or Entities that succeed to your (or its) interest by Transfer or operation of law. If more than one Franchisee signs this Agreement, each is jointly and severally obligated under this Agreement and all other agreements with us, the Franchisor Related Parties and/or the Marketing Fund.

4. GRANT OF FRANCHISE

4.1. Granting Clause; No Sublicensing Rights

4.1.1. Grant

We grant to you, and you accept from us, a franchise and license to operate a “**JUICE IT UP**” Unit under the Trade Name, Marks and System in accordance, and in full compliance, with the terms of this Agreement.

4.1.2. No Sublicensing Rights

You shall not sublicense, sublease, subcontract or enter any management agreement providing for, the right to operate the **JUICE IT UP** Unit or to use the Trade Name, Marks and System granted pursuant to this Agreement.

4.2. Location of the Franchised Unit

4.2.1. Location

Your Traditional Unit must be located at the Accepted Location. You may not establish your retail business premises at any other site, engage in business activities at any other site, or engage in mail order, Internet, catalog sales or in any other alternative channel of distribution; all such distribution channels being hereby expressly reserved to us. Without limiting the generality of the foregoing, we reserve all rights to operate any Non-Traditional Unit and you may not operate any permanent or temporary mobile vending vehicle, grab 'n go case, cart or any other form of distribution without our prior written consent, for which we may require that you execute other appropriate documents including a general release and/or satisfy other conditions necessary before the acquisition by you of such rights.

4.2.2. Rights Reserved

We and/or our Affiliate hereby reserve all rights in the Trade Name, Marks and System not expressly granted in this Agreement, including the exclusive, unrestricted rights, in our Business Judgment, directly and indirectly, for us and/or through our employees, Franchisor Related Parties, representatives, franchisees, licensees, assigns, agents and others to:

- (a) locate or relocate any company-owned or franchised **JUICE IT UP** Unit to any site regardless of how close the site is to one or more of your Units ; and
- (b) own or operate, and to license others (which may include our Franchisor Related Parties) to own and/or operate (i) Units under the Trade Name and Marks and/or using the System at any location regardless of how close the site is to one or more of your Units; (ii) businesses, including Units, operating under names other than the Trade Name, at any location, and of any type whatsoever, regardless of their proximity to the Unit developed pursuant hereto;
- (c) produce, license, distribute and market foods and other products bearing the Marks (or any of them), including Promotional Items, pre-packaged juices, smoothies, supplements, snacks and other food and beverage products; books; clothing; souvenirs and novelty items; through any outlet (regardless of its proximity to the Unit opened pursuant hereto), including grocery stores, supermarkets and convenience stores and through any distribution channel, at wholesale or retail, including by means of the Internet or Internet web site, mail order catalogs, direct mail advertising and other distribution methods; and to advertise and promote the System through any means, including the Internet;
- (d) acquire, merge, affiliate with or engage in any transaction with other businesses (whether competitive or not), with units located anywhere, including arrangements in which we (and/or any of the Franchisor Related Parties) are acquired, and/or company-owned, franchised or other businesses (including your Juice It Up[®] Unit) are converted to another format, maintained under the Juice It Up[®] System or otherwise. The Juice It Up[®] Unit awarded to you will fully participate in any conversion subject to any person/entity merging with, or acquiring us, reimbursing you for reasonable costs directly related to the conversion; and
- (e) offer/provide products and services similar to those offered by your Unit through the Internet, World Wide Web and/or other similar venues no matter where the customer is located.

4.2.3. Relocation

You may not relocate the **JUICE IT UP** Unit without our prior written consent, and payment of the relocation fee required by Section 6.9 of this Agreement. If we consent to any relocation, you must de-identify the former location in the manner described in

this Agreement with respect to your obligations upon termination and expiration, and shall reimburse and indemnify and hold us harmless from any direct and indirect losses, costs and expenses, including attorneys' fees, arising out of your failure to do so.

4.3. Term and Renewal

4.3.1. Initial Term

The initial term of this Agreement will begin on the Effective Date and will continue until the tenth (10th) anniversary of the Start Date.

4.3.2. Renewal

You will have the right to enter into a new franchise agreement on our then-current form of "**JUICE IT UP**" franchise agreement (with the exception that the term of such franchise agreement will be limited to a 5 year period and which franchise agreement shall likewise grant you the right to enter into one additional franchise agreement for a similarly limited 5 year period ("**Renewal Right**"), in each case, if you have notified us in writing at least one hundred eighty (180) days before the expiration date of this Agreement of your intent to exercise your Renewal Right AND each of the following conditions are fulfilled:

- (a) You are in Good Standing under this Agreement, any other Agreement between you and any Franchisor Related Party;
- (b) You and any Franchisee Related Parties that have signed this Agreement have signed a new franchise agreement on the then-current form being offered by us (modified to reflect your then remaining renewal rights, if any) not less than thirty (30) days before the expiration of this Agreement or thirty (30) days after you receive a copy of the new Franchise Agreement from LLJ, whichever is later;
- (c) You have, before commencement of the renewal term, at your own expense, remodeled, modernized and redecorated the **JUICE IT UP** Unit premises and replaced and modernized the fixtures, equipment, and signs used in the **JUICE IT UP** Unit so that the premises of the **JUICE IT UP** Unit meet the standards of appearance and function applicable to the premises of new **JUICE IT UP** Units at the time of renewal;
- (d) You and any Franchisee Related Parties that are parties to an agreement with us have signed a General Release of known and unknown claims in a form satisfactory to us with respect to past dealings with us and our Franchisor Related Parties;
- (e) You have renewed or have the right to renew the lease for the Accepted Location, and have provided us with a copy of the documents evidencing such renewal right or right to renew the lease; and

- (f) Without limiting the generality of Section 4.3.2(a), you shall not have committed 2 or more material breaches of this Agreement, for which LLJ shall have delivered a notice of default, whether or not such default was cured, during the 12 month period immediately preceding the date on which you provide notice to LLJ of your intent to renew.

You understand that the Juice It Up® franchise agreement in use at the times of renewal may be materially different than those contained in this agreement, including, increased royalties and advertising fees. You understand that your right to renew will be contingent upon your acceptance of the new terms. The term of each franchise agreement shall commence upon the date of expiration of the immediately preceding term, as applicable.

4.3.3. Notice Required by Law

If applicable law requires us to give notice to you prior to the expiration of the term, this Agreement shall remain in effect on a week to week basis until we have given the notice required by such applicable law. If we are not offering new franchises, are in the process of revising, amending or renewing our form of franchise agreement or franchise disclosure document, or are not lawfully able to offer you a franchise agreement, at the time you deliver your notice exercising your Renewal Right, we may, at our option and in our Business Judgment, (i) offer to renew this Agreement upon the same terms set forth herein for a renewal term determined in accordance with Section 4.3.2 of this Agreement hereof, or (ii) offer to extend the term hereof on a week to week basis following the expiration of the term hereof for as long as we deem necessary or appropriate so that we may lawfully offer you a franchise agreement.

5. **SERVICES TO FRANCHISEE**

We will perform the following services provided that you are, at the time when service is to be rendered, in Good Standing under this Agreement.

5.1. Lay-out, Design and Construction

We will provide you with a template layout (in Plan view) and specifications for the design and layout of a typical **JUICE IT UP** Unit and required fixtures, equipment, furnishings, decor, trade dress, and signs. We will also prepare and provide you with a project and construction management activity timeline for the development and construction of your **JUICE IT UP** Unit. The Manual will contain a list of approved architects, building contractors, and equipment suppliers.

In accordance with Section 7.2.2, you must submit to us for our prior review and acceptance the plans and specifications for your **JUICE IT UP** Unit. We will review and accept or reject the plans and specifications for your **JUICE IT UP** Unit. You agree that our acceptance of your plans and specifications does not constitute a representation warranty, or guarantee, express or implied, by us that such the plans are free of architectural or design errors and thus, we shall have no liability to you or any other person with respect thereto. You will cause each architect, engineer, designer, or other

person creating plans for your **JUICE IT UP** Unit to assign, without further consideration, the copyright in such plans to us and to thereafter execute, from time to time, any and all other documents necessary or appropriate to confirm title to such copyright in our name.

5.2. The Training Program

5.2.1. Orientation Program

Before opening your **JUICE IT UP** Unit, LLJ will conduct an orientation program (“**Orientation Program**”) at our corporate offices or another location designated by us. Such training shall consist of approximately eight (8) hours of introductory training and orientation to the System. You and your Designated Manager must attend the Orientation Program. We will not provide you with the Orientation Program if you are an assignee of this Agreement and the Transfer to you is made in accordance with this Agreement, or if this Agreement is entered into in connection with a Transfer. We will lend you one copy of the training materials used in the Orientation Program, including our “Orientation Manual.”

5.2.2. Initial Training Program

Before opening your **JUICE IT UP** Unit, LLJ will conduct an Initial Training Program (“**ITP**”) at a location designated by us. Such training shall consist of approximately fifty (50) hours of training in the operation of the **JUICE IT UP** Unit under the **JUICE IT UP** System for your management, including local store marketing (“**LSM**”) techniques, and basic accounting requirements to maximize store profit. You and your Designated Manager, if different, and not more than one (1) additional individual that will work at the **JUICE IT UP** Unit must attend, participate in, and successfully complete the ITP to our satisfaction before you may open the **JUICE IT UP** Unit.

If you are an assignee of this Agreement and the Transfer to you is made in accordance with this Agreement, or if this Agreement is entered into in connection with a Transfer: (a) LLJ will conduct and provide at no additional cost to you the ITP and, as we deem appropriate, the On-the-Job Training Program (“**OTJ**”) (defined below) at a location designed by us; and (b) you, and your Designated Manager, if different, and not more than one (1) additional individual that will work at the **JUICE IT UP** Unit must attend and successfully complete the ITP and OTJ to our satisfaction before you may open or operate the **JUICE IT UP** Unit.

5.2.3. On-the-Job Training Program

LLJ will send a representative to your place of business for a total of approximately fifty (50) hours over a period of 5-6 days, to assist you with setting up, opening, and conducting the On the Job Training (“**OTJ**”) for you and your staff. You and your Designated Manager must be present during the entire OTJ training. If you are a legal entity, one of your owners acceptable to us must participate in the OTJ training. The LLJ Training representative(s) will serve only as consultants to you and will in no

way be responsible (personally or on behalf of you) for the operation of the **JUICE IT UP** Unit or the actions of your officers, agents or employees during this time.

The OTJ training will involve certain aspects of store operations including, but not limited to “early morning” store opening procedures, and “end-of-the-day” store closing and clean-up procedures. You must have all of your new employees in attendance during the entire week of the OTJ training segment. Should we determine that you or your Designated Manager, or any other person attending training, has failed to successfully complete the OTJ training, or any aspect of any other training we provide, we may require you, your Designated Manager and/or such other person to undergo further training or “re-training.” If you, your Designated Manager and/or such other person are required to undergo further training or “re-training” then you shall pay our then-current fees for such training.

5.3. Operations Manual

LLJ will lend you a copy of the **JUICE IT UP** Operations Manual which includes, but is not limited to sections such as “store build-out”, “equipment requirements”, “training”, product recipes”, manager’s guide, safety guide, “legal matters”, and a customer service guide. The Manual will contain explicit instructions, as authorized by LLJ, for use of the Marks, specifications for goods that will be used in or sold by the **JUICE IT UP** Unit, customer service techniques, sample business forms, information on marketing, management, and administration methods developed by LLJ for use in the **JUICE IT UP** Unit, names of approved suppliers, and other information that LLJ believes may be necessary or helpful to you in your operation of the **JUICE IT UP** Unit. LLJ may revise the Manual periodically to conform to the changing needs of the Franchise Network and will distribute updated pages containing these revisions to you, or notify you that updated or additional materials for the Manual are available at the Juice Net website. All updates or changes to the Manuals will be effective and binding upon you upon delivery, unless we provide otherwise.

5.4. Designated and Approved Suppliers

LLJ will, from time to time, give you, in the Manual or otherwise in writing, a list of names and addresses of suppliers of goods and services that currently meet LLJ’s standards and specifications. These may be “designated suppliers” from which you are required to purchase certain types of goods or services or “approved suppliers” from whom you may purchase certain types of goods or services. In advising you of designated and approved suppliers, **LLJ expressly disclaims any warranties or representations as to the condition of the goods or services sold by the suppliers, including, without limitation, expressed or implied warranties as to merchantability or fitness for any intended purpose.** You agree to look solely to the manufacturer of goods or the supplier of services for the remedy for any defect in the goods or services. We may notify designated suppliers or approved suppliers of any impending termination or expiration of this Agreement and may, among other things, instruct such suppliers to deliver only such quantity of goods and services as is

reasonably necessary to supply your needs prior to the expiration or termination date of this Agreement.

5.5. Consultation

We will use commercially reasonable efforts to make our personnel available to you for consultation throughout the term of the Franchise Agreement in a timely manner. Our consultation may include matters involving the operation of the **JUICE IT UP** Unit. Our staff provides this additional support on an “as available” basis, and our consultation may be rendered orally, in writing and/or through the Juice Net website.

5.6. Advertising

5.6.1. Advertising Fund

We will administer the advertising fund (the “**Fund**”), which will be kept in a separate bank account. Nothing herein shall be deemed to create a trust or fiduciary relationship related to the Fund. The purpose of the Fund is to pool advertising money of our franchisees, and, subject to this section, we and our Franchisor Related Parties that operate **JUICE IT UP** Units to promote the Trade Name, Marks and System. We and each of our Franchisor Related Parties that operate **JUICE IT UP** Units in the United States may (and currently do) contribute to the Fund in such amounts as we (or it or they) elect. If we or any of our Franchisor Related Parties contribute money to the Fund, we or such Franchisor Related Parties may from time to time cease contributing to the Fund or vary the amount we (or it or they) contribute to the Fund. The Fund may be used to pay for market research, advertising materials, media space and time, a referral program, a website, agency fees, or any combination of the foregoing. The Fund may also be used for advertising grants to franchisees, collectively on a regional basis or individually on a local basis. In addition, the Fund may be used to pay for point-of-purchase materials or public relations projects. Up to 15 percent (15%) of the Fund may be used to compensate us or our Franchisor Related Parties for overhead, including salaries of marketing, administrative or other appropriate personnel and other expenses incurred in connection with our implementation of the Fund. We will distribute to our franchisees, once a year, a Fund report which will set out the total amounts of money collected and spent from the Fund during the past year and list, by general category, the manner in which the money was spent. We (or our Franchisor Related Parties) may collect rebates and credits from suppliers based on your purchases or sales and, at our option and in our Business Judgment, we may either refund such amounts to you, contribute such amounts to the Fund or retain such amounts for our or such Franchisor Related Party's use in promoting the Marks. Any such contribution of such rebates or credits to the Fund shall not reduce your obligation to pay all advertising fees. You acknowledge that not all of our other franchisees or licensees are or shall be required to contribute, or contribute the same percentage of Adjusted Gross Sales, to the Fund.

5.6.2. Allocation of Expenditures; Expenditures

We will give preference to regional Advertising Fund projects, but may make allocations of Advertising Fund money to individual franchisees when we consider it desirable. Because the benefits of advertising, marketing, and promotion are difficult to measure with precision, we reserve the unqualified right to determine, in our Business Judgment, how advertising Fund money may be spent; the only condition is that the money must be used in a manner that is reasonably related to the general promotion of the Trade Name and Marks.

If less than the total of all contributions and allocations to the Fund are expended during any fiscal year, such excess may be accumulated for use during subsequent years. LLJ may spend in any fiscal year an amount greater or less than the aggregate contributions to the Fund in that year and may cause the Fund to borrow funds to cover deficits or invest surplus funds. If we advance money to the Fund, we will be entitled to be reimbursed for such advances.

5.7. Co-op Advertising

We may from time to time establish regions for co-operative advertising (“**Co-op Advertising Regions**”), to coordinate advertising, marketing efforts and programs and maximize the efficient use of local and/or regional advertising media. If and when we create a Co-op Advertising Region for the region in which your **JUICE IT UP** Unit is located, you shall become a subscriber and member thereof and shall execute and participate in accordance with the Subscription Agreement and the Certificate of Incorporation and Bylaws of such Co-op Advertising Region on the forms prescribed by us. You recognize and agree that we may not have the contractual authority to require other franchisees in the region to participate in your Co-Op Advertising Region, but we will encourage all franchisees with **JUICE IT UP** Units in the area to participate. The size and content of such regions, when and if established by us, shall be binding upon you and all other similarly situated franchisees in the region if we have the contractual authority to bind such other franchisees. At all meetings of such Co-op Advertising Region each participating franchisee shall be entitled to one vote for each **JUICE IT UP** Unit located within such Co-op Advertising Region or such other vote as may reasonably be determined by us.

You and other members of the Co-op Advertising Region, whose agreements require their participation (or those franchisees that elect to participate in the Co-op Advertising Region, if their agreements do not require their participation), will contribute to the Co-op Advertising Region such amount as may be determined by vote of the Co-op Advertising Region (not to exceed 1.5% of the Adjusted Gross Sales of each member’s **JUICE IT UP** Unit located in the region), subject to our written approval. Your contribution to the Co-op Advertising Region shall be credited toward the satisfaction of the local advertising requirements.

Subject to the forgoing, each Co-op Advertising Region will decide as to the usage of funds available to it for media time, production of media materials, whether for

radio, television, newspapers or **JUICE IT UP** Unit level materials such as flyers, or posters, or for any other type of advertising or marketing use, and then such Co-op Advertising Region shall in writing request approval from us to use said funds in said manner. LLJ shall not withhold approval unreasonably, but no placement of advertising or commitment of advertising funds on behalf of any Co-op Advertising Region will be made without our prior written approval. We reserve the right to establish general standards concerning the operation of the Co-op Advertising Region, advertising agencies retained by Co-op Advertising Region, and advertising programs conducted by Co-op Advertising Region. Any disputes (other than pricing) arising among or between you, other franchisees, and/or the Co-op Advertising Region may be resolved by us which decision shall be final and binding on all parties.

We and our Franchisor Related Parties may, but are not required to, participate (and become a member of) any or all Co-op Advertising Regions. If we or any of our Franchisor Related Parties participate or become a member of any or all Co-op Advertising Regions, we and our Franchisor Related Parties, as applicable, will have one vote for each **JUICE IT UP** Unit we or our Franchisor Related Parties, as the case may be, located within the applicable Co-op Advertising Region. We and our Franchisor Related Parties that participate (if any) in a Co-op Advertising Region may withdraw from such Co-op Advertising Region at any time.

5.8. Marketing Advisory Council

There is presently a “Marketing Advisory Council” or “MAC” composed of franchisees that we select to participate with us in strategic planning, communication, and execution of the marketing plans and initiatives to support the **JUICE IT UP**[®] brand. The MAC exists solely at the discretion of Franchisor. Decisions by this MAC are not binding upon Franchisor. We may choose to regulate the MAC in the future, and can appoint at least one (1) representative of ours to participate in all MAC meetings and any other MAC activities. While we are not required to do so, if we submit any matters for approval to a MAC and approval is granted, the approval will be binding on you.

5.9. Annual and Semi-Annual Conventions

Annually, we may conduct a convention for our franchisees. If we conduct an “annual convention,” we will endeavor to provide you with at least four (4) weeks prior notice of the dates and location of the “annual convention.” You must register and attend the entire convention at your expense. We may charge a registration fee for each person registered to attend the “annual convention” in an amount we reasonably estimate to be necessary to allow us to recoup our costs for organizing and conducting the “annual convention.” If you fail to attend an “annual convention” we may charge you up to \$500 for such failure. If you are an Entity, we may require one of your owners acceptable to us to attend the “annual convention.” If we conduct a “semi-annual” or regional franchisee meeting or convention, although you are encouraged to attend, you will not be required to attend.

5.10. Proprietary Products and Promotional Items Availability

We will use our commercially reasonable efforts to ensure that we, our Franchisor Related Party, or a designated supplier will at all times have a supply of Proprietary Products and Promotional Items for sale to you.

6. PAYMENTS BY FRANCHISEE

6.1. Initial Franchise Fee

When you sign this Agreement, you will pay LLJ in cash or other immediately accessible funds such as a cashier's check or wire transfer, an initial franchise fee of \$_____. The initial fee is not refundable.

6.2. Royalties

On Wednesday of each week during the term of this Agreement, or on another day designated by us, you will pay us or our Affiliate a weekly royalty in an amount which is **the greater of** (i) six and one half percent (6.5%) of Adjusted Gross Sales for the immediately preceding week or (ii) a minimum royalty of two hundred dollars (\$200) per week. In addition, if you have not opened the **JUICE IT UP** Unit by the Start Date, then you will pay us the minimum royalty of two hundred dollars (\$200) for each week (or part thereof) following the Start Date that the **JUICE IT UP** Unit fails to open. Our acceptance of such two hundred dollar (\$200) fee, or any other fees paid by you, is not a waiver of any default by you, or our acquiescence to your failure to open the **JUICE IT UP** Unit by the Start Date. For purposes of this paragraph, payment is deemed made on the day such funds are accessible to us.

6.3. Advertising Fees

On Wednesday of each week during the term of this Agreement, or on another day designated by us, you will pay us or our Affiliate a weekly advertising fee of **the greater of** (i) two and one half percent (2.5%) of Adjusted Gross Sales for the immediately preceding week or (ii) a advertising fee of sixty five dollars (\$65) per week. Advertising fees will be deposited in the Fund. For purposes of this paragraph, payment is deemed made on the day such funds paid are accessible to us.

6.4. When Payments Begin

Your obligation to pay ongoing weekly royalties and advertising fees begins on the Start Date of this Agreement.

6.5. Audit

We and our representatives will have the right during normal working hours to audit your books and records, including your tax returns, with respect to the **JUICE IT UP** Unit. If an audit discloses an underpayment of royalties or advertising fees payable under this Agreement, you will immediately pay these amounts to us together with

accrued interest on the amount underpaid in accordance with Section 6.10 of this Agreement. If the underpayment exceeds five percent (5%) of the total royalty or advertising fee payable for any period covered under the audit, you must reimburse us for all expenses we incur in connection with the audit. If there is a seven percent (7%) or greater discrepancy, or if intentional underreporting of any amount has occurred, your rights in this Agreement may be terminated.

6.6. Training Costs

We do not charge for the initial Orientation Program, ITP and OTJ Training provided pursuant to Section 5.2. You will be charged our then-current fees for all other training we provide to you. If you, your Designated Manager, or any other person attending training pursuant to Section 5.2 fails to successfully complete such training, then you must pay us our then-current fees for any and all additional or “re-training” we provide to you, your Designated Manager, or other person. In addition to any other fees, you must pay or reimburse us for all of our costs and expenses in connection with travel, lodging, meals and other incidental expenses we incur to provide you with the OTJ Training pursuant to Section 5.2.3 and any other training we provide to you. At our option and in our Business Judgment and we may waive your obligation to reimburse us for the costs and expenses described in the preceding sentence.

If we provide you, your Designated Manager or any of your other employees with additional training as a result of either your request for additional training or if we require you, your Designated Manager or any of your other employees to attend additional training or “re-training,” then we may require you to pay our then-current fees for such training.

You will have to pay any costs of travel, lodging, meals and other incidental expenses that you, your Designated Manager, or your employees incur during training and any incidental expenses our trainer(s) incurs in conducting the program at your facility if we agree to train at your site.

We will loan you one copy of our training materials, including our Orientation Manual. If you request additional copies of our training materials, you must pay us an amount equal to our direct and indirect costs related to additional copies.

6.7. Payment for Promotional Items

You must pay us promptly for Promotional Items and other goods we sell to you. However, we have the right to require payment in cash, electronic funds transfer, cashier’s check, or other means of making funds immediately accessible to us if, in our reasonable discretion, your payment history or financial status, the amount of the order, general economic conditions, or other business reasons make it advisable.

All goods, products, and supplies purchased from us shall be purchased in accordance with the purchase order format issued from time to time by us. We may change the prices, delivery terms and other terms relating to our sale of goods, services, products and supplies to you on prior written notice. All product orders by you

shall be subject to acceptance by us at our designated offices, and we reserve the right to accept or reject, in whole or in part, any order you place. No purchase order submitted by you shall contain any terms except as approved in writing by us, nor be deemed complete unless all of the information required by the prescribed purchase order form, as revised from time to time, is provided by you. No new or additional term or condition contained in any order placed by you shall be deemed valid, effective or accepted by us unless such term or condition shall have been expressly accepted by us in writing.

We will not be liable to you on account of any delay or failure in the manufacture, delivery or shipment of goods or products caused by Force Majeure or other events or circumstances beyond our reasonable control including such events as labor or material shortages, conditions of supply and demand, import/export restrictions, or disruptions in our supply sources. On the expiration or termination of this Agreement, or in the event of any default by you of this Agreement, we shall not be obliged to fill or ship any orders then pending or, in the case of termination or non-renewal, made any time thereafter by you.

6.8. Transfer Fee

As a condition of Transfer of this franchise, you must pay, before the earlier of the Transfer or your proposed transferee attending our training program, a transfer fee of \$10,000, unless such Transfer occurs within 12 months of signing this Agreement or of a prior Transfer, in which case, the transfer fee shall be \$13,000; *provided, however*, if the Transfer for which you pay us a transfer fee is not consummated, we will refund the transfer fee paid, less our out-of-pocket expenses and administrative costs.

6.9. Relocation Fee

As a condition of relocation of your **JUICE IT UP** Unit operated hereunder, you must pay us, before relocation, our then-current relocation fee equal to twenty percent (20%) of our then-current initial franchise fee.

6.10. Interest on Late Payments

If you fail to pay the entire amount of any payment due, including, but not limited to Royalties and advertising Fund Fees, you will be assessed an administrative fee of \$50 per occurrence, plus interest on the unpaid amounts, from the date due, at a rate of one and one-half percent (1.5%) per month (up to the maximum annual rate allowed by applicable law). Interest charges on late payments are intended to partially compensate us for loss of use of the funds and for internal administrative costs resulting from late payment which would otherwise be difficult to measure with precision. Imposition of interest and administrative fees in such instances will not be deemed a waiver of our right to timely payment and/or any remedies we may have for the resulting default by you under this Agreement.

6.11. Application of Payments

Any payment you make may be applied by us, at our option, to any of your past due indebtedness to us regardless of your written or orally expressed intention. Once so applied, we will not alter the manner in which that payment has been applied. We are not required to accept payments after they are due or to extend credit or otherwise finance your operations. Failure to fully and timely pay all amounts due under this Agreement or any other agreement related to your Juice It Up Unit, may result in suspension of your access to our services, branded products and/or support and may also be deemed good cause for termination of this Agreement. All fees due under this Agreement are non-refundable.

6.12. EFT and Pre-Authorized Payments.

6.12.1. At our request, you shall, at your sole cost and expense, instruct your bank to pay the amount of your Royalty, Advertising Fee and other fees directly to us, or our designee, from your account, by electronic funds transfer or such other automatic payment mechanism which we may designate (“EFT”) and upon the terms and conditions set forth in the Manual, and promptly upon our request, you shall execute or re-execute and deliver to us such pre-authorized check forms and other instruments or drafts required by us bank or third-party clearing house, payable against your bank account, to enable us to draw your Royalty, Advertising Fee and other sums payable under the terms of this Agreement. The current form of instrument to authorize EFT is attached as Attachment 2. If we designate EFT, then you shall, in addition to those terms and conditions set forth in the Manual, maintain a single bank account for such payments and shall maintain such minimum balance in such account as we may reasonably specify from time to time. You shall not alter or close such account except upon our prior written approval. Any failure by you to implement such EFT system in strict accordance with our instructions shall constitute a material breach of this Agreement.

6.12.2. If you are delinquent more than 3 times in any continuous 12 month period during the term of this Agreement in the payment of your Royalty, Advertising Fee or other fees, or of other sums due to us, or fail to report your sales on a timely basis and otherwise in accordance with this Agreement, we may require you to implement a system prescribed by us permitting us to unilaterally estimate and draw down the amounts owed by you, which system may include EFT systems, automatic debits, use of pre-authorized checks, other instruments or authority or any other arrangement we may prescribe. We may base our estimates of Royalties, Advertising Fees and similar payments, on your historically reported Adjusted Gross Sales. You will promptly implement such system in strict accordance with our instructions and failure to do so will constitute a material breach of this Agreement.

6.13. Consumer Price Index

We can adjust any amount described in this Agreement as subject to inflation adjustment on an annual basis and in proportion to the changes in the Consumer Price

Index (U.S. Average, all items) maintained by the U.S. Department of Labor (or any successor index) as compared to the previous year. If we make an adjustment, we will give you at least thirty (30) days' advance notice.

7. OBLIGATIONS OF FRANCHISEE

7.1. Use of Trade Name and Marks

7.1.1. Context

You may use the Trade Name and Marks only in the operation of a **JUICE IT UP** Unit only at an Accepted Location. You may not use any other trade name or marks in connection with the **JUICE IT UP®** Unit. You will not use the Trade Name or Marks, or any modified version or derivative of any of the Marks, as part of any business or trade name you establish for any business entity you form.

7.1.2. Changes in Trade Name and Marks

We and/or our affiliate, have invested substantial money, time, and energy, in the promotion and protection of our Trade Name and other Marks as they exist on the Start Date. You and we acknowledge that rights in intangible property such as the Trade Name and Marks are often difficult to establish and defend and that changes in the cultural and economic environment within which the System operates and/or third-party challenges related to the Marks may make changes in the Trade Name and Marks desirable or necessary. We therefore hereby expressly reserve the right to discontinue, change, add to, and/or substitute new names and marks for, the Trade Name and Marks including the specifications for each when/if we believe that such changes will benefit the Franchise Network. You agree that you will fully and promptly conform, at your sole expense, to any such discontinuations, changes, additions and/or substitutions.

7.1.3. Advertising Materials

You agree to submit to us copies of all advertising materials that you propose, generate, or have generated by a third party and/or generate at least two weeks before the first time they are broadcast or published. We will review the materials within a reasonable time and will promptly notify you whether we approve or reject them. We may not withhold our approval unreasonably, provided, however, if you make any product or ingredient related claims, we may reject the materials containing such claims at our option and in our Business Judgment. For purposes of this paragraph, advertising materials that differ from previously approved materials only in such variables as date or price will be covered by any previous approval. Even if we have approved specified materials, we may later withdraw approval if we reasonably believe it necessary to make the advertising conform to changes in the System or to correct unacceptable features of the advertising, including any misrepresentation (or alleged misrepresentation), or "claim" in the advertising material.

7.1.4. Legal Protection

You agree to notify us immediately in writing if you become aware of any unauthorized use of the Trade Name, Marks, or System. Thereupon, we, and/or our affiliate, will, in our Business Judgment, determine whether or not we wish to take any action against any third person on account of such alleged unauthorized use of the Trade Name, Marks, or System. You do not have the right to make any demand against any alleged infringer or to prosecute any claim of any kind or nature whatsoever against any alleged infringer for or on account of such infringement. You will promptly notify us in writing of any claim, demand, or suit against you or against your principals in connection with your use of the Trade Name, Marks, or System. Although we are not required to take any action or defend any claim, in any action or proceeding arising from or in connection with any such claim, demand, or suit, you agree that we may select legal counsel and have the right to control the proceedings.

7.2. Start-Up

7.2.1. Compliance with Manual

You must operate the **JUICE IT UP®** Unit in complete compliance with the standards and specifications set out in the Manual. We may make changes in these standards and specifications from time to time. Such changes may necessitate the purchase of equipment, supplies, menu boards, external signs, furnishings (including counters, cabinets, and titles) or other goods, completion of additional training by your employees, or other cost to you. You must promptly conform to the modified standards and specifications at your own expense. You must at all times keep your copy of the Manual current by inserting in it revised pages given to you by us in either hard copy or electronic form, and deleting superseded pages. If there is any dispute as to the requirements of the Manual at any point in time, the terms of the master copy of the Manual maintained by us will control.

We may also establish charge-back policies and procedures to recoup from you the amount of any refunds we make to resolve customer complaints relating to goods sold or services performed by you. We may require you to pay such fines upon demand or may utilize EFT to collect such fines.

7.2.2. Site Location and Development

You must, on your own initiative and at your own expense, locate and obtain our written acceptance of a location for your **JUICE IT UP®** Unit and secure a lease or purchase agreement for the premises at that location. Upon our acceptance of that location, the location will be deemed the "Accepted Location". You must provide us with a fully executed copy of the lease or purchase agreement for the premises at which you will operate the **JUICE IT UP** Unit not later than 15 days after executing said lease or purchase agreement. You will not execute a lease or purchase agreement for the premises at which you intend to operate a **JUICE IT UP** Unit unless you have received our prior written acceptance for the location of the premises. The tenant under the

lease or purchase agreement for the Accepted Location must be you. You hereby authorize us to communicate with the lessor under the lease (and hereby authorize such lessor to communicate with us) for any purpose, including de-identification of the Accepted Location following the termination or expiration of this Agreement, your sales, your defaults under this Agreement or the lease and negotiating a lease for the Accepted Location following the termination or expiration of your lease.

You must sign and obtain the signature of your lessor on the Conditional Lease Assignment Agreement attached to this Agreement as Attachment 3.

We may, but are not obligated to assist you in obtaining an acceptable location. Our assistance related to an acceptable location, review and/or approval of a lease or purchase agreement, and/or any advice or recommendation offered by us, will not constitute a representation or guarantee that you will succeed at the Accepted Location nor does it constitute an expression of our opinion regarding the terms of such lease or purchase agreement. You acknowledge and agree that you will solely rely on your review of any such lease which we recommend also be reviewed by a licensed and competent attorney hired by you. You acknowledge that matters related to your Accepted Location are your sole and absolute responsibility.

You must plan, construct, equip and furnish your Unit in accordance with our currently effective standards, as described in the Manual. You will employ experienced and competent architects, engineers and general contractors of your own selection (but each accepted in writing by us prior to their engagement) unless we have designated architects, engineers and general contractors in the Manuals as “approved” or “designated,” in which case you will only use such approved or designated vendors. At your sole cost and expense, you will have architectural, engineering and construction drawings and site plans prepared, and/or modify the standard layout plans and specifications, which may be provided by us, and obtain all permits, consents, licenses, and approvals required to construct, remodel, renovate, and/or equip the Accepted Location. All such drawings and plans, and all modifications and revisions thereto, shall be submitted to us in writing for our prior review and acceptance before you commence demolition and construction, or renovation pursuant thereto. If we do not deliver written notice to you that we have accepted such drawing and plans, the same shall be deemed rejected.

You may not open your **JUICE IT UP®** Unit for business until you have received written authorization to open from us, which authorization may be conditional and subject to our satisfactory inspection of your **JUICE IT UP®** Unit.

Our acceptance of your drawings, plans, and modifications thereto, our guidance with the development of your **JUICE IT UP®** Unit, and our authorization to open the **JUICE IT UP®** Unit are to assure that you comply with our standards and specifications, and shall not be construed as any express or implied representation or warranty that the Accepted Location complies with any applicable laws, codes or regulations or that the construction is sound or free from defects. Our criteria for acceptance or rejection do not encompass technical, architectural or engineering considerations. We will have no

liability with respect to construction of the Accepted Location, nor shall we be responsible in any way for delays or losses occurring during the design, construction or other preparation of the Unit at the Accepted Location, whether caused by the condition of the Accepted Location, the design, engineering, construction, equipping, decorating, or stocking of the Unit at the Accepted Location, or any other reason. You expressly acknowledge and agree that we do not, directly or indirectly, warrant or ensure that the design, decor, appearance, fixtures, layout, and/or other improvements of the Unit at the Accepted Location will guaranty your success.

Subject only to Force Majeure, you must commence construction (or remodeling) of the Accepted Location promptly following taking possession of the Accepted Location. Without limiting the foregoing and subject only to Force Majeure, you will take all necessary action to develop your Unit in a timely manner in relationship to the Start Date stated in Article 3 or any written extension of the Start Date we grant to you. The time periods for the commencement and completion of construction and commencement of business by the Start Date are of the essence of this Agreement. If you fail to perform your obligations contained in this Section, you may, in our Business Judgment, be deemed in default of this Agreement subject to termination.

In the event of the occurrence of an event which you claim to constitute Force Majeure, you must provide written notice to us in writing within five (5) days following commencement of the alleged Force Majeure which notice shall include the words "Force Majeure" and explicitly describe the specific nature and extent of the Force Majeure, and how it has impacted your performance hereunder. You must provide us with continuous updates (no less frequently than once each week) on your progress and diligence in responding to and overcoming the Force Majeure, and shall notify us immediately upon cessation of such Force Majeure, and provide all other information as may be requested by us. If you fail to timely notify us of any alleged Force Majeure, or fail to provide any such updates during the continuance of the alleged Force Majeure, you will be deemed to have waived the right to claim such Force Majeure.

Default under your lease, if non-curable or if uncured within any applicable cure period, will be deemed a non-curable default under this Agreement and may, at our option, result in immediate termination of this Agreement.

7.2.3. Lay-out, Design and Construction

You will at your sole cost and expense promptly cause the **JUICE IT UP®** Unit to be constructed, equipped and improved in accordance with our standards and specifications for the design and layout of a **JUICE IT UP®** Unit, unless we, in writing, agree to modifications thereof. Unless otherwise permitted in writing by us, you will use the materials provided by us to plan and organize the construction of your **JUICE IT UP** Unit, including the project management activity timeline. Unless otherwise permitted by us in writing, you will only use service providers (such as architects, engineers, and designers), contractors, and equipment vendors that are indicated as "approved" in the Manuals. Any contractor hired by you must be state licensed and bonded in compliance with all applicable laws. You may, however, use other service providers, contractors

and equipment vendors of your own choice provided, that each such service provider, contractor and vendor is acceptable to us (which acceptance will not be unreasonably withheld) prior to your engagement of such person or entity. You must provide us with such information as we may request regarding each such service provider, contractor and vendor as a condition to our acceptance. By issuing our approval or acceptance, we do not make any guaranty or warranty concerning the fitness or quality of the goods or services of any supplier, vendor, contractor or other provider.

You or your project manager must communicate with us no less than weekly regarding the status of the development and construction of the **JUICE IT UP®** Unit.

7.2.4. Orientation, Initial Training and On the Job Training

You or your Designated Manager must faithfully attend all phases of the Orientation, ITP and OTJ Training, and complete it to our satisfaction, as certified by us in writing. Failure to successfully complete any aspect of the training program, as determined by us in our Business Judgment, constitutes a material breach and default of this Agreement and grounds for immediate termination of this Agreement. However, we have the option, but not the obligation, and in our Business Judgment to offer you one or more remedial courses of action, such as additional training or employment of supplemental personnel, at your cost, in lieu of declaring a material breach of this Agreement.

7.2.5. Opening

You will notify us of the scheduled date on which all construction or remodeling of the Accepted Location will be completed in accordance with our specifications and all permits (and other approvals) necessary to open to the public shall have been obtained and you have fully prepared the Accepted Location for OTJ Training (the “**Scheduled Completion Date**”) no later than thirty (30) days prior to the Scheduled Completion Date. You must communicate weekly with us so that our training personnel can be appropriately scheduled to provide the OTJ Training. We will use commercially reasonable efforts to provide OTJ Training promptly following the Scheduled Completion Date, but you agree that our OTJ Training is provided on an as-available basis.

You may not open your **JUICE IT UP®** Unit to the public until we provide our prior written consent.

7.2.6. Products and Services Offered

You must offer and sell all the products and services and only the products and services that we have authorized you to provide and where applicable on the terms that we have negotiated with our approved suppliers. Within thirty (30) days after receiving written notice from us (unless such notice specifies a longer time period), you must commence and thereafter continue to offer and sell all additional products and services specified by us or, if we withdraw our approval of any products or services, you must cease to offer and sell any such products and services as specified by us. All products

and services prepared, sold or provided by you from the **JUICE IT UP®** Unit must be prepared, sold and/or manufactured in strict accordance with our recipes, standards and specifications, including specifications as to ingredients, brand names, preparation and presentation.

We require that you use only designated and approved suppliers to increase goodwill by promoting uniformity throughout the System. Many of the items supplied by designated suppliers are proprietary, private label items to us and aspects of these items must be kept confidential. Also, by entering into exclusive purchasing agreements with these suppliers, we may have negotiated quantity, ingredient and distribution discounts for the **JUICE IT UP** Network as a whole. You are required to accept delivery of approved products and items in accordance with the terms negotiated for the benefit of the Network which may include automatic shipments at the then current product cost plus a distribution margin.

Promotional Items, including signs, menus, gift and loyalty card machines, program POS material, supplement guides, in-store promotional posters, training and recipe cards, smoothie or yogurt cards, and point-of-sale materials for new promotions, may be purchased only from us or a designated or approved supplier as set forth in the Manual.

You must buy juices, frozen yogurt and sherbets, IQF or fresh fruit, other food products, nutritional supplements, coffee, tea, snacks, the POS system and polling software exclusively from approved suppliers. You must use and sell only the specified retail supplements, snacks, coffee and tea, and other products designated by us from time to time.

Paper goods, including cups and paper napkins must bear the Marks and may be purchased only from approved suppliers. To be approved, a supplier must stock all of the specified paper items used in a **JUICE IT UP®** Unit, be reliable, and charge reasonable prices.

If you propose to use any ingredient, ingredient distributor, supplier or product or service which has not previously been approved by us, you must advise us of this fact and, upon our request, provide us with product specifications, sample products, and/or information about the supplier. We will promptly communicate to you either our written approval or the reasons for withholding our approval. Silence may not be construed as consent. Normally, we do not require that you to pay for our evaluation of a supplier proposed by you. However, if the cost of inspecting the supplier's premises, checking the supplier's credentials, and/or testing the product is five hundred dollars (\$500) or more, we will invoice you for any such amounts over five hundred dollars (\$500) if the supplier is not approved. As a condition of approving a supplier of any product that bears the Trade Name or Marks, we may require that the supplier sign a License Agreement. We may withdraw our approval of a supplier or product if either or both no longer meet our standards or specifications.

We may, from time to time, authorize you to test market products and/or services in connection with the operation of the **JUICE IT UP®** Unit. You shall cooperate with us in connection with the conduct of such test marketing and shall comply with our rules and regulations established from time to time in connection herewith.

7.2.7. Gift Card, Discount & Loyalty Programs

You must offer, accept and redeem all gift card, discount and loyalty programs, including but not limited to gift and loyalty card machines, coupon books, smoothie cards that we have authorized you to provide.

Within thirty (30) days after receiving written notice from us (unless such notice specifies a longer time period), you must commence and thereafter continue to offer, accept and redeem all programs specified by us or, if we withdraw approval of any programs, you must cease to offer, accept and redeem any such programs as specified by us. All programs prepared, sold or provided by you from the **JUICE IT UP®** Unit must be prepared, sold and/or manufactured in strict accordance with our guidelines, standards and specifications. You shall cooperate with us in connection with the conduct of programs and shall comply with the rules and regulations established from time to time in connection herewith.

7.2.8. Customer Satisfaction Program

Customer feedback is monitored through multiple channels. You must distribute customer response cards in the form prescribed by us for return by your customers to us. If your scores from the customer response cards do not meet our then-current standards, as described in the Manual, we may recommend steps necessary to improve your scores. Additionally, from time to time, we may employ the services of a mystery shopping company to evaluate customer service and compliance within the brand guidelines. Scores from that evaluation must meet defined minimum expectations. We monitor on an ongoing basis customer comments and complaints from telephone hotline, online contact forms, and social media channels such as Twitter®, Yelp®, Foursquare®, Facebook® and others. Customer responses and/or trends in customer responses deemed significant by us will be communicated to you for resolution. If you do not take immediate, effective steps, including those we have recommended, to bring your operation up to our standards, your failure to do so will constitute a material breach of this Agreement. You shall promptly reimburse us for all costs and expenses incurred on your behalf in connection with a customer satisfaction complaint or issue with your **JUICE IT UP®** Unit if you fail to comply with our standards.

7.2.9. Menus

All Promotional Items and other goods and services offered or sold from the **JUICE IT UP®** Unit shall be marketed by approved menu formats to be utilized in the **JUICE IT UP®** Unit. The approved and authorized menu and menu format(s) may include, in our Business Judgment, requirements concerning organization, graphics, product descriptions, illustrations, and any other matters related to the menu, whether or

not similar to those listed. In our Business Judgment, the menu and/or menu format(s) may vary depending upon region, market size, and other factors. We may change the menu and/or menu format(s) from time to time or region to region or authorize tests from region to region or authorize non-uniform regions or Units within regions.

You must, upon receipt of notice from us, add, delete, or revise each Promotional Item or and other good and/or service offered or sold from your **JUICE IT UP®** Unit on its menu according to the instructions contained in the notice. You shall have a minimum of 30 days and not more than 60 days after receipt of written notice in which to fully implement any such change. You must cease selling any previously approved product within 30 days after your receipt of notice that the product is no longer approved.

7.2.10. Inspections

We and/or our designated representatives (which may include “mystery shoppers”) may conduct periodic quality control inspections of the **JUICE IT UP®** Unit during normal business hours. You hereby authorize us and our representatives to enter your **JUICE IT UP** Unit at any time during business hours with or without notice. Quality Service & Cleanliness (QSC) inspections may be made with or without prior notice and are not limited as to frequency. You must promptly correct any deficiencies in your operation of which you are advised by us. If you do not take immediate, effective steps to bring your operation up to our standards, your failure to do so will constitute a material breach of this Agreement.

You shall promptly reimburse us for all costs and expenses we incur in connection with each inspection of your **JUICE IT UP®** Unit if you fail to achieve the minimum acceptable standard in connection with the evaluation of your **JUICE IT UP** Unit during such inspection.

7.2.11. Notification of Complaints

You must notify us promptly if you are served with a complaint in any legal proceeding that is in any way related to the **JUICE IT UP®** Unit or if you become aware that you are the subject of any complaint to or investigation by a governmental licensing authority or consumer protection agency.

7.2.12. Ethical Business Conduct; Business Practices

You hereby represent and warrant that:

- (a) You will fully comply with all applicable laws, ordinances and regulations as well as maintaining high standards of moral and ethical behavior in the conduct and operation of your franchised business. This applies to the ethical and professional management of affairs with your staff and within the local community of the **JUICE IT UP®** Unit, your relationship with vendors and suppliers, and to your relationship with us and our Franchisor Related Parties. You must, in all dealings with your staff, customers, suppliers, and public officials, adhere to high

standards of professionalism, honesty, integrity, fair dealing and ethical conduct and refrain from engaging in any action which would tend to cause damage to the goodwill associated with the Trade Name and Marks. Among other things, you will not engage in any illegal discriminatory practices and/or otherwise engage in any lewd or rude behavior.

- (b) You and your Owners, if any, will comply and/or assist us in our compliance efforts, as applicable, with any and all laws, regulations, Executive Orders or otherwise relating to antiterrorist activities, including without limitation, the U.S. Patriot Act, Executive Order 13224, United States Foreign Corrupt Practices Act any local foreign corrupt practices laws and related U.S. Treasury and/or other regulations and hereby acknowledge the importance to us and the Franchise Network, of the respective compliance of each with any applicable auditing requirements and any requirement to report or provide access to information to us or any government, that is made part of any applicable law. In connection with such compliance efforts, you will not to enter into any prohibited transactions and will properly perform any currency reporting and other activities relating to your Franchised Business as may be required by us or by law. You are solely responsible for ascertaining what actions must be taken by you to comply with all such laws, orders and/or regulations, and specifically acknowledge and agree that your indemnification responsibilities as provided in this Agreement pertain to your obligations hereunder.
- (c) Neither you, any of your Owners nor any employee of either is now nor will in the future be designated as a “Specially Designated Nationals” or “Blocked Persons” by the U.S. Department of the Treasury’s Office of Foreign Assets Control. Currently, this list is published under the internet website address “www.treas.gov/offices/enforcement/ofac/sdn/”. You are neither directly nor indirectly owned or controlled by the government of any country that is subject to a United States embargo. Nor do you or your Owners act directly or indirectly on behalf of the government of any country that is subject to a United States embargo.

You will notify us in writing immediately upon the occurrence of any event which renders the foregoing representations and warranties of this paragraph incorrect.

7.2.13. Hours

Subject to applicable law or subsequent written agreement between you and us to the contrary, the **JUICE IT UP®** Unit shall be open and operational at least 12 hours per day, 7 days per week or; provided that you and we may from time to time agree in writing to other hours for your **JUICE IT UP** Unit. You shall diligently and efficiently exercise your best efforts to achieve the maximum Adjusted Gross Sales possible from **JUICE IT UP®** Unit.

7.2.14. Vending or Other Machines

Except with our written approval, you shall not cause or permit vending, gaming machines, pay telephones, automatic teller machines, Internet kiosks or any other mechanical or electrical device to be installed or maintained at or related to the **JUICE IT UP** Unit.

7.2.15. Mobile Carts, Trucks, Seasonal Stores & Off-Site Sales

Unless we have provided you with prior, written approval, you shall not operate or utilize any mobile carts, delivery or operational vehicles, seasonal stores or stands of any kind related to the **JUICE IT UP**® products and services. All aspects of any such approved operation by us must adhere to all of the same requirements as set forth in the Manual, including, without limitation, our standards, products, reporting, royalties, quality, marketing and branding, use of the Trade Names and Marks. The above should not be construed to limit your ability to provide typical catering services related to your Unit.

7.2.16. Co-Branding

You may not engage in any co-branding in or in connection with the **JUICE IT UP** Unit, except with our prior written consent. We shall not be required to approve any co-branding chain or arrangement except in our Business Judgment, and only if we have recognized that co-branding chain as an approved co-brand. “Co-branding” includes the operation of an independent business, branded item, product line or operating system owned or licensed by another entity (not us) that is featured or incorporated within the Accepted Location or is adjacent to the Accepted Location and operated in a manner which is likely to cause the public to perceive it to be related to the **JUICE IT UP** Unit licensed and franchised hereunder. An example would be an independent ice cream store or counter installed within **JUICE IT UP** Unit.

7.3. Personnel

7.3.1. Management

Your Designated Manager must devote all his or her productive time and effort to the management and operation of the **JUICE IT UP** Unit in the minimum amount of forty (40) hours per week. If you are a natural person, you may be the Designated Manager provided that you satisfy the provisions of this Agreement with respect to the qualifications and training of the Designated Manager. The Designated Manager or another employee who has successfully completed our initial training program must be present at the Accepted Location whenever the **JUICE IT UP** Unit is open for business. If you own more than one **JUICE IT UP** Unit, an additional Designated Manager will be employed for each **JUICE IT UP** Unit. If we, in our Business Judgment, determine that a Designated Manager is not properly performing his duties, we will advise you and you must immediately take steps to correct the situation. You must keep our Operations Department informed in writing as to the identity of your Designated Manager. Upon the termination of employment of a Designated Manager, you must appoint a successor

within thirty (30) days. Any successor Designated Manager must successfully complete the Initial Training Program to our satisfaction before starting work in the **JUICE IT UP** Unit, unless otherwise agreed by us in writing. You must pay our then-current fee for the Initial Training Program in connection with the training of a successor Designated Manager.

7.3.2. Employees

Immediately before the commencement of the OTJ Training and at all times thereafter, you must maintain at all times a staff of trained employees sufficient to operate the **JUICE IT UP** Unit in compliance with our standards. You must train your employees in accordance with our standards and the Manuals.

7.4. Signs and Other Advertising Materials

You must permanently display, at your own expense, on your business premises and on all vehicles you use in the franchised Unit, **JUICE IT UP**® signs of any nature, form, color, number, location and size, and containing any legends that we have designated in writing. Such lighted exterior building signs must be lighted from dusk to dawn daily, seven (7) days a week, and maintained in workable condition at all times.

You may use and display, as instructed by us, all advertising materials we provide to you from time to time. If you do not use and display advertising materials we provide to you in the manner we instruct, you must return the unused advertising materials to us promptly and at your expense.

7.5. Financial Information

7.5.1. Records

You must record all sales and all receipts of revenue on individual machine serial-numbered receipts. Cash registers must validate the receipts that are presented at the time of sale to your customers. You must retain daily sales reporting forms and accompanying cash register tapes for at least three years after the dates of sale. If your cash register must be repaired, a replacement cash register must be used in its absence.

7.5.2. Reports and Reporting Equipment

We require you to obtain an electronic cash register, modem, fax machine/printer, computer, telephone, plus communications and accounting software that meet specifications set out in the Manual to facilitate the creation of standardized financial records and their conveyance to us.

As a new Franchisee you also must obtain the POS and communications equipment, and maintain two (2) separate and dedicated telephone lines to be used in the **JUICE IT UP** Unit, one (1) for your voice and DSL modem, and one (1) for your credit/gift card and fax line. As an alternative to DSL, cable or other high speed Internet

is acceptable provided you have one (1) dedicated voice line and one (1) dedicated fax credit/gift card line.

At any time we may require you to obtain a POS System as defined by us. Upon notice you must purchase, and thereafter continue to use and maintain the computerized point of sale cash collection system (including all related hardware and software) as specified in the Manuals or otherwise by us in writing for use in connection with the **JUICE IT UP®** Unit (the “**POS System**”). We may require the POS System to be (i) connected to a telephone line (or other communications medium specified by us) at all times and be capable of accessing the Internet via a designated third party network for the purpose of implementing software, transmitting and receiving data, accessing the Internet for ordering and maintaining the POS System; and (ii) electronically linked to us or our designated Franchisor Related Party or designee, and you must allow us and/or our Franchisor Related Party or designee, to poll the POS System on a daily or other basis at such times and in such manner as established by the us, with or without notice, and to retrieve such transaction information including sales, sales mix, usage, and other operations data as we deem appropriate.

We may require you to update, upgrade or replace the cash register and/or POS System, including hardware and/or software, from time to time upon written notice. We will not require you to replace the POS System any more frequently than once every three years.

You must also submit to us, at the time of filing, copies of all federal, state and local income tax returns. We will use this data to prepare financial reports for management’s use and to formulate earnings and expense information that we may disclose to prospective franchisees. You must provide periodic financial reports to us at the times and using the chart of accounts specified in the Manual.

7.6. Insurance

You must purchase and maintain a policy or policies of comprehensive public liability insurance, including product liability coverage, covering all **JUICE IT UP** Unit assets, personnel, and activities on an occurrence basis with a combined single limit for bodily injury, death or property damage of not less than \$2,000,000. We may increase the minimum coverage requirement annually if necessary to reflect inflation or other changes in circumstances. You must also carry 1) casualty insurance in a minimum amount equal to the replacement value of your interest in the **JUICE IT UP** Unit premises, including furniture, fixtures and equipment, and 2) business interruption insurance in an amount sufficient to cover the rent of the **JUICE IT UP** Unit premises, salary or wages of key personnel, and other fixed expenses for not less than 12 months.

In addition, you must maintain policies of worker’s compensation insurance, disability insurance and any other types of insurance required by applicable law. Each insurance policy that is required under this Agreement must contain a provision that the policy cannot be canceled without ten (10) days’ written notice to us. It must be issued by an insurance company of recognized responsibility, designate us as an additional

named insured, and be satisfactory to us in form, substance and coverage. The following language must appear on your insurance policy showing us as an additional insured: "Balboa Brands, Inc., LLJ Franchise, LLC, their respective partners and joint ventures and the officers, directors, shareholders, agents, servants and employees of each of them." You must deliver a certificate of the issuing insurance company evidencing each policy to us within ten (10) days after the policy is issued or renewed and from time to time promptly on request. Failure to do so is a material breach of this Agreement.

If you fail to obtain the required insurance coverage, we may, without obligation, obtain such insurance coverage on your behalf. You must pay us on demand any costs and premiums incurred by us, plus an administrative fee equal to 15% of the amount of the premium to defray any administrative cost incurred by us.

7.7. Financial and Legal Responsibility

7.7.1. Compliance with Law; Crisis Management Events

- (a) You must comply with all federal, state, and local laws and regulations pertaining, directly or indirectly, to the **JUICE IT UP** Unit. You must keep current all licenses, permits, bonds, and deposits made to or required by any government agency in connection with the operation of the **JUICE IT UP** Unit.
- (b) Upon the occurrence of a Crisis Management Event, you must immediately inform our President (or as otherwise instructed in the Manuals) by telephone. You must cooperate fully with us with respect to your response to the Crisis Management Event.

7.7.2. Payment of Indebtedness

You must pay fully and promptly when due all taxes and debts that you incur in the conduct of your business.

7.8. Software License Agreement; Juice Net Website

If we develop a proprietary software system for use by our franchisees, you agree to purchase, install, use and maintain the software. We will use commercially reasonable efforts to minimize expenses to you in connection with any required software.

We will have sole discretion and control over all aspects of the Juice Net website, including the content and functionality thereof. We have no obligation to maintain the Juice Net website indefinitely, and may dismantle it at any time without liability to you. You have the mere privilege to use the Juice Net website, subject to your strict compliance with the standards and specifications, protocols and restrictions that we may establish from time to time. You agree to sign the Juice Net website terms of use attached hereto as Attachment 7, and such amendments as we may require from time to time. You acknowledge that, as administrator of the Juice Net website, we can

access and view any communication that any person posts on the Juice Net website. You agree that the Juice Net website and all communications that are posted to it will become our property, free of any claims of privacy or privilege that you or any other person may assert.

If you at any time you are not in Good Standing, we may, in addition to, and without limiting any other rights and remedies available to us, disable or terminate your access to the Juice Net website without us having any liability to you, and in which case we will only be required to provide you with a paper copy of the Manuals and any updates thereto, if none have been previously provided to you, unless you are not otherwise entitled to the Manuals.

7.9. Local Advertising; Grand Opening

You must spend at least one percent (1%) of your Adjusted Gross Sales per year on local advertising and promotion in a manner that conforms with the Manual. You may deduct from this requirement any amounts you pay to a mandatory mail advertising program. You must submit, on or before the fifteenth (15th) day of each calendar quarter, copies of invoices for advertising materials, public relations activities, and/or media space and time showing compliance with the provisions of this paragraph during the immediately preceding quarter. Advertising expenditures in excess of the required minimum in any quarter may be used to offset shortfalls in any later quarter, as long as the total advertising expenditures for the calendar year, on a cumulative basis, equal or exceed the stated minimum.

Unless you are an assignee of this Agreement, or you have signed this Agreement in connection with a Transfer, you must expend not less than \$1,500 to conduct a grand opening advertising and promotion program for the **JUICE IT UP** Unit, which grand opening promotion: (a) is in addition to advertising and promotion required under this Agreement; (b) will utilize marketing and public relations programs and media and advertising materials approved by us; (c) will be conducted in accordance with our specifications and standards; and (d) will be conducted within forty five (45) to ninety (90) days following your opening of the **JUICE IT UP** Unit to the public. Promptly following the conclusion of such grand opening promotion program, you will send us written notice of its completion and such documents as we may request to evidence your expenditure of at least one thousand five hundred dollars (\$1,500) to conduct such program.

7.10. Telephone and Other Directory Listings, Internet Sites

A. You understand and agree that we own all telephone numbers, domain names, Internet addresses/sites, social media accounts or sites and/or other communications services links (collectively, the "Numbers"), and any related directory listings/advertising, used in connection with the operation of your **JUICE IT UP** Unit. You agree to comply with all policies we establish related to the use of such Numbers, accounts, listings or posting on the Internet. We require you to sign an assignment of such Numbers and accounts in the form attached hereto as Attachment 4. After any

Termination, Repurchase and/or expiration of the Franchise, you will promptly transfer, call-forward, discontinue or otherwise deal with the Numbers, accounts and any related directory listings/advertising as we direct. You agree to sign any documents and/or pay any amounts required by a telephone/communication services provider as a condition to our exercising any rights under this Section. By signing this Agreement, you irrevocably appoint us your attorney in fact to take any such actions regarding the Numbers, accounts and any related directory listings/advertising if you do not do so yourself within ten (10) days after the Termination, Repurchase or expiration of this Agreement. Such companies may accept this Agreement as conclusive evidence of our exclusive rights in such Numbers, accounts and related directory listings, web pages and advertising/marketing.

B. If we choose at any time to be direct billed by a provider for any account for the Numbers and/or directory listings/advertising, you agree to pay us all amounts due such providers within ten (10) days of our written notice to you. If you fail on two or more occasions to pay any such amounts to us when due, then we may require you to maintain a deposit with us in an amount reasonably determined by us based upon usage history and other relevant factors.

8. RELATIONSHIP OF PARTIES

8.1. Interest in Marks and System

You may not at any time do or cause to be done anything contesting or impairing our interest in the Trade Name, Marks or System. You acquire no rights in any of such property except for your right to use them in accordance with the express terms of this Agreement. We retain the right to grant other franchises or licenses to use the Trade Name, Marks and System upon any terms we deem appropriate.

8.2. Independent Status

You are an independent legal entity and must make this fact clear in your dealings with suppliers, lessors, government agencies, employees, customers and others. You will rely on your own knowledge and judgment in making business decisions, subject only to the requirements of this Agreement and the Manual. It is expressly agreed that the parties intend by this Agreement to establish between you and us the relationship of franchisor and franchisee. You and we understand and agree that neither party is the employer, employee, agent, partner or co-venturer of or with the other, each being independent. You may not expressly or implicitly hold yourself out as an employee, partner, shareholder, joint venture or representative of ours, nor may you expressly or implicitly state or suggest that you have the right or power to bind us or to incur any liability on our behalf. All employees hired by or working for you shall be your employees and shall not, for any purpose, be deemed our employees or subject to our control. You and we agree that the relationship created by this Agreement is one of independent contractor and not a fiduciary relationship. You are prohibited from using the Trade Name or Marks as part of your Entity.

8.3. Display of Disclaimer

You must conspicuously display a sign that states that “**THIS JUICE IT UP® UNIT IS INDEPENDENTLY OWNED AND OPERATED**” at the Accepted Location. Business cards, stationery, purchase order forms, invoices, leases, tax returns and other documents you use in your business dealings with suppliers, lessors, government agencies, employees and customers must clearly identify you as an independent owner and operator.

8.4. Confidentiality

You acknowledge and agree that the recipes, procedures, information, ideas, forms, marketing plans and other materials disclosed to you under this Agreement, whether or not included in the Manual, are confidential and proprietary information and trade secrets. You agree to maintain the confidentiality of all such material. You may not disclose any such information to any third party, except to your employees and agents as necessary in the regular conduct of the **JUICE IT UP®** Unit and except as authorized in writing by us. You may not use any such information in any manner except as necessary for the regular conduct of the **JUICE IT UP®** Unit.

You must obtain written nondisclosure agreements, in the form of Attachment 5 to this Agreement, from your employees, agents and Franchisee Related Parties and must send us a copy of each such agreement within ten (10) days after each employee and agent begins his or her relationship with you, and with respect to the Franchisee Related Parties, upon our request.

8.5. Indemnification

8.5.1. Indemnification by You

You will indemnify and hold us and our Franchisor Related Parties harmless from all expenses, claims, losses, and liabilities of any kind arising from or in any way connected to (i) your development, construction or operation of the **JUICE IT UP®** Unit, or (ii) any act or omission of yours. If we or any of our Franchisor Related Parties is made a party to a legal proceeding in connection with your act or omission, we may hire counsel to protect our interests and bill you for all costs and expenses incurred by us or any of our Franchisor Related Parties or both, as applicable. You must promptly reimburse us or our Franchisor Related Party or Parties or both, as applicable. In spite of the foregoing, you will not be obligated to indemnify and hold us and our Franchisor Related Parties harmless for expenses, claims, losses, or liabilities based upon or alleging our or our Franchisor Related Party or Parties’: 1) gross negligence and/or intentional misconduct ; and/or 2) breaches of any agreement to which we or any of our Franchisor Related Parties is bound.

8.5.2. Indemnification by LLJ

We will indemnify and hold you and your Franchisee Related Parties harmless from all expenses, claims, losses, and liabilities of any kind arising from our intentional

misfeasance, gross negligence or material breach of our obligations under this Agreement, except to the extent caused by the intentional misfeasance, gross negligence or material breach by you (or your Franchisee Related Parties) of obligations under this Agreement. In spite of the foregoing, we will not be obligated to indemnify and hold you and your Franchisee Related Parties harmless for expenses, claims, losses, or liabilities based upon or alleging: 1) your negligence and/or intentional misconduct and/or the negligence and/or intentional misconduct of your Franchisee Related Party; and/or 2) your breaches or those of your Franchisee Related Party of any agreement to which you or your Franchisee Related Party is bound. This indemnity will continue in full force and effect after and in spite of the Termination of this Agreement.

8.6. Covenants

Neither you nor any of your owners and/or Franchisee Related Parties may, during the term of this Agreement and for two (2) years after its Termination, directly or indirectly, as owner, partner, investor, member, director, officer, employer, employee, principal, agent, franchisor, franchisee, or consultant:

- (a) operate or own any interest (beneficial or otherwise) in any Similar Business;
- (b) employ or seek to employ any person who is employed by us, any Franchisor Related Party or any other **JUICE IT UP** franchisee or otherwise induce or attempt to induce such a person to leave his or her employment;
- (c) interfere or attempt to interfere with any business relationship or advantage of ours, our Franchisor Related Parties or any other **JUICE IT UP** franchisee; or
- (d) divert or attempt to divert any customer or business from us, any Franchisor Related Party or any other **JUICE IT UP** franchisee or solicit or attempt to obtain the business of any person who has been a customer of any **JUICE IT UP** franchisee.

You must obtain written noncompetition agreements, in the form of Attachment 5 to this Agreement, from your employees, agents and Franchisee Related Parties and must send us a copy of each such agreement within ten (10) days after each employee and agent begins his or her relationship with you, and with respect to Franchisee Related Parties, upon our request.

8.7. Guaranty

If you are an Entity, each of your Owners and the spouse(s) or domestic partner(s), if any, of such individuals, must personally, and unconditionally, guaranty the payment and performance of each of your obligations under this Agreement and the obligations of your employees, agents and Franchisee Related Parties, that are required to sign agreements in the form of Attachment 5. You must cause your Owners to sign and deliver to us the personal guaranty attached as Attachment 6 of this Agreement.

8.8. GRANT OF SECURITY INTEREST

For valuable consideration, as security for the payment of all amounts owing or to be owed by you (and/or any Affiliate of yours) to us (and/or any Affiliate of ours) under this Agreement or any other agreements, and your performance of all obligations thereunder, you hereby grant to us a security interest in all proceeds of your JUICE IT UP® Unit and in all of the assets, including equipment, furniture, fixtures and signs, used by, at or in connection with, your JUICE IT UP® Unit and its related business (the "Collateral"). You will not remove the Collateral or any portion thereof without our prior written consent. You represent and warrant that the security interest granted is prior to all other security interests in the Collateral except for (i) bona fide purchase money security interests and (ii) the security interest granted to a third party in connection with your original financing for your JUICE IT UP® Unit, if any. In connection with any request for our approval of a security interest, we will make commercially reasonable efforts to accommodate reasonable lender's requirements, including the subordination of our interests to the lender's and/or lessor's, as applicable, in our Business Judgment, bearing in mind the interests of the borrower, lender, ourselves and the System. On the occurrence of any event entitling us to Terminate this Agreement or any other agreement between the parties, or if we reasonably determine that we are not assured that your (and/or any Affiliates') obligations will be timely and fully paid and/or performed, we will have all the rights and remedies of a secured party under the Uniform Commercial Code of the State in which your JUICE IT UP® Unit is located, including, without limitation, the right to take possession of the Collateral. You must execute and deliver to us financing statements and/or such other documents as we reasonably deem necessary to perfect our interest in the Collateral within ten (10) days of your receipt of such documents from us.

9. TRANSFER OF FRANCHISE

9.1. Purpose of Conditions for Approval of Transfer

Our grant of this franchise is made in reliance upon your integrity, ability, experience and financial resources. Neither this Agreement, the franchise nor the **JUICE IT UP** Unit operated under it may be Transferred unless you have first obtained our written consent, which may not be unreasonably withheld. In order to ensure that no Transfer jeopardizes the Trade Name, the Marks, or our interest in the successful operation of the **JUICE IT UP** Unit, we will consent to a Transfer only if you comply with the provisions of Sections 9.2 and 9.3 of this Agreement and if the conditions described in Section 9.4 are fulfilled.

9.2. Notice of Proposed Transfer

If you would like to Transfer this franchise, you must submit to us: a) the form of franchise purchase application currently in use by us, completed by the prospective assignee; b) a written notice, summarizing all the terms and conditions of the proposed Transfer, along with a copy of the signed purchase agreement and escrow instructions, if applicable; c) the transfer fee described in Article 6 of this Agreement; and d) the other

information, documents and information to be delivered to us in connection with a Transfer, as set forth in the Manuals. If the Transfer is not approved by us, we will return the transfer fee to you after deducting direct costs incurred in connection with the proposed Transfer which may result in us retaining the entire transfer fee at a maximum.

9.3. Consent by LLJ; Right of First Refusal

We must respond in writing to your written notice within fifteen (15) days after receiving it, or, if we request additional information, within the later date of fifteen (15) days after receipt of the additional information or the final day of the original fifteen (15) day period. We may either consent to the Transfer, or notify you of our reason for refusing to consent, or purchase the **JUICE IT UP** Unit from you directly upon the same terms and conditions as those offered by the third party, except that we may substitute a reasonable amount of cash for any non-cash consideration. Silence may not be construed as consent. If we consent to the Transfer, then you may Transfer the interest described in the notice only to the named assignee and only upon the terms and conditions stated in the notice. Consent by us to a particular Transfer will not constitute consent to any other or subsequent Transfer.

9.4. Conditions for Consent to Transfer

Provided that we do not exercise the right of first refusal set forth in Section 9.3, our consent is subject to certain conditions, including but not limited to:

- (a) That the proposed assignee meets, to our satisfaction, all of the criteria of character, business experience, financial responsibility, net worth and other standards that we customarily applies to new franchisees at the time of Transfer;
- (b) Payment of all your outstanding debts to us;
- (c) A copy of the Financial Statements and Tax Returns for your **JUICE IT UP** Unit for the prior two (2) year period;
- (d) Cure of all defaults under the Manual, the Franchise Agreement, any other agreement(s) between us or our Affiliates and you.
- (e) At our option, the transferee/assignee shall have either (a) assumed this Agreement by a written assumption agreement approved by us, or agreed to do so at closing, and at closing executes an assumption agreement approved by us; *provided however*, that such assumption shall not relieve you (as transferor/assignor) of any such obligations; or (b) executed a replacement franchise agreement on the then-current standard form of franchise agreement used by us in the state in which the **JUICE IT UP** Unit is being operated, *provided, however*, that the term of replacement franchise agreement shall be the remaining term of this Agreement, and, at our request, the transferor/assignor shall have executed a continuing guaranty in our favor of the performance and

payment by the transferee/assignee of all obligations and debts to us and our Franchisor Related Parties under the replacement franchise agreement;

- (f) At your expense, the **JUICE IT UP** Unit shall be remodeled, modernized and redecorated and the fixtures, equipment, and signs used in the **JUICE IT UP** Unit shall be replaced and modernized so that the **JUICE IT UP** Unit meet the standards of appearance and function applicable to the premises of new **JUICE IT UP** Units at the time of the Transfer;
- (g) The prior receipt of your payment of the transfer fee described in Article 6 of this Agreement;
- (h) Our receipt of an estoppel agreement indicating any and all causes of action, if any, that you may have against us or if none exist, so stating, and a list of all Owners having an interest in this Agreement or in you, the percentage interest of Owner, and a list of all officers and directors, in such form as we may require;
- (i) Completion by the assignee of the our initial training program, to our satisfaction;
- (j) You and any Related Parties that are parties to an agreement with us have signed a General Release of known and unknown claims in a form satisfactory to us with respect to past dealings with us and our Franchisor Related Parties;
- (k) Agreement by the assignee to spend at least one thousand five hundred dollars (\$1,500) on re-opening promotion during the first ninety (90) days after Transfer, to inform the public of change of ownership.

9.5. Distributions Other Than Transfers

As used in this Agreement, the term "Transfer" does not mean an assignment to any of your employees under any employee stock option plan or stock purchase plan, provided that any share certificate distributed under such a plan is marked with a legend describing the restrictions and conditions of Transfer required by this Agreement.

9.6. Transfer Upon Death

If you are an individual and die during the term of this Agreement, your heirs or beneficiaries will have up to sixty (60) days within which to demonstrate to our satisfaction that they meet all of the criteria of character, business experience, financial responsibility, net worth and other standards that we require of new franchisees at that time. If we approve your heirs or beneficiaries as assignees of the franchise, we will waive any transfer fee in connection with the Transfer. If we advise your heirs or beneficiaries in writing that we will not approve them as assignees of the franchise, or if we fail to approve or disapprove the Transfer within sixty (60) days following your death, your heirs or beneficiaries may have one hundred twenty (120) additional days from the date of disapproval of the Transfer or the end of the sixty (60) day period, whichever was first in time, within which to find and notify us of a proposed Transfer to a qualified assignee in conformity with the provisions of Sections 9.2, 9.3, and 9.4 of this

Agreement. If your heirs or beneficiaries do not timely advise us within the specified period or the assignee is not qualified, the Franchise Agreement will automatically terminate at the end of the period unless a written extension of time has been granted by us.

9.7. Assignment by LLJ

We may assign this Agreement or any rights or obligations created by it at any time without your consent provided that the assignee agrees in writing to assume our obligations under this Agreement.

9.8. Assignment to a Controlled Entity

If you are one or more natural persons, and in the event that you propose to transfer all of your interest in this Agreement and the assets of the **JUICE IT UP** Unit (including the lease or fee for the premises of the Accepted Location) operated hereunder to a corporation, limited liability company, or Partnership formed by you solely for the convenience of ownership, you may do so (without paying the transfer fee specified in this Agreement), upon receipt of our written consent to such transfer, which consent may be conditioned on the following requirements:

- (a) Upon our request, your delivery to us of a true, correct and complete copy of the transferee Entity's articles of incorporation or articles of organization, bylaws, operating agreement, partnership agreement, ledger of owners and other organizational documents, which provide that its activities are confined exclusively to operating the **JUICE IT UP** Unit;
- (b) That each individual original franchisee directly owns the same legal and beneficial ownership of the Equity and voting rights of the transferee as such person(s) did immediately prior to the Transfer to the transferee Entity;
- (c) Such Entity is in good standing in its jurisdiction of organization and each other jurisdiction where the conduct of its business or the operation of its properties requires it to be so qualified;
- (d) Such Entity conducts no other business than the operation of **JUICE IT UP** Units;
- (e) Such Entity assumes all of the obligations under this Agreement pursuant to written agreement, the form and substance of which shall be acceptable to us, provided that no such assignment will relieve the original party of any of its obligations under this Agreement;
- (f) Each individual comprising you, and all present and future owners (directly or indirectly), in the aggregate, of the Equity or voting rights of you, and the spouse(s) or domestic partner(s), if any, of such individuals, shall execute a written guaranty, in a form prescribed by us, personally, irrevocably and unconditional guaranteeing, jointly and severally, with all other guarantors, the

full payment and performance of all of the obligations to us and our Franchisor Related Parties under this Agreement;

- (g) At our request, you must, and must cause each of your Franchisee Related Parties who have executed a franchise agreement and each direct or indirect parent or subsidiary of such Franchisee Related Party, to execute and deliver to us a General Release, on a form prescribed by us of any and all known and unknown claims against us and our Franchisor Related Parties and their officers, directors, agents, shareholders and employees; and
- (h) You must reimburse us for all direct and indirect costs and expense we may incur in connection with the transfer, including attorneys' fees.

10. TERMINATION OF FRANCHISE

10.1. Termination by Consent of the Parties

This Agreement may be terminated upon the mutual written consent of the parties.

10.2. Termination by LLJ

10.2.1. Notice of Default

- (a) Subject to applicable laws of the jurisdiction in which the **JUICE IT UP** Unit is located to the contrary, you shall be deemed to be in default under this Agreement, and all rights granted herein shall at our election automatically terminate upon notice to you upon the occurrence of any of the defaults described in Sections 10.2.2 (g) through (p) below.
- (b) You will have five (5) days after our written notice of default within which to remedy the default described in subsection 10.2.2(f) below. If such default is not cured within that time period, or such longer time period as applicable law may require or as we may specify in the notice of default, this Agreement and all rights granted by will automatically terminate, without further notice or opportunity to cure.
- (c) You will have thirty (30) days after our written notice of default within which to remedy any of the defaults described in subsections 10.2.2 (a) through (e) below, and to provide evidence of such remedy to us. If any such default is not cured within that time period, or such longer time period as applicable law may require or as we may specify in the notice of default, we may terminate this Agreement and all rights granted by it upon notice to you, without further opportunity to cure.

10.2.2. Events of Default

Upon the occurrence of any of the following defaults, we at our option, may terminate this Agreement:

- (a) If you fail to submit to us in a timely manner any information you are required to submit under this Agreement;
- (b) If you fail to begin operation of a **JUICE IT UP** Unit by *the earlier of* (i) the Start Date of this Agreement; or (ii) the date that is eighteen (18) months following the date of this Agreement
- (c) If you fail to operate your **JUICE IT UP** Unit in accordance with this Agreement and the Manual, including but not limited to all of the provisions of section 7 of this Agreement;
- (d) If you breach or fail to substantially perform any obligation under this Agreement or any other agreement with us or our Franchisor Related Parties;
- (e) If you (or any other person required to undergo training) fails to successfully complete any aspect of the applicable training program;
- (f) If you fail to make any payment when due under this Agreement or any other agreement between you and us or a Franchisor Related Party;
- (g) If you misuse the Marks or the System or engage in conduct which reflects materially and unfavorably upon the goodwill associated with them or if you use in a **JUICE IT UP** Unit any names, marks, systems, logotypes or symbols that we have not authorized you to use;
- (h) If you, and/or any of your Franchisee Related Parties, owns any direct or indirect interest in the operation of any Similar Business , or if you fail to give us a signed copy of the Nondisclosure and Noncompetition Agreement for each of your Franchisee Related Parties within ten (10) days after the Franchisee Related Party assumes that status with you;
- (i) If you attempt to assign your rights under this Agreement in any manner not authorized by this Agreement;
- (j) If you or your Franchisee Related Party has made any material misrepresentation in connection with the acquisition of a **JUICE IT UP** Unit or to induce us to enter into this Agreement;
- (k) If you act without our prior written approval or consent in regard to any matter for which our prior written approval or consent is expressly required by this Agreement;
- (l) If you cease to operate the **JUICE IT UP** Unit for a period of seven (7) consecutive days or more, unless: (i) operations are suspended for a period of no more than one hundred eighty (180) days and (ii) the suspension is caused by fire, condemnation, or act of God;

- (m) If you fail to promptly relocate on expiration or termination of the lease or sublease for the Accepted Location;
- (n) If you fail to permanently correct a default of this Agreement or to meet the standards set out in the Manual after being twice requested in writing by us to correct the problem in any twelve (12) month period;
- (o) If we make a reasonable determination that the operation of the **JUICE IT UP** Unit poses a threat to public health or safety;
- (p) Except as otherwise required by the United States Bankruptcy Code, if you become insolvent, are adjudicated a bankrupt, or file or have filed against you a petition in bankruptcy, reorganization or similar proceeding;
- (q) If there is a five percent (5%) or greater discrepancy in the payment of royalties or advertising fees payable under this Agreement, or if intentional underreporting of any amount has occurred, your rights in this Agreement may be terminated; or
- (r) If you are convicted of a felony, any criminal offense or any other misconduct involving moral turpitude or which adversely impacts the Marks or the System.

10.3. Rights and Obligations After Termination

Upon termination of this Agreement for any reason, the parties will have the following rights and obligations. We will have no further obligations under this Agreement.

- (a) You must give us a final accounting for the **JUICE IT UP** Unit, pay us within thirty (30) days after Termination all payments due to us, and return the Manual and any other property belonging to us.
- (b) You must immediately and permanently but in no event in excess of thirty (30) days after termination, stop using the Marks or any confusingly similar marks, the System, or any advertising, signs, stationery, or forms that bear identifying marks or colors that might give others the impression that you are operating a **JUICE IT UP** Unit;
- (c) You must promptly, but in no event in excess of thirty (30) days after termination, sign any documents and take any steps that in our judgment are necessary to delete your listings from classified telephone directories, disconnect or, at our option, assign to us all telephone numbers that have been used in the **JUICE IT UP** Unit, and terminate all other accounts, domain names, Internet addresses/sites, social media accounts or sites and/or other communications services links and references that indicate you are or ever were affiliated with us. By signing this Agreement, you irrevocably appoint us as your attorney-in-fact to take the actions described in this paragraph if you do not do so yourself within seven (7) days after Termination of this Agreement.

- (d) You must maintain all records required by us under this Agreement for a period of not less than three (3) years after final payment of any amounts you owe to us when this Agreement is Terminated.
- (e) We have an option to purchase any or all of the physical assets of the **JUICE IT UP** Unit, including its equipment, supplies and inventory, during a period of sixty (60) days following the effective date of Termination, valued at the lower of cost or fair market value. We must send written notice to you within thirty (30) days after Termination of this Agreement of its election to exercise the option to purchase. If the parties do not agree on a price within the option period, the option period may be extended for up to fifteen (15) business days to permit appraisal by an independent appraiser who is mutually satisfactory to the parties. If the parties fail to agree upon an appraiser within the specified period, each must appoint an appraiser and the two appraisers thus appointed must agree on a third appraiser within ninety (90) days after Termination who must determine the price for the physical assets of the **JUICE IT UP** Unit in accordance with the standards specified above. This determination will be final and binding upon both us and you.

We must send written notice to you within thirty (30) days after Termination of this Agreement if we elect to exercise the option to purchase. You must sign a bill of sale and any other documents necessary to complete the sale on the terms set out above.

- (f) We have an option to replace you as lessee under any equipment lease for equipment that is used in connection with the **JUICE IT UP** Unit. Upon request by us, you must give us copies of the leases for all equipment used in the **JUICE IT UP** Unit immediately upon Termination. Upon our request, you must allow us the opportunity, at a mutually satisfactory time, to inspect the leased equipment. We must request the information and access described in this paragraph within fifteen (15) days after Termination; we must advise you of our intention to exercise the option within fifteen (15) days after we have received the information and/or inspected the equipment. We may assume any equipment lease in consideration of our assumption of future obligations under the lease. Upon exercise of this option by us you will be fully released and discharged from future rents and other future liabilities under the lease if the terms of the lease permit it, but not from any debts to the lessor that already exist on the date when the option is exercised.
- (g) We have an option to replace you as lessee or owner of the premises of the **JUICE IT UP** Unit.

If you rent the premises of the **JUICE IT UP** Unit, we may at our sole option be substituted as lessee and assume future obligations under the lease. Upon exercise of this option by us, you may be fully released and discharged from future rents and other future liabilities under the lease if the terms of the lease

permit it, but not from any debts to the lessor that already exist on the date when the option is exercised.

If you own the premises of the **JUICE IT UP** Unit, we may purchase the premises from you in consideration of the fair market value of the property. We must send written notice to you within thirty (30) days after Termination of this Agreement of our election to exercise the option to purchase and must be prepared to close the transaction within sixty (60) days after the fair market value has been determined. If we and you fail to agree upon the fair market value of the property within the option period, each must appoint an appraiser and the two appraisers thus appointed must agree on a third appraiser within ninety (90) days after we have given notice of our election to purchase. The appraisers, or a majority of them, must determine the fair market value of the premises of the **JUICE IT UP** Unit. This determination will be final and binding upon both us and you.

- (h) If this Agreement is terminated because of your default, our rights as described above may not necessarily be our exclusive remedies, but will instead supplement any other equitable or legal remedies available to us. If this Agreement is terminated because of your material default, nothing in this section may be construed to deprive us of the right to recover damages as compensation for lost profits. Termination of this Agreement will not end any obligation of either party that has come into existence before Termination. All obligations of the parties which by their terms or by reasonable implication are to be performed in whole or in part after Termination will survive Termination.

11. MISCELLANEOUS PROVISIONS

11.1. Construction of Contract

Section headings in this Agreement are for reference purposes only and will not in any way modify the statements contained in any section of this Agreement. Each word in this Agreement may be considered to include any number or gender that the context requires. If there is any conflict between this Agreement and the Manual, this Agreement will control. As used in this Agreement, the words “include,” “includes” or “including” are used in a non-exclusive sense. Unless otherwise expressly provided herein to the contrary, any consent, acceptance, approval or authorization by us which you may be required to obtain hereunder may be given or withheld by us in our Business Judgment. Neither this Agreement nor any uncertainty or ambiguity herein shall be construed or resolved against the drafter hereof, whether under any rule of construction or otherwise. On the contrary, this Agreement has been reviewed by all parties and shall be construed and interpreted according to the ordinary meaning of the words used so as to fairly accomplish the purposes and intentions of all parties hereto. We and you intend that if any provision of this Agreement is susceptible to two or more constructions, one of which would render the provision enforceable and the other or others of which would render the provision unenforceable, then the provision shall be given the meaning that renders it enforceable.

11.2. Governing Law and Venue

This Agreement is made in the State of California. This Agreement and its provisions shall be governed by and construed and interpreted under the laws of the State of California, without giving effect to any conflict of laws principles, except (1) the provisions of Section 8.6 of this Agreement shall be governed by the laws of the state in which the **JUICE IT UP** Unit is located; (2) the provisions of the California Franchise Investment Law and California Franchise Relations Act shall not apply unless they would be otherwise applicable without this Agreement's designation of governing law; and (3) trademark matters will be governed by the Lanham Act.

Any suit brought hereon any and all legal proceedings to enforce this Agreement, whether in contract, tort, equity or otherwise, shall be brought in the state or federal courts sitting in Orange County, California, the parties hereto hereby waiving any claim or defense that such forum is not convenient or proper. Each party hereby agrees that any such court shall have in personam jurisdiction over it, and agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner specified by law.

If you violate Sections 8.4 or 8.6 during or after the term of this Agreement, then our remedies will include (but not be limited to) payment to us by you of \$10,000 per occurrence, such amount having been mutually agreed on by you and us in view of the extreme difficulty in accurately determining the damages suffered as a result of such breach.

You recognize that you are a member of a Franchise Network and that your acts and omissions have an impact on the success of other Units operating under the Marks. Your failure to comply with the terms of your Franchise Agreement is likely to cause irreparable damage to us and to some or all of our other franchisees and to the System. For this reason, you agree that if we can demonstrate to a court of competent jurisdiction that it is likely that you will breach or have breached any of the terms of this Agreement, we will be entitled, without posting a bond, to an injunction restraining the breach, or continued breach and/or to a decree of specific performance, without showing or proving any actual damage, until a final determination is made by a court.

EACH OF THE PARTIES HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVES ANY AND ALL RIGHTS IT MAY HAVE TO TRIAL BY JURY IN RESPECT OF ANY ACTION, SUIT, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER VERBAL OR WRITTEN) OR ACTIONS OR OMISSIONS OF LLJ OR YOU OR ANY OTHER PERSON RELATING TO THIS AGREEMENT, OR ANY OTHER AGREEMENT, PROCEEDING OR OTHER LITIGATION BROUGHT TO RESOLVE ANY DISPUTE ARISING UNDER, ARISING OUT OF, OR IN CONNECTION WITH THIS AGREEMENT OR ANY OTHER AGREEMENT, DOCUMENT OR INSTRUMENT EXECUTED OR DELIVERED IN CONNECTION HEREWITH OR THEREWITH.

11.3. Notices

The parties to this Agreement should direct any notices to the other party at the address below that party's name on the final page of this Agreement or at another address if advised in writing that the address has been changed. Notice may be delivered by facsimile (with simultaneous mailing of a copy by first class mail), courier, or first class mail. Notice by facsimile will be considered delivered upon transmission; by courier, upon delivery; and by first class mail, three days after posting. Notice of termination or nonrenewal must be given by a receipted form of delivery. Notices regarding updates and changes to, and updates and changes to, the Manuals may be delivered by us to you through the Juice Net website or by other electronic means. A posting to the Juice Net website by us of a change or update to the Manual shall be deemed received on the business day following the posting by us. You may not send notices to us electronically.

11.4. Amendments

This Agreement may be amended only by a document signed by all of the parties to this Agreement or by their authorized agents.

11.5. Waiver

Waiver of any default of this Agreement may not be interpreted as a waiver of any subsequent default.

11.6. Integration

This Agreement and any exhibits or attachments to it are the entire agreement between the parties concerning the franchise rights it grants. All prior and contemporaneous agreements and representations, other than those included in the LLJ Franchise, LLC Disclosure Document, are superseded by it.

11.7. Limitation of Actions

Neither party may maintain an action against the other party unless a) the party delivers written notice of any claim to the other party within one hundred eighty (180) days after the event complained of becomes known to the party and b) files an action within one (1) year after the notice.

11.8. Severability

Each provision of this Agreement will be considered severable. If, for any reason, any provision of it is determined to be invalid or in conflict with any existing or future law or regulation, that provision will not impair the operation of the remaining provisions of this Agreement. The invalid provisions will be considered not to be a part of this Agreement. However, if we determine that the finding of illegality adversely affects the basic consideration for our performance under this Agreement, we may, at our option, terminate it.

11.9. Approval

If you are an Entity, all officers, managers, general partners and Owners with, must approve this Agreement, permit you to furnish the financial information required by us, and agree to the restrictions placed on them, including restrictions on the transferability of their interests in the franchise and franchised Units and limitations on their rights to compete

11.10. General Release

If you or any of your Franchisee Related Parties has a currently-effective franchise agreement from us, then you shall, and you shall cause your Franchisee Related Parties to, execute and deliver to us a General Release, in a form prescribed by us, of all existing claims against us and our Franchisor Related Parties arising out of those former agreements.

11.11. Submission of Agreement

The submission of this Agreement does not constitute an offer and this Agreement shall become effective only upon the execution thereof by you and us. You acknowledge that you have carefully read this Agreement and all other related documents to be executed concurrently or in conjunction with the execution hereof, that you have obtained the advice of counsel in connection with entering into this Agreement, that you understand the nature of this Agreement, and that you intend to comply herewith and be bound hereby.

11.12. Acceptance by LLJ

This Agreement will not be binding on us unless and until signed by one of our authorized officers.

[Remainder of this page intentionally left blank]

11.13. DISCLAIMER OF REPRESENTATIONS

NO REPRESENTATIONS OR PROMISES OF ANY KIND HAVE BEEN MADE BY LLJ TO INDUCE YOU TO SIGN THIS AGREEMENT EXCEPT THOSE SPECIFICALLY STATED IN THE FRANCHISE DISCLOSURE DOCUMENTS THAT HAVE BEEN DELIVERED TO YOU. YOU ACKNOWLEDGE THAT NEITHER LLJ NOR ANY OTHER PERSON HAS GUARANTEED THAT YOU WILL SUCCEED IN THE OPERATION OF THE JUICE IT UP UNIT OR HAS PROVIDED ANY SALES OR INCOME PROJECTIONS OF ANY KIND TO YOU. YOU HAVE MADE AN INDEPENDENT INVESTIGATION OF ALL IMPORTANT ASPECTS OF THE JUICE IT UP UNIT. YOU UNDERSTAND THAT WE ARE NOT A FIDUCIARY TO YOU AND HAVE NO SPECIAL RESPONSIBILITIES BEYOND THE NORMAL RESPONSIBILITIES OF A SELLER IN A BUSINESS TRANSACTION.

IN WITNESS TO THE PROVISIONS OF THIS AGREEMENT, the undersigned have signed it on the date stated in Article 1.

FRANCHISOR

LLJ FRANCHISE, LLC

By: _____
Frank N. Easterbrook, President
17915 Sky Park Circle, Suite J
Irvine, CA 92614

FRANCHISEE

[name]

By: _____

Name: _____

Its: _____

Address: _____

ATTACHMENT 1
ACCEPTED LOCATION

The address of the Accepted Location is:

It is located in the following shopping mall:

**ATTACHMENT 2
ELECTRONIC FUNDS TRANSFER AGREEMENT**

The undersigned depositor (“Depositor”) authorizes LLJ Franchise, LLC (“LLJ”), or its designee, to request debit entries and/or credit correction entries to the Depositor’s checking and/or savings account(s) indicated below and the depository (“Depository”) to debit the account according to LLJ’s instructions.

Depository

Branch

Street Address, City, State, Zip Code

Bank Transit/ABA Number

Account Number

This authorization is to remain in full force and effect until Depository has received joint written notification from LLJ and Depositor of the Depositor’s termination of the authorization in a time and manner that will give Depository a reasonable opportunity to act on it. In spite of the foregoing, Depository will give LLJ and Depositor thirty (30) days’ prior written notice of the termination of this authorization. If an erroneous debit entry is made to Depositor’s account, Depositor will have the right to have the amount of the entry credited to the account by Depository, if within fifteen (15) calendar days following the date on which Depository sent to Depositor a statement of account or a written notice pertaining to the entry or forty five (45) days after posting, whichever occurs first, Depositor has sent Depository a written notice identifying the entry, stating that the entry was in error, and requesting Depository to credit the amount of it to the account. These rights are in addition to any rights Depositor may have under federal and state banking laws.

Depositor

Depository

By

By

Title

Title

Date

Date

ATTACHMENT 3

CONDITIONAL LEASE ASSIGNMENT AGREEMENT

THIS AGREEMENT (this “**Agreement**”) is made on _____ [date] by and between LLJ Franchise, LLC, a California corporation (“**LLJ**” or “**Franchisor**”), _____ (“**Franchisee**”), and _____ (“**Lessor**”), concerning the [Lease Agreement] dated _____ between Franchisee and Lessor (as amended, modified or restated from time to time, the “**Lease**”) pertaining to the **JUICE IT UP** Unit located at _____

_____ (“**Accepted Location**”). This Agreement is entered into in connection with that certain Franchise Agreement dated _____ between LLJ and Franchisee (as amended, modified or restated from time to time, the “**Franchise Agreement**”).

1. Assignment

Franchisee hereby agrees to assign, transfer and set over to Franchisor the Lease and all rights of Franchisee thereunder, all right to subrents and concession fees derived from the Lease, together with all of Franchisee’s right, title and interest in the Lease, including all modifications, amendments, extensions and renewals of the Lease and all rights and privileges incident thereto (collectively, the “**Lease Rights**”), conditioned only on LLJ issuing an “Election Notice” as described in Section 2 of this Agreement. The foregoing agreement is intended by LLJ and Franchisee to create and shall be construed to create an absolute assignment to LLJ of all Franchisee’s right, title and interest in the Lease Rights subject only to the condition that Franchisor issue an Election Notice, *provided, however*, that nothing contained herein shall operate or be construed to obligate LLJ to perform any of the terms, covenants and conditions contained in the Lease or otherwise to impose any obligation to pay rents thereunder or to indemnify Lessor in connection therewith unless Juice It UP obtains possession of the Accepted Location as described in Section 2 of this Agreement. LLJ hereby grants to Franchisee a revocable license to occupy the Accepted Location and enjoy the rights of the tenant under the Lease.

2. Election Notice

Upon the occurrence of (a) a default under the Lease by Franchisee; (b) a default under the Franchise Agreement by Franchisee; (c) the exercise by LLJ of its right of first refusal pursuant to the Franchise Agreement; or (d) the nonexercise by Franchisee of an option to renew or extend the Lease, and at any time thereafter during the continuance thereof, LLJ shall have the right and option, at its election at any time within 30 days after the applicable event, to notify Franchisee and Lessor (an “**Election Notice**”) that LLJ is electing to cause the assignment in Section 1 of this Agreement to become effective. Upon such an Election Notice and without the necessity of any further actions, Franchisor shall have the right: (i) to enter upon the Accepted Location and to institute such legal proceedings (including, without limitation, a lawsuit for

unlawful detainer of the Accepted Location by Franchisee); and (ii) to perform all other acts which LLJ shall determine, in its Business Judgment, to be necessary or desirable to carry out the foregoing. Lessor shall be entitled to rely upon any notice from LLJ and shall be protected with respect to any claim made by Franchisee with respect to such notice, irrespective of whether a dispute exists between LLJ and Franchisee with respect to the existence of a default or the rights of LLJ hereunder. The payment of rent to Lessor in connection with any such notice and the performance of obligations under the Lease to or for the benefit of Lessor shall not cause LLJ to assume or be bound by the provisions of such Lease including but not limited to the duty to pay any future rents. Franchisee agrees to indemnify, defend and hold Lessor harmless from and against any and all loss, claims, damage or liability arising out of any claim with respect thereto. LLJ shall not become liable to Lessor for the performance of any obligations of the tenant under the Lease, notwithstanding its issuance of an Election Notice, unless and until LLJ shall have obtained possession of the Accepted Location, and in no event shall LLJ be liable to Lessor for any obligations which accrued under the Lease prior to the date LLJ so obtains possession. Nothing contained in this Agreement shall constitute a waiver by Lessor of any recourse of Lessor against Franchisee for unpaid amounts owed under the Lease. Lessor shall cooperate with LLJ in all reasonable respects to enable LLJ to obtain possession of the Accepted Location. Franchisee hereby authorizes LLJ to communicate with the Lessor (and hereby authorizes Lessor to communicate with LLJ) for any purpose, including eviction proceedings, your defaults under the Lease or the Franchise Agreement, and negotiating a lease for the Accepted Location commencing following the termination or expiration of the Lease.

3. Default Under Lease

If Franchisee defaults in the performance of any material term of the lease, Lessor must notify LLJ of the default.

4. Consent to Assignment

Lessor hereby consents to the assignment of the Lease to LLJ as provided herein. This Agreement will remain in effect during the entire term of the Lease and any and all renewals or extensions of the Lease. Lessor agrees that the lease may not be amended, assigned, extended, renewed or surrendered, nor may the Accepted Location, or any part of it, be sublet, nor may the lease, or any interest in it be assigned or encumbered by Franchisee without the prior written consent of LLJ.

5. Exercise of Option by LLJ

Franchisee must vacate the Accepted Location immediately upon receiving the Election Notice. LLJ will have the right, at the same time as or after LLJ's exercise of the option granted in this Agreement, to assign its rights under this Agreement to a new franchisee selected by LLJ to operate the **JUICE IT UP** Unit.

6. Attorney fees and Costs

If legal action is necessary to enforce the terms and conditions of this Agreement, the prevailing party will be entitled to recover reasonable compensation for preparation, investigation and court costs and reasonable attorney fees, as fixed by a court of competent jurisdiction.

IN WITNESS TO THE PROVISIONS OF THIS AGREEMENT, the people named in it have signed it on the date stated in its opening paragraph.

LESSOR

LESSEE

By: _____

By: _____

Address:

Address:

LLJ FRANCHISE, LLC

By: _____
Frank N. Easterbrook, President

LLJ Franchise, LLC
17915 Sky Park Circle, Suite J
Irvine, CA 92614

ATTACHMENT 4

**CONDITIONAL ASSIGNMENT
OF TELEPHONE NUMBERS, EMAIL ADDRESSES, AND URLS**

1. _____ (“Assignor”) [franchisee’s legal name], doing business at [location of franchisee’s business] in exchange for valuable consideration provided by LLJ Franchise, LLC (“Assignee”), receipt of which is acknowledged by this document, assigns to Assignee all telephone numbers, email addresses, domain names/URLs, Internet addresses/sites, social media accounts or sites and/or other communications services links used by Assignor now or in the future in the operation of a **JUICE IT UP** Unit business in _____ [city or county where franchised business is located].

2. This assignment will become automatically effective upon termination of Assignor’s **JUICE IT UP** franchise. Upon termination of the franchise, Assignor promises to do whatever is necessary to cause the companies providing service to the Assignor to promptly transfer of numbers, accounts, addresses, and associated listings to Assignee or its designee.

3. Assignor agrees to pay the telephone company on or before the effective date of assignment all amounts it owes the telephone company in connection with his, her, or its use of the telephone number or numbers, including payment for advertisements in the classified telephone directory. Assignor further agrees to indemnify Assignee for any sums Assignee must pay the telephone company to carry out the Franchise Agreement and promises to cooperate fully with Assignee in making the necessary arrangements to carry out the assignment.

Dated: _____

ASSIGNOR

By: _____

ATTACHMENT 5

NONDISCLOSURE AND NONCOMPETITION AGREEMENT

In return for his or her training by LLJ Franchise, LLC (“LLJ”) to operate a **JUICE IT UP** Unit or his or her employment by LLJ Franchise, LLC or one of its franchisees,

_____ (“Confidant”) agrees as follows:

1. Nondisclosure of Trade Secrets and Confidential Information

Confidant agrees, during the term of the Franchise Agreement and following termination, expiration or assignments of the Agreement, not to disclose, duplicate, sell, reveal, divulge, publish, furnish or communicate, either directly or indirectly, any Trade Secret or other Confidential Information of LLJ to any other person or entity unless authorized in writing by LLJ. Confidant agrees not to use any Trade Secrets or Confidential Information for his or her personal gain or for purposes of others, whether or not the Trade Secret or Confidential Information has been conceived, originated, discovered or developed, in whole or in part, by Confidant or represents Confidant’s work product. If Confidant has assisted in the preparation of any information that LLJ considers to be a Trade Secret or Confidential Information or has himself or herself prepared or created the information, Confidant assigns any rights that he or she may have in the information as its creator to LLJ, including all ideas made or conceived by Confidant.

2. Definition of Trade Secrets and Confidential Information

For purposes of this Agreement, the term “Trade Secrets” and “Confidential Information” means any knowledge, techniques, processes or information made known or available to Confidant that LLJ treats as confidential, whether existing now or created in the future, including but not limited to information about the cost of materials and supplies; supplier lists or sources of supplies; internal business forms, orders, customer accounts, manuals and instructional materials describing LLJ’s methods of operation, including LLJ’s Operations Manual; products; drawings, designs, plans, proposals, and marketing plans; all concepts or ideas in, or reasonably related to LLJ’s business that have not previously been publicly released by LLJ; and any other information or property of any kind of LLJ that may be protected by law as a Trade Secret, confidential or proprietary. The Trade Secrets and Confidential Information described in this Agreement are the sole property of LLJ.

3. Return of Proprietary Materials

Upon termination of the Franchise Agreement or Confidant’s employment by LLJ or a **JUICE IT UP** franchisee, Confidant must surrender to LLJ all materials considered proprietary by LLJ, technical or non-technical, whether or not copyrighted, which relate to Trade Secrets, Confidential Information or the conduct of the System or internal operations of LLJ.

Confidant expressly acknowledges that any such materials of any kind given to him or her are and will remain the sole property of LLJ.

4. Solicitation of Confidants

Confidant further agrees that he or she will not furnish to or for the benefit of any competitor of LLJ, or the competitor's franchisees, or the competitor's subsidiaries, the name of any person who is employed by LLJ or by any other franchisee of LLJ.

5. Noncompetition

Confidant agrees and covenants that because of the confidential and sensitive nature of the Confidential Information and because the use of the Confidential Information in certain circumstances may cause irrevocable damage to LLJ, Confidant will not, until after the expiration of two (2) years from the Confidant's separation of employment from LLJ or any franchisee that employed him or her, or expiration or termination of Confidant's ownership interest in a **JUICE IT UP** Unit or Entity owning a Unit, engage, directly or indirectly, or through any corporations or Related Parties, in any enterprise that offers, is otherwise involved in, or deals with any goods, products and/or services, which are substantially similar to those goods, products and/or services now or in the future authorized by LLJ to be offered at or from **Juice It Up®** Units (including any such enterprise and/or entity awarding franchises or licenses to operate or be involved with any such business) and which would inherently involve the disclosure and/or use of confidential information or trade secrets. Confidant may not engage in any of the above activities during the term of its employment with LLJ or any franchisee nor during the term of any Franchise Agreement to which Confidant is a direct or indirect party, regardless of the proximity to any JUICE IT UP Unit.

6. Saving Provision

Confidant agrees and stipulates that the agreements and covenants not to compete contained in the preceding paragraph are fair and reasonable in light of all the facts and circumstances of the relationship between Confidant and LLJ; however, Confidant and LLJ are aware that in certain circumstances courts have refused to enforce certain agreements not to compete. Therefore, in furtherance of the provisions of the preceding paragraph, Confidant and LLJ agree that if a court or arbitrator should decline to enforce the provisions of the preceding paragraph, that paragraph must be considered modified to restrict Confidant's competition with LLJ to the maximum extent, in both time and geography, which the court or arbitrator finds enforceable.

7. Irreparable Harm to LLJ

Confidant understands and agrees that LLJ will suffer irreparable injury that cannot be precisely measured in monetary damages to its Trade Secrets if Confidential Information or proprietary information is obtained by any person, firm or corporation and is used in competition with LLJ. Accordingly, Confidant agrees that it is reasonable and for the protection of the business and goodwill of LLJ for Confidant to enter into this Agreement. Thus, if there is a breach of this Agreement by Confidant, Confidant

consents to entry of a temporary restraining order or other injunctive relief and to any other relief that may be granted by a court having proper jurisdiction.

If you violate Sections 8.4 or 8.6 of the Franchise Agreement during or after the term of the Franchise Agreement, then our remedies will include (but not be limited to) payment to us by you of \$5,000 per occurrence, such amount having been mutually agreed on by you and us as reasonable in view of the extreme difficulty of accurately determining the damages suffered as a result of such breach.

8. Binding Effect

This Agreement will be binding on Confidant's heirs, executors, successors and assignees as though originally signed by these people.

9. Applicable Law

The validity of this Agreement will be governed by the laws of the state where Confidant lives. If any provision of this Agreement is void or unenforceable in that State, the remainder of the Agreement will be fully enforceable according to its terms.

CONFIDANT

[Confidant's signature]

Date

Confidant's signature

Date

ATTACHMENT 6

PERSONAL GUARANTY AND SUBORDINATION AGREEMENT

The undersigned, to induce LLJ Franchise, LLC (“LLJ”) to enter into or permit assignment of a certain **JUICE IT UP** Franchise Agreement, dated _____, with _____, *[Franchisee’s Legal Name]* (“Franchisee”), unconditionally, jointly and severally, personally guaranties to LLJ, its successors, or its assignees, the prompt full payment and performance of all obligations of Franchisee that are or may become due and owing to LLJ or its affiliate, Balboa Brands, Inc., including, but not limited to, all obligations arising out of the Franchise Agreement or any other agreement between the parties and all extensions or renewals of it in the same manner as if the Franchise Agreement was signed between LLJ or Balboa Brands, Inc. and the undersigned directly, as Franchisee.

The undersigned expressly waive notice of the acceptance by LLJ to or for the benefit of Franchisee, of the purchase of inventory and goods by Franchisee, the maturing of bills and the failure to pay the same, the incurring by Franchisee of any additional future obligations and liability to LLJ, and any other notices and demands. This Personal Guaranty will not be affected by the modification, extension, or renewal of any agreement between LLJ and Franchisee, the taking of a note or other obligation from Franchisee or others, the taking of security for payment, the granting of an extension of time for payment, the filing by or against Franchisee of bankruptcy, insolvency, reorganization or other debtor relief afforded Franchisee under the Federal Bankruptcy Act or any other state or federal statute or by the decision of any court, or any other matter, whether similar or dissimilar to any of the foregoing; and this Personal Guaranty will cover the terms and obligations of any modifications, notes, security agreements, extensions, or renewals. The obligations of the undersigned will be unconditional in spite of any defect in the validity of the Franchisee’s obligations or liability to LLJ, or any other circumstances whether or not referred to in this Personal Guaranty that might otherwise constitute a legal or equitable discharge of a surety or guarantor.

Without limiting the generality of any other provision of this Personal Guaranty, the undersigned hereby expressly waives: any defense, right of set-off, claim or counterclaim whatsoever and any and all other rights, benefits, protections and other defenses available to the undersigned now or at any time hereafter, including, without limitation, under California Civil Code Sections 2787 to 2855, inclusive, and Civil Code Sections 2899 and 3433, and all successor sections; and all other principles or provisions of law, if any, that conflict with the terms of this Personal Guaranty, including, without limitation, the effect of any circumstances that may or might constitute a legal or equitable discharge of a guarantor or surety. The undersigned waives all rights and defenses arising out of an election of remedies. Without limiting the generality of the foregoing, the undersigned acknowledges that it has been made aware of the provisions of California Civil Code Section 2856, has read and understands the provisions of that statute, has been advised by its counsel (or has had an opportunity to consult with

counsel and has not availed itself of such opportunity) as to the scope, purpose and effect of that statute, and based thereon, and without limiting the foregoing waivers, the undersigned agrees to waive all suretyship rights and defenses available to the undersigned that are described in California Civil Code Section 2856(a).

This is an irrevocable, unconditional and absolute guaranty of payment and performance and the undersigned agrees that his, her, or their liability under this Personal Guaranty will be immediate and will not be contingent upon the exercise or enforcement by LLJ of whatever remedies it may have against the Franchisee or others, or the enforcement of any lien or realization upon any security LLJ may at any time possess. The undersigned hereby further waives all rights to revoke this Personal Guaranty at any time, and all rights to revoke any agreement executed by the undersigned at any time to secure the payment and performance of the undersigned obligations under this Personal Guaranty.

The undersigned agree that any current or future indebtedness by the Franchisee to the undersigned will always be subordinate to any indebtedness owed by Franchisee to LLJ. The undersigned will promptly modify any financing statements on file with state agencies to specify that LLJ's rights are senior to those of the undersigned.

The undersigned further agree that as long as the Franchisee owes any money to LLJ (other than royalty and advertising fund payments that are not past due) the Franchisee will not pay and the undersigned will not accept payment of any part of any indebtedness owed by Franchisee to any of the undersigned, either directly or indirectly, without the consent of LLJ.

The undersigned further agree to be personally bound to perform the obligations and to refrain from performing the acts prohibited by the provisions of Sections 8.4 (Confidentiality) and 8.6 (Covenants) of the Franchise Agreement as though the undersigned had signed the Franchise Agreement in the capacity of franchisee. The undersigned consent to be bound by the provisions of Article 11 of the Franchise Agreement for purposes of resolving any dispute or controversy arising out of or in connection with the undersigned's alleged performance of or failure to perform the obligations of Sections 8.4 and 8.6.

In connection with any litigation or arbitration to determine the undersigned's liability under this Personal Guaranty, the undersigned expressly waives his, her, or its right to trial by jury and agrees to pay costs and reasonable attorney fees as fixed by the court or arbitrator.

If this Personal Guaranty is signed by more than one individual, each person signing this Personal Guaranty will be jointly and severally liable for the obligations created in this it.

This Personal Guaranty will remain in full force and effect until all obligations arising out of and under the Franchise Agreement, including all renewals and extensions, are fully paid and satisfied.

Dated: _____

IN WITNESS TO THE FOREGOING, the undersigned have signed this guaranty on this _____ day of _____, 201____.

By: _____
(Signature)

By: _____
(Signature)

(Printed name)

(Printed name)

Date: _____

Date: _____

(Signature of Spouse or Domestic Partner)

(Signature of Spouse or Domestic Partner)

(Printed name)

(Printed name)

Date: _____

Date: _____

ATTACHMENT 7

TERMS OF USE JUICE NET

LLJ Franchise, LLC (“LLJ” or “We”) has developed a password controlled, restricted access website that allows our franchisees and certain of their employees to view and print portions of our confidential Operations Manual (“Manuals”), to download approved local advertising materials, to communicate with us and each other, and to view other proprietary documents. We call this facility the Juice Net website. The Juice Net website may provide other functions and enable other communication between you and us, other franchisees and vendors and suppliers of the LLJ system.

Following are the terms and conditions of use of the Juice Net website (“Terms of Use”). Please read them carefully. When you respond to this notice by signing the back page of this agreement with this statement: “I AGREE TO BE BOUND BY ALL OF THE **JUICE IT UP JUICE NET TERMS OF USE**”, either by sending it via mail or fax, we will issue a special User ID and two passwords to you. By logging onto the Juice Net website the first time, you confirm that you are eligible to access the Juice Net website and that you agree to observe and be bound by all these Terms of Use. Also, by accessing any of the Software (defined below) through the Juice Net website or otherwise, you agree to observe and be bound by the terms of use stated herein and any additional conditions that any licensor of the Software imposes on the use of its product. If we are providing you access to any Software under a master license we hold from the Software owner, this Terms of Use constitutes a sublicense of the Software to you on the terms and conditions contained herein.

Section 1: Introduction

Because the Juice Net website will continually evolve and because we may change, supplement or delete any of its functions, we reserve the right to modify these Terms of Use in the same manner we modify, amend or supplement our Manuals. These Terms of Use constitute a part of the Manuals.

The Juice Net website is provided “AS-IS” and “AS AVAILABLE”. We assume no responsibility for the timeliness, deletion, mis-delivery or failure to store any of your communications or settings.

To use the Juice Net website, you must be able to access the World Wide Web, and you must pay any Internet access fees associated with your access. You must also pay for and provide all equipment and software necessary to connect to the World Wide Web, including a computer and modem or other access device and/or software.

Section 2: Passwords and Security

You will receive your User ID, a Level 1 Password and a Level 2 Password from the system administrator. Because anyone who uses your User ID and Level 2 Password gains access to our confidential Manuals and other confidential information, you must take care to maintain the confidentiality of your passwords and User ID. Neither you nor

your employees may use another person's User ID and passwords to access the Juice Net website.

Your User ID and passwords are unique to you. You should memorize your User ID and passwords. If you need to write them down, do not record or store your User ID at the same place you record or store your passwords. You are responsible for maintaining the confidentiality of your User ID and passwords, and you are responsible for all activities that occur under your User ID and passwords. If you are a franchisee, you are also responsible for the use your employees make of their User IDs and passwords.

You agree (a) to notify the system administrator immediately of any unauthorized use of your User ID or passwords, or any other breach of security that comes to your attention, and (b) to log out of your Juice Net website account at the end of each session.

We cannot and will not be liable for any loss or damage arising from your failure to comply with the requirements stated in this Section 2.

Section 3: Privacy and Data Collection

We will record your User ID and passwords when we issue them to you. We record each instance that your User ID and password are used to access the Juice Net website. We may also record the time and duration of each session of your User ID's use of the Juice Net website. We may also record when and the number of instances that you access certain information on the Juice Net website, such as when you open an update to the Manuals or the number of instances and how often you access the Manuals. We will not provide information you provide about your customer base, customer profile and other demographic information to our advertisers and suppliers without your prior written consent. In addition, your first and last name will be transmitted with each message sent under your User ID.

We have the technical capability to access and examine any User Content (defined in Section 5) that you post on the Juice Net website, including any User Content you transmit via e-mail or that you post on a chat room or bulletin board. Although we possess this capability, we will not routinely monitor your communications with other LLJ franchise operators. However, we reserve the right to examine any User Content with respect to which we receive a complaint and to take appropriate action to address the complaint, including, without limitation, removing or deleting User Content. Further, we agree not to disclose your communications with other LLJ franchise operators to any third party except in response to a subpoena or court order, and then only after we have given you notice of the subpoena or court order and a reasonable opportunity to contest it.

Section 4: Confidentiality of Certain Information

You agree that the Manuals and all other information we make accessible to you through the Juice Net website constitute confidential information, and that you will receive and hold all such information in compliance with your Franchise Agreement.

Further, you agree not to attempt to access the databases in which we store User Content (defined in Section 5), particularly information concerning facilities reservations or financial data that other franchisees submit.

Section 5: Conduct

As a condition of your continuing use of the Juice Net website, you promise that you will not use the Juice Net website for any purpose that is unlawful or prohibited by these Terms of Use. We provide the Juice Net website to franchisees, their employees and our approved suppliers only for exchanges of information and other uses directly related to the LLJ system. You may use the Juice Net website only for purposes related to the operation of your franchise and not for personal or unrelated business use. Any unauthorized use of the Juice Net website is expressly prohibited, and we reserve the right to delete inappropriate material and to suspend the account of any person who uses the Juice Net website for an unauthorized purpose.

You should understand that all messages, data, text, photographs, graphics, video and other materials or information transmitted via the Juice Net website (except information that we post), whether posted for general viewing or transmitted privately ("User Content"), are the sole responsibility of the person from which an item of User Content originated. If you upload, post, e-mail or otherwise transmit any User Content, you are responsible for its compliance with these Terms of Use. We do not screen, edit or control User Content, and we do not accept responsibility for its truthfulness, accuracy or suitability. Under no circumstances will we be liable in any way for any User Content, including errors or omissions in any User Content, or for any loss or damage of any kind incurred as a result of the use of any User Content posted, e-mailed or otherwise transmitted via the Juice Net website.

You agree not to use the Juice Net website to:

1. upload, post, e-mail or otherwise transmit any User Content that is unlawful, harmful, threatening, abusive, harassing, tortious, defamatory, vulgar, obscene, libelous, invasive of another's privacy, hateful, or racially, ethnically or otherwise offensive;
2. impersonate any person or entity;
3. disguise the authorship or origin of any User Content you transmit;
4. upload, post, e-mail or otherwise transmit any User Content that you do not have a right to transmit under any law or under contractual or fiduciary relationships (such as inside information, proprietary information and confidential information);
5. upload, post, e-mail or otherwise transmit any User Content that infringes any patent, trademark, trade secret, copyright or other proprietary rights of any person;
6. upload, post, e-mail or otherwise transmit any unsolicited or unauthorized advertising, promotional materials, "junk mail," "spam," "chain letters," or any other form of solicitation;
7. upload, post, e-mail or otherwise transmit any material that contains software viruses or any other computer code, files or programs designed to interrupt, destroy or limit the functionality of any computer software or hardware or telecommunications equipment;

8. disrupt the normal flow of dialogue, cause a screen to “scroll” faster than normal, or otherwise act in a manner that negatively affects other users’ ability to engage in orderly exchanges;
9. interfere with or disrupt servers or networks connected to the Juice Net website;
10. “stalk” or otherwise harass another; or
11. collect or store personal data about other users.

We reserve the right, in our Business Judgment, to block or remove any objectionable User Content that you transmit or make available via the Juice Net website. Without limiting the breadth of our right, you are advised that we have the right to remove any User Content that violates these Terms of Use, your Franchise Agreement or is otherwise objectionable (in our determination).

We store and preserve User Content in accordance with established policy and may disclose it if required by law or in the good faith belief that such disclosure is reasonably necessary (a) to comply with legal process, (b) to enforce these Terms of Use, (c) to respond to claims that any User Content violates the rights of third-parties, or (d) to protect the rights, property and personal safety of LLJ and its employees, franchisees and suppliers.

We may transmit and store your User Content over various networks, computer servers and other technological means, and we may modify your User Content to conform and adapt it to technical requirements of connecting networks or devices.

We will immediately suspend or terminate the rights of any User ID that we believe, in our Business Judgment, is being used to disseminate spam or other unsolicited bulk e-mail. In addition, because damages are difficult to quantify, you agree to pay us liquidated damages of \$5 for each piece of spam or unsolicited bulk e-mail transmitted under or otherwise associated with your User ID.

Section 6: Ownership of User Content

Any User Content that you transmit via the Juice Net website shall be our property, and we may reproduce, distribute, transmit, publish, sell or otherwise commercially exploit any such User Content in any manner or through any medium we choose.

Section 7: Indemnity

You indemnify and agree to hold us, and our subsidiaries, affiliates, directors, officers, agents, co-branders or other partners, and employees, harmless from any claim or demand, including reasonable attorneys’ fees, made by any third party with respect to or arising out of User Content you submit, post to or transmit through the Juice Net website, your use of the Juice Net website, your violation of these Terms of Service, or your violation of any rights of another.

Section 8: Use and Storage

We may establish general practices and limits concerning use of the Juice Net website, including the maximum number of days that e-mail messages, message board postings

or other uploaded User Content will be retained on or by the Juice Net website, the maximum disk space that will be allotted on our servers on your behalf, and the maximum number of times (and the maximum duration for which) you may access the Juice Net website in a given period. We disclaim any responsibility or liability for the deletion or failure to store any messages and other communications or other User Content maintained or transmitted by the Juice Net website. We have the right to change these general practices and limits at any time, in our Business Judgment, with or without notice.

Section 9: Modifications to Juice Net Website

We reserve the right at any time and from time to time to modify or discontinue, temporarily or permanently, the Juice Net website (or any of its features), with or without notice. You agree that we shall not be liable to you or to any third party for any modification, suspension or discontinuance of the Juice Net website.

Section 10: Termination

We may suspend your passwords, your e-mail account or other use of the Juice Net website, and remove and discard any of your User Content if you violate these Terms of Use or if you violate or breach any other obligation under your Franchise Agreement. Any violation or breach of these Terms of Use by you or your employees will be deemed a breach of your Franchise Agreement. In addition to any other rights or remedies we may have, if you repeatedly breach these Terms of Use, we may terminate your passwords, e-mail account or other use of the Juice Net website. We shall not be liable to you or any third-party for any termination or suspension of your access to the Juice Net website.

We may terminate these Terms of Use and the Juice Net website at any time, with or without notice to you.

Section 11: Links and Advertising

The Juice Net website may provide, or third parties (i.e., other franchisees) may provide, links to other World Wide Web sites or resources. We are not responsible for the availability of such external sites or resources, and we neither endorse nor assume any responsibility for any content, advertising, products, or other materials on or available from such sites or resources. We will not be responsible or liable, directly or indirectly, for any damage or loss caused or alleged to be caused by or in connection with use of or reliance on any such content, goods or services available on or through any such site or resource.

Your business dealings with, or participation in promotions of, advertisers found on or through the Juice Net website, including payment and delivery of related goods or services, and any other terms, conditions, warranties or representations associated with such dealings, are solely between you and the advertiser. We shall not be responsible or liable for any loss or damage of any kind you incur as the result of any such dealings or as the result of the presence of such advertisers on the Juice Net website.

We may link the Juice Net website to the websites of third parties, including, other electronic service providers, affiliates and other providers of goods and services.

We may place legal notices, disclaimers, our corporate logos and slogans, advertisements, endorsements, trademarks, and other identifying information on the Juice Net website, all of which we may modify, expand or eliminate at our option. All consideration (monetary and non-monetary) received by us on account of the placement or sale of advertisements, endorsements and sponsorships on the Juice Net website will belong only to us.

Section 12: Intellectual Property Rights

We grant you a personal, non-transferable and non-exclusive right and license to use the object code of the Software (defined below) on your computers. You promise:

- not to copy, modify, create a derivative work of, reverse engineer, reverse assemble or otherwise attempt to discover any source code, or to sell, assign, sublicense, grant a security interest in or otherwise transfer any right in the Software, either directly or through your employees or independent contractors;
- not to modify the Software in any manner or form, or to use modified versions of the Software for any purpose, including (without limitation) that of obtaining unauthorized access to the Juice Net website;
- not to use any of the Software for any purpose except for the operation and management of your LLJ franchise in compliance with the Manuals and your Franchise Agreement;
- not to access the Juice Net website by any means other than the interface that we provide for use in accessing the Juice Net website;
- to use the Software in compliance with the terms of the license agreement between us and the owner of any Software that we license from a third party (copies or summaries of which we will furnish to you upon request); and
- not to access the Juice Net website by any means other than the interface that we provide for use in accessing the Juice Net website.

As between you and us, we are the owner (or primary licensee) of, and will retain all right, title and interest in and to the Software, all Owner Content (as defined below) prepared for, or used on, the Juice Net website, and all intellectual property rights in or to any of them.

“Owner Content” means all text, images, sounds, files, videos, designs, animations, layouts, color schemes, trade dress, concepts, methods, techniques, processes and data used in connection with, displayed on, or collected from or through the Juice Net website that we post or provide.

“Software” means computer programs and computer code (e.g., HTML, Java) used for, with or on the Juice Net website.

We reserve the right to add licenses or sublicenses for additional software programs and to withdraw the licenses or sublicenses for any software program listed above. You agree to the terms of any license or sublicense we add and to our deletion of any such

program by logging onto the Juice Net website after we post notice of a change on the Juice Net website splash page.

Section 13: Disclaimer of Warranties

YOU EXPRESSLY UNDERSTAND AND AGREE THAT:

1. YOUR USE OF THE JUICE NET WEBSITE IS AT YOUR SOLE RISK. THE JUICE NET WEBSITE IS PROVIDED ON AN "AS IS" AND "AS AVAILABLE" BASIS. WE EXPRESSLY DISCLAIM ALL WARRANTIES OF ANY KIND, WHETHER EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO THE IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE AND NON-INFRINGEMENT.
2. WE MAKE NO WARRANTY THAT (I) THE JUICE NET WEBSITE WILL BE UNINTERRUPTED, TIMELY, SECURE, OR ERROR-FREE, (II) THE RESULTS THAT MAY BE OBTAINED FROM THE USE OF THE JUICE NET WEBSITE WILL BE ACCURATE OR RELIABLE, (III) THE QUALITY OF ANY PRODUCTS, SERVICES, INFORMATION, OR OTHER MATERIAL YOU PURCHASE OR OBTAIN THROUGH THE JUICE NET WEBSITE WILL MEET YOUR EXPECTATIONS, AND (IV) ANY ERRORS IN THE SOFTWARE WILL BE CORRECTED.

Section 14: Limitation of Liability

YOU EXPRESSLY UNDERSTAND AND AGREE THAT NEITHER WE NOR OUR AFFILIATES, CONTRACTORS, SUPPLIERS OR LICENSORS SHALL BE LIABLE FOR ANY DIRECT, INDIRECT, INCIDENTAL, SPECIAL, CONSEQUENTIAL OR EXEMPLARY DAMAGES, INCLUDING DAMAGES FOR LOSS OF PROFITS, GOODWILL, USE, DATA OR OTHER INTANGIBLE LOSSES (EVEN IF WE HAVE BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES), RESULTING FROM: (I) YOUR USE OF OR INABILITY TO USE THE JUICE NET WEBSITE; (II) THE COST OF PROCUREMENT OF SUBSTITUTE GOODS AND SERVICES RESULTING FROM ANY GOODS, DATA, INFORMATION OR SERVICES PURCHASED OR OBTAINED OR MESSAGES RECEIVED OR TRANSACTIONS ENTERED INTO THROUGH OR FROM THE JUICE NET WEBSITE; (III) UNAUTHORIZED ACCESS TO OR ALTERATION OF YOUR TRANSMISSIONS, DATA OR OTHER USER CONTENT; (IV) STATEMENTS OR CONDUCT OF ANY THIRD PARTY ON THE JUICE NET WEBSITE; OR (V) ANY OTHER MATTER RELATING TO THE JUICE NET WEBSITE.

Section 15: Notices

Notices to you or us may be made by any manner permitted in your Franchise Agreement. In addition, the Juice Net website may also provide notices of changes to these Terms of Use or other matters by displaying notices or links to notices to you generally on the Juice Net website.

Section 16: General

These Terms of Use and the provisions of your Franchise Agreement constitute the entire agreement between you and us relating to your use of the Juice Net website and govern your use of the Juice Net website, superseding any prior agreements between you and us. You also may be subject to additional terms and conditions that may apply when you use affiliate services, third-party content or third-party software. These Terms of Use and the relationship between you and us shall be governed by the laws of the State of California without regard to its conflict of law provisions. Any dispute regarding the terms and conditions of these Terms of Use shall be resolved in accordance with the dispute resolution procedures set forth in your franchise agreement.

Our failure to exercise or enforce any right or provision of these Terms of Use shall not constitute a waiver of such right or provision. If any provision of these Terms of Use is found by a court of competent jurisdiction to be invalid, the parties nevertheless agree that the court should endeavor to give effect to the parties' intentions as reflected in the provision, and the other provisions of these Terms of Use remain in full force and effect. You agree that, regardless of any statute or law to the contrary, any claim or cause of action arising out of or related to use of the Juice Net website or these Terms of Use must be filed within one year after such claim or cause of action arose or be forever barred. The section titles in these Terms of Use are for convenience only and have no legal or contractual effect.

Section 17: Violations

Please report any violations of these Terms of Use to the system administrator.

In consideration for access of the Juice Net website, I hereby agree and assent to these Terms of Use.

By: _____

Name: _____

Title: _____

Date: _____

ATTACHMENT 8
GENERAL RELEASING LANGUAGE

Current Form of Releasing Language
(subject to change by Franchisor)
(This is a Form - NOT for Signature)

Release - General Provisions. The Franchisee(s), jointly and severally, hereby release and forever discharge each and all of the Franchisor Related Parties (as defined below) of and from any and all causes of action, in law or in equity, suits, debts, liens, defaults under contracts, leases, agreements or promises, liabilities, claims, demands, damages, losses, costs or expenses, of any nature whatsoever, howsoever arising, known or unknown, fixed or contingent, past or present, that the Franchisee(s) (or any of them) now has or may hereafter have against all or any of the Franchisor Related Parties by reason of any matter, cause or thing whatsoever from the beginning of time to the date hereof (the "Claims"), it being the mutual intention of the parties that this release be unqualifiedly general in scope and effect and that any Claims against any of the Franchisor Related Parties are hereby forever canceled and forgiven.

THE FRANCHISEE (S) ACKNOWLEDGE THAT THEY ARE FAMILIAR WITH THE PROVISIONS OF CALIFORNIA CIVIL CODE SECTION 1542, WHICH PROVIDES AS FOLLOWS:

"A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR."

THE FRANCHISEE(S), BEING AWARE OF THIS CODE SECTION, HEREBY EXPRESSLY WAIVE ALL OF THEIR RIGHTS THEREUNDER AS WELL AS UNDER ANY OTHER STATUTES OR COMMON LAW PRINCIPLES OF SIMILAR EFFECT OF ANY APPLICABLE JURISDICTION, INCLUDING, WITHOUT LIMITATION, CALIFORNIA AND/OR JURISDICTIONS OF FRANCHISEE(S)' RESIDENCE AND LOCATION OF FRANCHISED CENTER; provided that if this Release is given in connection with the award of a franchise, then this release shall not apply to Claims relating to the offer and sale of such franchise under the California Franchise Investment Law or any rule or order issued thereunder.

The Franchisee(s) expressly assume the risk of any mistake of fact or fact of which they may be unaware or that the true facts may be other than any facts now known or believed to exist by Franchisee(s), and it is the Franchisee(s) intention to forever settle, adjust and compromise any and all present and/or future disputes with respect to all matters from the beginning of time to the date of this document finally and forever and without regard to who may or may not have been correct in their understanding of the facts, law or otherwise. All releases given by the Franchisee(s) are intended to constitute a full, complete, unconditional and immediate substitution for any and all rights, claims, demands and causes of action whatsoever which exist, or might have existed, on the date of this document. The Franchisee(s) represent and warrant that they have made such independent investigation of the facts, law and otherwise pertaining to all matters discussed, referred to or released in or by this document as the Franchisee(s), in the Franchisee(s) independent judgment, believe

necessary or appropriate. The Franchisee(s) have not relied on any statement, promise, representation or otherwise, whether of fact, law or otherwise, or lack of disclosure of any fact, law or otherwise, by the Franchisor Related Parties or anyone else, not expressly set forth herein, in executing this document and/or the related releases.

Franchisee(s) Initials:

No Assignment or Transfer of Interest. The Franchisee(s) represent and warrant that there has been, and there will be, no assignment or other transfer of any interest in any Claims that the Franchisee(s) may have against any or all of the Franchisor Related Parties, all Claims having been fully and finally extinguished, and the Franchisee(s) agree to forever indemnify and hold the Franchisor Related Parties harmless from any liability, claims, demands, damages, losses, costs, expenses or attorneys' fees incurred by any of the Franchisor Related Parties as a result of any person asserting any interest in any of the Claims and/or any voluntary, involuntary or other assignment or transfer, or any rights or claims under any assignment, transfer or otherwise. It is the intention of the parties that this indemnity does not require payment by any of the Franchisor Related Parties as a condition precedent to recovery against the Franchisee(s) under this indemnity.

Franchisee(s) Initials:

Attorneys' Fees. If the Franchisee(s), or anyone acting for, or on behalf of, the Franchisee(s) or claiming to have received, by assignment or otherwise, any interest in any of the Claims, commence, join in, or in any manner seek relief through any suit (or otherwise) arising out of, based upon or relating to any of the Claims released hereunder or in any manner asserts against all or any of the Franchisor Related Parties any of the Claims released hereunder, the Franchisee(s) agree to pay all attorneys' fees and other costs incurred by any of the Franchisor Related Parties in defending or otherwise responding to said suit or assertion directly to the Franchisor Related Parties incurring such costs.

Franchisee(s) Initials:

"Franchisor Related Parties." Franchisor, Franchisor's affiliates, any advertising fund, any Franchisee Advisory Group or Marketing Advisory Council and each of the following, whether past, current or future: companies and/or persons acting through and/or in concert with us and/or with any of the foregoing; partners, shareholders, officers, directors, agents, attorneys, accountants, and/or employees of ours and/or of any of the foregoing; and predecessors, successors and/or assigns of ours and/or of any of the foregoing.

Franchisee(s) Initials:

Date of Releases, Joint and Several Liability. The releases granted hereunder shall be deemed effective as of the date hereof. The liabilities and obligations of each of the Franchisee(s) (and any other person/entity providing releases to the Franchisor Related Parties) shall be joint and several.

Franchisee(s) Initials:

**ATTACHMENT 9
SBA ADDENDUM**

(FOR FRANCHISEES WITH SBA FUNDING ONLY)

THIS ADDENDUM (Addendum) is made and entered into on _____, 20____ by LLJ Franchise, LLC located at 17915 Sky Park Circle, Suite J, Irvine, CA 92614 (Franchisor), and _____, located at _____ (Franchisee).

Recitals

- A. Franchisor and Franchisee entered into a Franchise Agreement on _____, 20____, (Franchise Agreement). The Franchisee agreed among other things to operate and maintain a franchise located at _____ designated by Franchisor as Unit #_____ (Unit).
- B. Franchisee has obtained from a lender a loan (Loan) in which funding is provided with the assistance of the United States Small Business Administration (SBA). SBA requires the execution of this Addendum as a condition for obtaining the SBA assisted financing.

NOW, THEREFORE, in consideration of the mutual promises below, and for good and valuable consideration in hand paid by each of the parties to the others, the receipt and sufficiency of which the parties acknowledge, the parties agree as follows:

1. The Franchise Agreement is in full force and effect, and Franchisor has sent no official notice of default to Franchisee under the Franchise Agreement that remains uncured on the date hereof.
2. **Section 3.4** grants to Franchisor the right to exercise its judgment however it considers appropriate in its Business Judgment, without any limitation. The parties hereto acknowledge and agree that Section 3.4 is qualified by and subject to items 8 and 9 of this Addendum and Section 9.1 of the Franchise Agreement, which provide that Franchisor will not unreasonably withhold its consent to a transfer under the subject terms.
3. **Section 3.25** provides for a start date as defined in the said section. For the avoidance of doubt, Franchisor and Franchisee agree and affirm that the Franchise Agreement is deemed effective upon signing of the same by the parties hereto.
4. **Section 5** of the Franchise Agreement is amended to include the following additional term: "If Franchisee is required by Franchisor to use or participate in the services described in Sections 5.1, 5.2, 5.3 and 5.5 of the Franchise

Agreement and Franchisor is the exclusive supplier for such services, Franchisor will not charge Franchisee an additional fee for such services, unless such a fee is already provided for or reserved under the Franchise Agreement.”

5. **Section 8.7**, in relation to the **Personal Guaranty and Subordination Agreement**, is hereby amended to provide that, notwithstanding the terms of Section 8.7 and Attachment 6 to the Franchise Agreement (Personal Guaranty), a guarantor will not be responsible for the Franchisee’s conduct occurring, or its obligations incurred, subsequent to the date of transfer of such guarantor’s interest in the Franchise Agreement.
6. Notwithstanding the provisions of **Section 8.8** of the Franchise Agreement, except for security interests in favor of an SBA commercial lender (which will have first priority over Franchisor’s security interest), no person has (or, in the case of after-acquired collateral, at the time franchisee acquires rights therein, will have) any right, title, claim, or interest (by way of security interest or other lien or charge) in, against or to the Collateral.
7. **Section 9.3** is amended to provide that notwithstanding any language to the contrary in Section 9.3, neither the Franchisor nor its assignees will exercise their right of first refusal for any partial transfer of the Franchised Business. However, Franchisor and its assignee reserve the right to acquire 100% ownership of the Franchised Business, as provided in Section 9.3.
8. In cases of transfers upon death, **Section 9.6** is amended to the effect that Franchisor will not unreasonably withhold, delay, or condition its consent to any transfer to or by an heir or beneficiary.
9. In cases of transfers to a controlled entity, **Section 9.8** is amended to the effect that Franchisor will not unreasonably withhold, delay, or condition its consent in connection with such a transfer.
10. **Section 10.3(e)** is amended to provide that the Franchisor has an option to purchase any or all of the physical assets of the **JUICE IT UP** Unit, including its equipment, supplies and inventory, during a period of sixty (60) days following the effective date of Termination. Franchisor must send written notice to Franchisee within thirty (30) days after Termination of this Agreement of its election to exercise the option to purchase. The valuation for any or all of the physical assets of the **JUICE IT UP** Unit, including its equipment, supplies and inventory, during a period of sixty (60) days following the effective date of Termination, shall be the fair market value mutually agreed upon by the parties. If the parties cannot agree on the fair market value, an appraiser will be mutually chosen and designated by the parties to determine the fair market value. If the appraiser’s findings are not satisfactory to all of the parties, three (3) appraisers will be chosen to determine fair market value; one (1) appraiser will be chosen by Franchisor, one (1) appraiser will be chosen by the Franchisee, and the two (2) appraisers so chosen will choose the third appraiser. The determination of the three (3) appraisers will be final and binding on the Franchisor and the Franchisee. Franchisee must sign a bill of sale and any other documents necessary to complete the sale on the terms set out above.

11. **Section 10.3(g)** of the Franchise Agreement grants to the Franchisor the option to purchase the real estate (if owned by the Franchisee) upon which the business is located, if the option is exercised within thirty (30) days after Termination of the Franchise Agreement. Notwithstanding the provisions of Section 10.3 (g), Franchisor and Franchisee agree that Franchisee has the option of deciding whether or not to sell Franchisee's real property interests as provided in such Section. If Franchisee agrees to sell and if Franchisor and Franchisee fail to agree upon the fair market value of the property within the option period, each must appoint an appraiser and the two appraisers thus appointed must agree on and appoint a third appraiser within ninety (90) days after Franchisor has given notice of Franchisor's election to purchase. The appraisers, or a majority of them, must determine the fair market value of the premises of the **JUICE IT UP** Unit. This determination will be final and binding upon both Franchisor and Franchisee. The full purchase price must be paid at closing.

12. This Addendum automatically terminates on the earliest to occur of the following:
(i) a Termination occurs under the Franchise Agreement; (ii) the Loan is paid; or (iii) the SBA no longer has any interest in the Loan.

IN WITNESS WHEREOF, the parties hereto have duly signed and executed this Addendum as of the day and year first above written.

FRANCHISOR:

FRANCHISEE:

LLJ Franchise, LLC

By: _____

By: _____

Print Name: Frank N. Easterbrook

Print Name: _____

Title: President

EXHIBIT C-3

TO THE DISCLOSURE DOCUMENT

AREA DEVELOPMENT AGREEMENT



live life juiced®

AREA DEVELOPMENT AGREEMENT

EXHIBIT C-3

JUICE IT UP® AREA DEVELOPMENT AGREEMENT

1. Parties

THIS AREA DEVELOPMENT AGREEMENT (this “**Agreement**”) is made on _____ [date], (the “**Effective Date**”) by and between LLJ Franchise, LLC (“**LLJ**,” “**we**,” “**our**” or “**us**”), and _____ [developer’s name or Entity name] (“**you**” or “**your**”). Capitalized words that are not defined in this Agreement will have the same meaning as set forth in the JUICE IT UP Franchise Agreement signed by you concurrently with signing this Agreement.

2. Recitals

A. We are the Licensor of certain intellectual property rights, including LLJ’s Trade Name, “**JUICE IT UP®**” and the Marks consisting of the words “**JUICE IT UP**”, other word marks and stylized designs marks. We have spent a considerable amount of time, effort, and money to devise, and continue to develop, proprietary recipes, trade secrets, commercial ideas, administrative procedures, operating methods, information on sources of supply, marketing strategies, business forms, advertising materials, distinctive signs, trade dress, uniforms and employee training techniques, that, taken together, comprise a proprietary System for the operation of **JUICE IT UP®** Units.

B. We would like to expand and develop the System, and seek experienced and efficient multi-unit franchisees who will develop and operate Units as part of the System.

C. You would like to obtain the right to own and operate multiple **JUICE IT UP** Units in a designated geographical area, and pay an Area Development Fee in connection with each such **JUICE IT UP®** Unit.

D. You would like to own and operate **JUICE IT UP** Units and we would like to grant to you the right to own and operate Units in accordance with the terms and on the conditions contained in this Agreement and the applicable Franchise Agreement.

THEREFORE, IT IS AGREED:

3. Grant of Rights

3.1 Grant of Right

3.1.1 We grant to you and you accept the right, during the Term (defined below), to develop “**JUICE IT UP**” Units solely at Traditional Locations, in the Development Area, on the terms and subject to the conditions stated in this Agreement.

3.1.2 No right or license is granted to you hereunder to use any trademarks, trade names, service marks, logotypes, insignias, trade dress or designs owned by us, such right and license being granted solely pursuant to Franchise Agreements executed

pursuant hereto. Without limiting the generality of the foregoing, nothing in this Agreement shall permit you to own or operate a JUICE IT UP Unit, except pursuant to duly executed and fully effective Franchise Agreement. You shall not use such trademarks, trade names, service marks, logotypes, insignias, trade dress or designs in any manner or for any purpose, including in connection with any offering of securities or any request for credit, without our prior written approval.

You represent that all JUICE IT UP Units listed on the Development Schedule are for your sole ownership, use and operation. You may not offer, sell, or negotiate the sale of individual **JUICE IT UP** Units to any third party, either in your own name or in our name and on our behalf, or otherwise subfranchise, share, divide or partition this Agreement. Nothing in this Agreement will be construed as granting you the right to do so.

Only JUICE IT UP Units newly established by you at Traditional Locations within the Development Area will count to satisfy the requirements of this Agreement and the Development Schedule. Any franchises acquired by transfer or to be located outside the Development Area will not satisfy such requirements.

As used in this Agreement, “**Non-Traditional Unit**” means a Unit, located within another primary business or in conjunction with other businesses or at institutional settings (other than a kiosk Unit that we approve under the terms of a franchise agreement with you), including, toll roads, hotels and motels, casinos, airports, sports arena, stadiums, train stations, casinos, theme parks, military and other governmental facilities, movie theaters, hospitals, grocery stores, supermarkets, convenience stores, schools, college and university campus, piers, gyms, offices or in-plant food service facilities, shopping mall food courts operated by a master concessionaire, and any site for which the lessor, owner or operator thereof shall have indicated its intent to prefer or limit the operation of its food service facilities to a master concessionaire or contract food service provider. A “**Traditional Unit**” means a full-size, “brick and mortar” physical location and Units other than as defined above for Non-Traditional Units but also includes a kiosk Unit that we approve under the terms of a franchise agreement with you.

3.2 Area Development Schedule

3.2.1 You and we acknowledge and agree that the deadlines set forth in the Development Schedule are the essence of this Agreement. No modification or amendment to the Development Schedule or any consent to or waiver of any deadline or other obligation of this Agreement will either (i) create any obligation to grant additional modifications, amendments, consents or waivers or (ii) be effective unless made by mutual written agreement. Any modification or amendment to the Development Schedule or otherwise will be in our Business Judgment and may be subject to conditions, including (but not limited to) a General Release. You agree to construct, equip, open, and thereafter continue to maintain as open and operating at, and only at, Traditional Locations accepted by us within the Development Area not less

than the cumulative number of Units stated in Attachment 2 to this Agreement within the time periods specified in Attachment 2.

3.2.2 You must execute a Franchise Agreement and pay the required initial franchise fees by the date specified on the Development Schedule, you must also and (in accordance with this Agreement) sign a lease or purchase agreement and complete the build out and opening of each Development Unit on or before the specified Opening Date for each Development Unit as specified on the Development Schedule.

3.3 Development Rights Reserved to LLJ; Limitations On Your Rights

During the Term, we may not operate or grant a franchise to any other person to operate a **Traditional** Unit within the Development Area. Except as provided in the preceding sentence, we expressly reserve all other rights, including the exclusive, unrestricted right, in our Business Judgment, directly and indirectly, for us or through our employees, Franchisor Related Parties, representatives, licensees, assigns, agents and others, (i) to own or operate and to franchise or license others to own or operate Units *under names other than* the JUICE IT UP Marks at any location whatsoever as well as **Non-Traditional** Units operated under the Marks, even if located within the Development Area, and regardless of the proximity to any Unit developed or under development or consideration by you; and (ii) to produce, license, distribute and market “**JUICE IT UP**” brand named products, and products bearing other marks, including food and beverage products, clothing, souvenirs and novelty items, at or through any location or outlet, including grocery stores and convenience stores (including those which may be located within the Development Area), and through any distribution channel, at wholesale or retail, including by means of mail order catalogs, direct mail advertising, Internet or Social Media channels and other distribution methods.

During the term of this Agreement and prior to the development of any Non-Traditional Unit in the Development Area by us or any third party we may license as permitted above (the “Proposed NTU”), we will provide you with written notice of the price, location and other primary terms related to the Proposed NTU (the “NTU Notice”). You will have an opportunity to advise us of your interest in assuming development of the Proposed NTU as specified under the exact terms of the NTU Notice as the next succeeding unopened Unit listed on your Development Schedule and for which significant and/or binding development activities have not yet commenced as of the date of the NTU Notice. You must provide your written response to the NTU Notice on or before the expiration of thirty (30) days from the date we transmit the NTU Notice, which response will be effective and binding on us only upon our confirmation of your ability to meet the financial, timing and other requirements necessary to complete the Proposed NTU development. If you are permitted by us to proceed to develop the Proposed NTU, you will comply with all requirements of this Agreement and the applicable franchise agreement you sign related to such Unit including any addenda to the franchise agreement which may be required due to any unique or special requirements related to the Proposed NTU.

You agree to provide a copy of your Development Schedule, a recent financial statement or other documentation to assist us in assessing your ability to meet such requirements, along with your response to the NTU Notice. Any rights granted to you related to the Proposed NTU will expire after the above-stated 30 day period. Your silence will be deemed as a refusal of the opportunity.

We have no obligation to send you any NTU Notice, you have no rights under this Section and we will maintain all development rights related to the Proposed NTU if, during the time the Proposed NTU is under consideration by us, any of the following exist:

a) you are not in Good Standing under this Agreement, any franchise agreement or any other agreement or obligation related to your Unit; or

b) if we determine, in our Business Judgment, that the Proposed NTU would be delayed or adversely impacted so as to pose an undue risk to the Proposed NTU opportunity, including the related financial and timing requirements.

3.4 Term and Renewal

3.4.1 Term

The term of this Agreement (the “**Term**”) will begin on the Effective Date and, unless extended or sooner terminated in accordance with the provisions of this Agreement, will automatically expire upon the **earlier of**: i) the latest Required Date for Opening of a Unit provided on Attachment 2; or ii) the actual Opening Date for the last scheduled Unit.

3.4.2 Renewal

You have no right to renew this Agreement.

3.5 Limited Additional Development Right

If during the term of this Agreement, we determine that further development of the Development Area is desirable, we will notify you in writing of our decision to develop additional Units in the Development Area. Subject to the conditions described below, you have a right to undertake any additional development that we have stated in our notice to you. Your right of additional development may be exercised only in accordance with the following section. If you do not exercise the right of additional development, we may, directly or through any Franchisor Related Party or franchisee construct, equip, open, and operate additional Units in the Development Area.

3.6 Exercise of Right of Additional Development

You must exercise your right to undertake for yourself the additional development described in the notice sent to you by us by signing our then-current form of Area Development Agreement within sixty (60) days after your receipt of such notice.

3.7 Conditions to Exercise of Right of Additional Development

Your right to additional development described above will be subject to your fulfillment in advance of the following conditions:

- (a) You must have fully performed all of your obligations under this Agreement and all other agreements between us and you.
- (b) You must have demonstrated to us your financial capacity to perform the additional development obligations stated in the new area development agreement. In determining if you are financially capable, we will apply the same criteria to you as it applies to new prospective area franchisees at that time.
- (c) At expiration of the Term, you will continue to operate in the Development Area not less than the aggregate number of Units required by the Area Development Schedules stated in Attachment 2.
- (d) You and we must have executed a new area development agreement pursuant to Section 3.6.
- (e) You and all of your Franchisee Related Parties who then have a currently effective franchise agreement or area development agreement with us must have executed and delivered to us a General Release, on a form prescribed by us.

4. Payments

4.1 Initial Area Development Fee

Concurrently with the execution of this Agreement, you shall pay us, or our designee, in cash or by certified check, the sum of \$_____ (representing one-half of the initial franchise fees for each of the ____ “**JUICE IT UP**” Units required to be opened during the Term pursuant to the Area Development Schedule) (the “**Area Development Fee**”). The Area Development Fee shall be deemed fully earned upon the execution hereof and shall not be refundable under any circumstances; provided that we shall credit the Area Development Fee against the initial franchise fee payable upon execution of each Franchise Agreement executed pursuant hereto at a maximum rate of one-half (50%) of the initial franchise fee owed for each Unit until the entire Area Development Fee has been so credited.

4.2 Initial Franchise Fees for Each JUICE IT UP Unit

Notwithstanding the terms of the Franchise Agreement executed for each JUICE IT UP Unit developed pursuant hereto, you shall pay to us or our designee, in cash or by certified check, an initial franchise fee equal to \$25,000 for the first, \$20,000 for the second and \$15,000 for each subsequent JUICE IT UP Unit to be developed pursuant hereto, which initial franchise fee shall be payable upon execution by you of each Franchise Agreement entered into pursuant to this Agreement, subject to the credit as described in Section 4.1.

5. Signing of Individual Franchise Agreements

5.1 Site Acceptance and Signing of Franchise Agreements

A. You are solely responsible for locating, securing and developing the site for each Development Unit according to any then applicable JUICE IT UP standards, guidelines and/or specifications.

B. You shall submit to us such information regarding a proposed site as we require, in the form and manner requested by us, together with the terms of any proposed lease. We may seek such additional information that we consider necessary, but our approval will not be unreasonably withheld. The terms of any such lease shall comply with the provisions of the Franchise Agreement applicable to such proposed site. Our consent to any site shall not be construed as a recommendation or warranty as to suitability or the success of the Development Unit to be located there. We make no such assurances of any kind.

C. Upon our written consent to any approved site, and subject to the conditions to the offer of a franchise provided in 5.1 D., below, you will pay to us the Initial Franchise Fee for each approved Development Unit and sign the then current form of Franchise Agreement along with any related documents then customarily used by us, including any appropriate receipts for disclosure documents. We may in connection with our evaluation of the proposed site require and consider financial statements or similar information satisfactory to us demonstrating financial capability and compliance with Section 5.2 of this Agreement.

D. Regardless of any other provision of this Agreement, you understand that we have the right to deny you a Franchise and/or not permit you to open a Development Unit if any of the following conditions are not met:

i) you are not in compliance with the provisions of any Franchise Agreement and/or are in default under this Agreement, any Franchise Agreement, the Manuals, or any other agreement with us and/or any Franchisor Related Party;

ii) you have not delivered all completed and signed documents currently required by us;

iii) you have not appointed a manager for the Development Unit who meets our then current training and other standards.

5.2 Condition To Our Obligations

Our obligations under the preceding section are applicable only if you have performed all of your obligations under this Agreement and every other agreement between you and us.

A. You (and each of your Franchisee Related Parties which have developed or operate JUICE IT UP Units in the Development Area) shall have fully performed all of your obligations under this Agreement and all Franchise Agreements and other written agreements between us and you (or any of your Franchisee Related Parties).

B. You shall have demonstrated to us your financial and other capacity to perform the obligations set forth in the proposed new Franchise Agreement, including your submission of a comprehensive management plan acceptable to, and accepted by us, which shall include among other reasonable requirements as may be established by us, an organization chart and supervisory requirements for the proposed "JUICE IT UP" Unit. In determining if you are financially or otherwise capable, we shall apply the same criteria to you as we apply to prospective area developers at that time.

C. You must continue to maintain as open and operating in Good Standing under applicable Franchise Agreements in the Development Area, the cumulative number of "JUICE IT UP" Units required by the Development Schedule

D. You, and each Franchisor Related Party who then has a currently effective franchise agreement or area development agreement with us, must sign a General Release of any and all known and unknown claims they may have against us and our Franchisor Related Parties, on a form attached as Attachment 3.

6. Transfer or Assignment

A. This Agreement is personal to you and based upon individual skills, resources, special qualities and characteristics and is not assignable, whether voluntarily or by operation of law, without our express written consent, which we may grant, condition or withhold in our Business Judgment. Assignment includes a Transfer of any Unit or your interest in this Agreement or an ownership change as defined in the Franchise Agreement signed by you and us contemporaneously with this Agreement. We may choose among other things to apply the provisions applicable to transfers as contained in the most current Unit franchise agreement between you and us, including those regarding rights of first refusal, to any transfer of this Agreement. Any assignment by you must be accompanied by a concurrent assignment to the same assignee of all of your interests in each Development Unit and each related franchise agreement. Any consent to transfer by us will be conditioned upon our receipt of a nonrefundable transfer fee of \$15,000, in addition to any such fees due under the applicable Unit franchise agreements. This area development transfer fee may be reduced or waived in our Business Judgment.

B. This Agreement is assignable by us, in whole or in part, without your consent and shall inure to the benefit of our successors and assigns. We have no liability to you upon such an assignment.

C. This Agreement shall not be deemed to diminish in any way any rights of first refusal and/or rights of repurchase held by us under any Franchise Agreement with you, whether effective now or in the future. If we purchase from you substantially all of

the operating assets of the Development Units, or all of their franchises are terminated or repurchased, you will have no rights, and we will have no obligations, under this Area Development Agreement.

7. Incorporated Provisions of Franchise Agreement

As provided in this Agreement and Attachment 2, you are, or shall become, concurrently with the signing of this Agreement, a JUICE IT UP Franchisee under the terms of a JUICE IT UP Unit Franchise Agreement substantially similar to the Franchise Agreement. The following provisions of the Franchise Agreement shall apply to this Agreement in the following manner:

A. Licensed Marks. The provisions of Section 7.1 of the Franchise Agreement shall apply to the use of the Marks under this Agreement and are incorporated herein.

B. Relationship and Indemnification. You and we are independent contractors, as provided in this Agreement. Therefore, the provisions of Article 8 of the Franchise Agreement shall apply in the same manner to you in your Area Development activities as they do to your JUICE IT UP Units and are incorporated herein. References made in such Sections to your JUICE IT UP Unit franchise and business operations shall be deemed to include your operations under this Agreement, including without limitation the indemnification obligations of Section 8.5.

C. Confidential Information; Exclusive Relationship. The provisions of Article 8 of the Franchise Agreement shall apply in the same manner to you in your Area Development activities as they do to your JUICE IT UP Unit franchise business and are incorporated herein. References made in Article 8 to your JUICE IT UP Unit Franchise and franchise business operations shall be deemed to include your operations under this Agreement.

D. Records and Reports. The provisions of Section 7.5 of the Franchise Agreement and the reporting and record requirements described therein shall apply in the same manner to your Area Development activities as they do to your JUICE IT UP Unit franchise business and are incorporated herein.

E. Dispute Avoidance and Resolution, Notice and Acknowledgments. The provisions of Article 11 of the Franchise Agreement shall apply to this Agreement and are incorporated herein, including without limitation those providing for damages and venue.

F. Rights on Termination, Transfer, and/or Repurchase. The provisions of Sections 9 and 10.3 of the Franchise Agreement shall apply to this Agreement and are incorporated herein.

8. Termination

Defaults and Termination

A. This Agreement may be terminated by us upon your receipt of written notice and without opportunity to cure, except as may be required by law, if:

1) You attempt to sell, assign, Transfer or encumber in whole or in part any or all rights and obligations under this Agreement in conflict with this Agreement;

2) You fail to meet on a timely basis any of the provisions of the Development Schedule, including without limitation, any Unit Opening Date or Fee Payment;

3) You commit to a lease unapproved by us, or begin the development and/or operation of a Development Unit, without having complied with the terms of this Agreement;

4) You or any of your Owners is judged bankrupt, becomes insolvent, makes an assignment for the benefit of creditors, is unable to pay his or her debts as they become due, or a petition under any bankruptcy law is filed against you or any of your owners or a receiver or other custodian is appointed for a substantial part of your assets;

5) You or any of your owners is convicted of, or pleads no contest to, a felony, or to any crime or offense that may adversely affect the good will associated with the Marks;

6) You commit any other breach of this Agreement.

B. Any default by you under this Agreement may be regarded by us as a default by you under the Franchise Agreement. Any default under any Franchise or other agreement with us or with any Franchisor Related Party may be considered by us to be a default under this Agreement. Any default by you under any agreement, lease or other obligation relating to any of your JUICE IT UP Units may be regarded as a default under this Agreement, regardless of whether or not any such agreements are between you and us. In all instances we shall be entitled to all rights and remedies available to us under the respective agreements, at law and in equity. If you default under any Franchise or other agreement, we may require you to stop all development activities/Unit openings under this Agreement unless and until you are permitted by us in writing to continue.

C. Upon a termination/expiration of this Agreement you have no rights under this Agreement, including without limitation, no right to the award of any further franchises or any refunds of any amounts paid. We shall be free to develop the Development Area in any manner we choose, including establishing Units owned by us

or any Franchisor Related Party or franchised Units in the Development Area, subject only to the terms of any applicable Unit franchise agreements.

D. Notwithstanding the provisions of Section 8.A (2), above, if the opening of a Development Unit is physically prevented by circumstances beyond human control, such as fire, flood, earthquake, riot, war, or similar circumstance, or we are unable to promptly deliver to you any required disclosure document, then you will be allowed such additional time as is reasonably necessary to open such Development Unit, but not longer than six (6) months. Such an extension shall be available exclusively to the Unit subject to the interrupted development and shall not apply to any subsequent Unit development deadlines or requirement dates.

8.1 Indemnity

You agree to protect, defend, and indemnify us, and all of our past, present, and future shareholders, direct and indirect parent companies, subsidiaries, Franchisee Related Parties, officers, directors, employees, attorneys, and designees and hold them harmless from and against any and all costs and expenses, including attorney fees, court costs, losses, damages, and demands of every kind or nature on account of any actual or alleged loss or injury to any person or entity or to any property arising in connection with your operation of the franchised business under this Agreement, except to the extent caused by our intentional acts in breach of this Agreement. The terms of this Section 8.1 shall survive the termination, expiration or cancellation of this Agreement.

9. Business Entity Area Developer

(a) If you are an Entity, stated below are the names and addresses of each of your shareholders, members or partners, as applicable:

NAME	NUMBER OF SHARES OR PERCENT OWNED	ADDRESS
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(b) If you are an Entity, stated below are the name and address of each of your director(s), manager(s) or general partner(s):

NAME	ADDRESS
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(c) The address where your financial records, and corporate or partnership records, as applicable, are maintained is: [address].

(d) If you are an Entity, stated below are the names and addresses and titles of your principal officers, managers or partners who will be devoting their full time to your business:

NAME	TITLE	ADDRESS
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(e) You must notify us in writing within ten (10) days of any change in the information stated in subparagraphs (a) through (d) above.

(f) You must promptly provide any additional information that we may from time to time request concerning all people who have any direct or indirect financial interest in you.

10. Miscellaneous Provisions

10.1 Construction of Contract

Section headings in this Agreement are for reference purposes only and will not in any way modify the statements contained in any section of this Agreement. Each word in this Agreement may be considered to include any number or gender that the context requires. As used in this Agreement, the words “include,” “includes” or “including” are used in a non-exclusive sense. Unless otherwise expressly provided herein to the contrary, any consent, acceptance, approval or authorization by us which you may be required to obtain hereunder may be given or withheld by us in our sole discretion, and on any occasion where we are required or permitted hereunder to make any judgment, determination or use its discretion, including any decision as to whether any condition or circumstance meets our standards or satisfaction, we may do so in our sole subjective judgment and discretion. Neither this Agreement nor any uncertainty or ambiguity herein shall be construed or resolved against the drafter hereof, whether under any rule of construction or otherwise. On the contrary, this Agreement has been reviewed by all parties and shall be construed and interpreted according to the ordinary meaning of the words used so as to fairly accomplish the purposes and intentions of all parties hereto. We and you intend that if any provision of this Agreement is susceptible

to two or more constructions, one of which would render the provision enforceable and the other or others of which would render the provision unenforceable, then the provision shall be given the meaning that renders it enforceable.

10.2 Notices

The parties to this agreement should direct any notices to the other party at the address below that party's name on the final page of this Agreement or at another address if advised in writing that the address has been changed. Notice may be delivered by facsimile (with simultaneous posting of a copy by first class mail), courier, or first class mail. Notice by facsimile will be considered delivered upon transmission; by courier, upon delivery; and by first class mail, three days after posting. Received mail must be used for any notice of termination.

10.3 Amendments

This Agreement may be amended only by a document signed by all of the parties to this Agreement or by their authorized agents.

10.4 Waiver

Waiver of any breach of this Agreement will not be interpreted as a waiver of any subsequent breach.

10.5 Integration

This Agreement, any exhibits or attachment to it constitutes the entire agreement between the parties concerning the rights granted under this Agreement. All prior and contemporaneous agreements and representations, other than those included in the offering circular, are superseded by it.

10.6 Approval and Guaranties

If you are an Entity, all officers, managers, general partners and Owners must approve this Agreement, permit you to furnish the financial information required by us, and agree to the restrictions placed on them, including restrictions on the transferability of their interests in the franchise and franchised Units and limitations on their rights to compete, and sign the Owner's personal guarantee attached as Attachment 4 to this Agreement.

10.7 Acceptance by LLJ

This Agreement will not be binding on us unless and until it has been signed by one of our authorized officers.

10.8 Relationship between the Parties

You and we understand and agree that neither party is the employer, employee, agent, partner or co-venturer of or with the other, each being independent. You agree that you will not hold yourself out as our agent, employee, partner or co-venturer. You have no authority to create or assume in our name or on behalf of us, any obligation, express or implied, or to act or purport to act as agent or representative on behalf of us for any purpose whatsoever. All employees hired by or working for you shall be your employees and shall not, for any purpose, be deemed employees of us or subject to our control. Each of the parties agrees to file its own tax, regulatory and payroll reports with respect to its respective employees and operations, saving and indemnifying the other party hereto of and from any liability of any nature whatsoever by virtue thereof.

10.9 Survival of Covenants

The covenants contained in this Agreement which, by their nature or terms, require performance by the parties after the expiration or termination of this Agreement shall be enforceable notwithstanding said expiration or other termination of this Agreement for any reason whatsoever.

10.10 Successors and Assigns

This Agreement shall be binding upon and inure to the benefit of each parties' successors and assigns, their respective, heirs, executors, administrators, and its successors and assigns, subject to the prohibitions and restrictions against Assignment contained herein.

10.11 Joint and Several Liability

If you consist of more than one person or Entity, or a combination thereof, the obligations and liabilities of each of such person or Entity to us are joint and several, and such person(s) or Entities shall be deemed to be general partnership.

10.12 Security Interest

You will not have the right to give any third party a security interest in this Agreement in any manner whatsoever without the express prior written permission of LLJ, which permission may be withheld for any reason whatsoever in LLJ's sole subjective judgment. To the extent that the foregoing prohibition may be ineffective under applicable law, you must provide not less than 10 days prior written notice (which notice shall contain the name and address of the secured party and the terms of such security interest) of any security interest in this Agreement.

10.13 Counterparts

This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which together shall be deemed to be one and the same instrument.

10.14 Submission of Agreement

The submission of this Agreement does not constitute an offer and this Agreement shall become effective only upon the execution thereof by you and us. You acknowledge that you have carefully read this Agreement and all other related documents to be executed concurrently or in conjunction with the execution hereof, that it has obtained the advice of counsel in connection with entering into this Agreement, that it understands the nature of this Agreement, and that it intends to comply herewith and be bound hereby.

10.15 Disclaimer of Representations

NO REPRESENTATIONS OR PROMISES OF ANY KIND HAVE BEEN MADE BY LLJ TO INDUCE YOU TO SIGN THIS AGREEMENT EXCEPT THOSE SPECIFICALLY STATED IN THE FRANCHISE DISCLOSURE DOCUMENTS THAT HAVE BEEN DELIVERED TO YOU. YOU ACKNOWLEDGE THAT NEITHER LLJ NOR ANY OTHER PERSON HAS GUARANTEED THAT YOU WILL SUCCEED IN THE OPERATION OF THE FRANCHISED JUICE BARS OR HAS PROVIDED ANY SALES OR INCOME PROJECTIONS OF ANY KIND TO YOU. YOU HAVE MADE AN INDEPENDENT INVESTIGATION OF ALL IMPORTANT ASPECTS OF THE JUICE IT UP UNITS. YOU UNDERSTAND THAT LLJ IS NOT A FIDUCIARY TO YOU AND HAS NO SPECIAL RESPONSIBILITIES BEYOND THE NORMAL RESPONSIBILITIES OF A SELLER IN A BUSINESS TRANSACTION.

IN WITNESS TO THE PROVISIONS OF THIS AGREEMENT, the undersigned have signed it as of the date first above written.

FRANCHISOR: LLJ FRANCHISE, LLC

By: _____
Frank N. Easterbrook, President
Address:
17915 Sky Park Circle, Suite J
Irvine, CA 92614

DEVELOPER: _____

By: _____
Address:

ATTACHMENT 1
DEVELOPMENT AREA

“Development Area” means the geographic area described above. Any change in the name, increase or decrease, size, boundary lines and/or population of the cities, counties or political subdivisions, if any, included within the Development Area shall not affect the Development Area as it is described above. Your Development Area will be deemed to have the same name, geographic boundaries, etc., as those designated above on the Effective Date of this Agreement.

ATTACHMENT 2
DEVELOPMENT SCHEDULE
“Traditional” Locations Only

<u>Development Unit</u>	<u>Required Dates for Signing of Separate Franchise Agreements and Related Documents and Payment of Initial Franchise Fees in Full</u>	<u>Required Date for Opening of Unit</u>
1	_____	_____
2	_____	_____
3	_____	_____
4	_____	_____
5	_____	_____
6	_____	_____
7	_____	_____
8	_____	_____
9	_____	_____
10	_____	_____

The foregoing lists all Juice It Up Units granted under this Agreement.

Developer's Initials _____

ATTACHMENT 3

GENERAL RELEASING LANGUAGE

Current Form of Releasing Language
(subject to change by Franchisor)
(This is a Form - NOT for Signature)

Release - General Provisions. The Franchisee(s), jointly and severally, hereby release and forever discharge each and all of the Franchisor Related Parties (as defined below) of and from any and all causes of action, in law or in equity, suits, debts, liens, defaults under contracts, leases, agreements or promises, liabilities, claims, demands, damages, losses, costs or expenses, of any nature whatsoever, howsoever arising, known or unknown, fixed or contingent, past or present, that the Franchisee(s) (or any of them) now has or may hereafter have against all or any of the Franchisor Related Parties by reason of any matter, cause or thing whatsoever from the beginning of time to the date hereof (the "Claims"), it being the mutual intention of the parties that this release be unqualifiedly general in scope and effect and that any Claims against any of the Franchisor Related Parties are hereby forever canceled and forgiven.

THE FRANCHISEE (S) ACKNOWLEDGE THAT THEY ARE FAMILIAR WITH THE PROVISIONS OF CALIFORNIA CIVIL CODE SECTION 1542, WHICH PROVIDES AS FOLLOWS:

"A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR."

THE FRANCHISEE(S), BEING AWARE OF THIS CODE SECTION, HEREBY EXPRESSLY WAIVE ALL OF THEIR RIGHTS THEREUNDER AS WELL AS UNDER ANY OTHER STATUTES OR COMMON LAW PRINCIPLES OF SIMILAR EFFECT OF ANY APPLICABLE JURISDICTION, INCLUDING, WITHOUT LIMITATION, CALIFORNIA AND/OR JURISDICTIONS OF FRANCHISEE(S)' RESIDENCE AND LOCATION OF FRANCHISED CENTER; provided that if this Release is given in connection with the award of a franchise, then this release shall not apply to Claims relating to the offer and sale of such franchise under the California Franchise Investment Law or any rule or order issued thereunder.

The Franchisee(s) expressly assume the risk of any mistake of fact or fact of which they may be unaware or that the true facts may be other than any facts now known or believed to exist by Franchisee(s), and it is the Franchisee(s) intention to forever settle, adjust and compromise any and all present and/or future disputes with respect to all matters from the beginning of time to the date of this document finally and forever and without regard to who may or may not have been correct in their understanding of the facts, law or otherwise. All releases given by the Franchisee(s) are intended to constitute a full, complete, unconditional and immediate substitution for any and all rights, claims, demands and causes of action whatsoever which exist, or might have existed, on the date of this document. The Franchisee(s) represent and warrant that they have made such independent investigation of the facts, law and otherwise pertaining to all matters discussed, referred to or released in or by this

document as the Franchisee(s), in the Franchisee(s) independent judgment, believe necessary or appropriate. The Franchisee(s) have not relied on any statement, promise, representation or otherwise, whether of fact, law or otherwise, or lack of disclosure of any fact, law or otherwise, by the Franchisor-Related Persons/Entities or anyone else, not expressly set forth herein, in executing this document and/or the related releases.

Franchisee(s) Initials:

No Assignment or Transfer of Interest. The Franchisee(s) represent and warrant that there has been, and there will be, no assignment or other transfer of any interest in any Claims that the Franchisee(s) may have against any or all of the Franchisor Related Parties, all Claims having been fully and finally extinguished, and the Franchisee(s) agree to forever indemnify and hold the Franchisor Related Parties harmless from any liability, claims, demands, damages, losses, costs, expenses or attorneys' fees incurred by any of the Franchisor Related Parties as a result of any person asserting any interest in any of the Claims and/or any voluntary, involuntary or other assignment or transfer, or any rights or claims under any assignment, transfer or otherwise. It is the intention of the parties that this indemnity does not require payment by any of the Franchisor Related Parties as a condition precedent to recovery against the Franchisee(s) under this indemnity.

Franchisee(s) Initials:

Attorneys' Fees. If the Franchisee(s), or anyone acting for, or on behalf of, the Franchisee(s) or claiming to have received, by assignment or otherwise, any interest in any of the Claims, commence, join in, or in any manner seek relief through any suit (or otherwise) arising out of, based upon or relating to any of the Claims released hereunder or in any manner asserts against all or any of the Franchisor Related Parties any of the Claims released hereunder, the Franchisee(s) agree to pay all attorneys' fees and other costs incurred by any of the Franchisor Related Parties in defending or otherwise responding to said suit or assertion directly to the Franchisor Related Parties incurring such costs.

Franchisee(s) Initials:

"Franchisor Related Parties." Franchisor, Franchisor's affiliates, any advertising fund, any Franchisee Advisory Group and each of the following, whether past, current or future: companies and/or persons acting through and/or in concert with us and/or with any of the foregoing; partners, shareholders, officers, directors, agents, attorneys, accountants, and/or employees of ours and/or of any of the foregoing; and predecessors, successors and/or assigns of ours and/or of any of the foregoing.

Franchisee(s) Initials:

Date of Releases, Joint and Several Liability. The releases granted hereunder shall be deemed effective as of the date hereof. The liabilities and obligations of each of the Franchisee(s) (and any other person/entity providing releases to the Franchisor Related Parties) shall be joint and several.

Franchisee(s) Initials:

ATTACHMENT 4

OWNER'S GUARANTY AND ASSUMPTION OF BUSINESS ENTITY FRANCHISEE'S OBLIGATIONS

In consideration of, and as an inducement to, the execution by LLJ Franchise, LLC, a California Limited Liability Company, ("Franchisor") of the Area Development agreement of even date herewith (the "Agreement") between Franchisor and _____, a(n) _____ (the "Area Developer"), each of the undersigned hereby personally and unconditionally, jointly and severally: (1) guarantees to Franchisor, its affiliates, the Franchisor Related Parties (as defined in the Agreement) and each of their successors and assigns, for the term of the Agreement and thereafter as provided in the Agreement, that the undersigned will be bound by, and punctually pay and perform, each and every undertaking, agreement and covenant set forth in the Agreement; (2) agrees to be personally bound by, and personally liable for, the breach of, each and every provision in the Agreement; and (3) agrees to be personally bound by, and personally liable for, each obligation of the Area Developer to Franchisor and/or any company affiliated or related in any way with or to Franchisor, including all past, current and/or future obligations of the Area Developer, the undersigned intending that this guarantee be unqualifiedly general and without limitation in scope, nature and/or effect. Franchisor (and/or its affiliates) need not bring suit first against the undersigned in order to enforce this guarantee and may enforce this guarantee against any or all of the undersigned as it chooses in its Business Judgment.

Each of the undersigned waives:

- (1) acceptance and notice of acceptance by Franchisor, of the foregoing undertakings;
- (2) notice of demand for payment of any indebtedness or nonperformance of any obligations hereby guaranteed;
- (3) protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations hereby guaranteed;
- (4) any right the undersigned may have to require that an action be brought against Franchisor, Area Developer or any other person as a condition of liability; and
- (5) any and all other notices and legal or equitable defenses to which he or she may be entitled.

Each of the undersigned consents and agrees that:

- (1) his or her direct and immediate liability under this guaranty will be joint and several;
- (2) he and/or she will render any payment or performance required under the Agreement on demand if the Area Developer fails or refuses to do so punctually;

(3) such liability will not be contingent or conditioned on pursuit by Franchisor of any remedies against the Area Developer or any other person;

(4) such liability will not be diminished, relieved or otherwise affected by any extension of time, credit or other indulgence which Franchisor may from time-to-time grant to the Area Developer or to any other person, including without limitation the acceptance of any partial payment or performance, or the compromise or release of any claims, none of which will in any way modify or amend this guaranty, which will be continuing and irrevocable during the term of the Agreement;

(5) the liabilities and obligations of the undersigned, whether under this document or otherwise, will not be diminished or otherwise affected by the termination, rescission, expiration or otherwise of the Agreement; and

(6) the provisions of Article 7 of the Agreement are incorporated in and will apply to this document as if fully set forth herein and shall apply to any dispute involving the Franchisor and any of the undersigned.

In connection with such guarantee and the Franchisor (a) not requiring that the Franchise be initially awarded in the name of one or more of the Guarantors and/or (b) not requiring the payment of a full transfer fee in connection with any related transfer from the undersigned to the Area Developer, each of the undersigned hereby grants a General Release of any and all claims, liabilities and/or obligations, of any nature whatsoever, however arising, known or unknown, against the Franchisor and/or any or all of the Franchisor Related Parties.

IN WITNESS WHEREOF, each of the undersigned has here unto affixed his or her signature on the same day and year as the Agreement was executed.

GUARANTOR(S)	PERCENTAGE OF OWNERSHIP OF Area Developer
_____	_____ %
_____	_____ %
_____	_____ %
_____	_____ %

Area Developer:

_____, a _____.

By _____

Its _____

EXHIBIT C-4

TO THE DISCLOSURE DOCUMENT

CALIFORNIA ADDENDUM

California

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

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

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

The Franchise Agreement contains a covenant not to compete that continues after the termination of the franchise. This provision may not be enforceable under California law.

Under both the California Franchise Relations Act and the Franchise Investment Law, a provision in an Area Franchise Agreement that requires you to waive your rights under either or both of these laws is void. Any release of claims that the franchisor asks you to sign will specifically exclude claims under these franchise laws.

Section 31125 of the California Corporations Code requires the franchisor to give the franchise a special Disclosure Document before soliciting a proposed material modification of an existing franchise.

Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Profession Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California.

OUR WEBSITE ADDRESS IS WWW.JUICEITUP.COM. OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF CORPORATIONS. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF CORPORATIONS AT WWW.CORP.CA.GOV.

THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF EACH PROPOSED AGREEMENT RELATING TO THE GRANT OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE DISCLOSURE DOCUMENT.

EXHIBIT C-5

TO THE DISCLOSURE DOCUMENT

CLOSING QUESTIONNAIRE



live life juiced®

CLOSING QUESTIONNAIRE

LLJ FRANCHISE, LLC
CLOSING QUESTIONNAIRE

The undersigned Franchisee/Developer desires to enter into (check one): a Franchise Agreement or an Area Development Agreement with LLJ Franchise, LLC for the development area described below (the "Development Area"). LLJ Franchise, LLC (the "Company") requires that the Franchisee/Developer complete this questionnaire in order to enable the Company to confirm that it and its employees and representatives have fully complied with all applicable franchise registration and disclosure laws.

1. Full name of Franchisee/Developer:

2. Franchise Location or Development Area:

3. Franchisee/Developer is: (Check applicable box)
 An individual
 A corporation
 A limited liability company
 A general partnership
 A limited partnership

4. If Franchisee/Developer is other than an individual, indicate the capacity in which the individual signing this questionnaire on behalf of Franchisee/Developer is authorized to act on behalf of the Franchisee/Developer: (Check applicable box)
 Officer (insert title): _____
 Manager: _____
 General Partner: _____
 Other (please explain): _____

5. Did Franchisee/Developer receive a Franchise Disclosure Document?
 Yes No

6. Did Franchisee/Developer receive a copy of the Company's Franchise Disclosure Document (and all exhibits and attachments) at least 14 days prior to signing the Area Development Agreement/Franchise Agreement? Check one: Yes No. If no, please comment:

7. Below, please indicate the contracts proposed to be executed by the Franchisee/Developer in connection with execution of the Area Development Agreement or Franchise Agreement, as applicable (collectively referred to as the "Agreements"):

Agreement(s)

- Area Development Agreement
- Franchise Agreement
- Electronic Funds Transfer Agreement
- Lease Assignment Agreement
- Nondisclosure and Noncompetition Agreement
- Terms of Use – Juice Net Website
- Personal Guaranty
- General Release
- _____
- _____

8. Did Franchisee/Developer receive a copy of the final form of each Agreement that Franchisee/Developer is signing at least 7 days prior to the date on which each Agreement was executed? Check one: Yes No.

If no, please explain:

9. Name of salesperson(s) handling this sale for Company:

10. Were any oral, written, or visual statements or claims made to the Franchisee/Developer by the Company, by the salesperson(s) listed above, or any other representatives of Company concerning the actual sales, income profits or earnings of any franchised or company-owned store(s), or potential sales, income, profits or earnings that could be anticipated at any location,

including a location within the Development Area, or the likelihood of success of Franchisee's/Developer's business? [] Yes [] No.

If yes, please explain in detail (attach additional sheet if necessary) and if none, write "none":

11. Did any employee or other person speaking on behalf of Company make any statement or promise regarding the costs involved in operating a franchise that is not contained in the Franchise Disclosure Document. Check one: () Yes () No. If yes, please comment:

12. Did Franchisee/Developer carefully review and understand the Franchise Disclosure Document, the Area Development Agreement or Franchise Agreement, as applicable, and the other Agreements? [] Yes [] No

If no, please explain:

13. Did Franchisee/Developer ask the Company any questions concerning the Franchise Disclosure Document or Agreements that were not satisfactorily answered? [] Yes [] No

If yes, please explain:

14. Did the salesperson(s) listed above, or any other employee or representative of the Company, make any statement to the Franchisee/Developer which is inconsistent with the information described in the Franchise Disclosure Document? Yes No

If yes, please explain:

15. Did the Franchisee/Developer contact other area Franchisee/Developers and franchisees of the Company to discuss Franchisee/Developer's possible execution of the area development agreement or franchise agreement, as applicable? Yes No

16. If your answer to question 15 was yes, please identify such area Franchisee/Developers or franchisees (attach extra sheets if necessary):

17. Did the Franchisee/Developer employ an attorney to render advice to Franchisee/Developer concerning the execution of the Area Development Agreement or Franchise Agreement, as applicable? Yes No.

If yes, please insert the name address and telephone number of such attorney:

18. Did the Franchisee/Developer consult with an accountant or other financial advisor in connection with the execution of the Area Development Agreement or Franchise Agreement, as applicable? Yes No.

If yes, please insert the name address and telephone number of such accountant or financial advisor:

Accountant

Other (please describe) _____

-
-
19. Has Franchisee/Developer, directly or through one or more affiliated business entities, previously constructed a "JUICE IT UP" Unit? [] Yes [] No; if "yes", how many?_____.
20. Has Franchisee/Developer, directly or through one or more affiliated business entities, previously operated a "JUICE IT UP" Unit? [] Yes [] No; if "yes", for how long?_____.
21. If Franchisee/Developer has checked "yes" to question 19 and/or 20, Franchisee/Developer represents and agrees that Franchisee/Developer is entering into the Franchise Agreement or Area Development Agreement, as applicable, based on Franchisee/Developer's own knowledge of, and experience with, the "JUICE IT UP" System, and Franchisee/Developer's other restaurant(s), and not in reliance upon any statements or information made or provided, or alleged to have been made or provided, by Company or its affiliates, or any of its or their officers, directors, agents, employees or representatives.

AGREED: _____
Franchisee/Developer's Initials

22. Has it been discussed and made clear to you that opening, operating and owning a JUICE IT UP Unit requires hard work and demands your complete focus, dedication and attention to help achieve a successful business? [] Yes [] No

Franchisee/Developer understands that the Company is acting in reliance on the truthfulness and completeness of the Franchisee/Developer's responses to the questions above in entering into the Area Development Agreement or Franchise Agreement with Franchisee/Developer. FRANCHISEE/DEVELOPER ACKNOWLEDGES AND AGREES THAT IN THE EVENT THAT ANY DISPUTE ARISES, THIS QUESTIONNAIRE SHALL BE ADMISSIBLE AS EVIDENCE IN ANY LEGAL ACTION OR ARBITRATION PROCEEDING, AND FRANCHISEE/DEVELOPER HEREBY WAIVES, TO THE FULLEST EXTENT PERMISSIBLE UNDER THE LAW, ANY OBJECTION TO SUCH ADMISSION OF THIS QUESTIONNAIRE.

FRANCHISEE/DEVELOPER

DATED: _____

(Print name)

Individually and on behalf of:

EXHIBIT C-6

TO THE DISCLOSURE DOCUMENT

EQUIPMENT LEASE

EQUIPMENT LEASE AGREEMENT

This EQUIPMENT LEASE AGREEMENT (this "Agreement") is made effective as of _____ (the "Effective Date"), by and between Balboa Brands, Inc., a Delaware corporation, with an address of 17915 Sky Park Circle, Ste J, Irvine, CA 92614 ("Lessor"), and _____, a (name state corporation) or (an individual) located at _____ ("Lessee").

Recitals:

A. Lessor is the Owner of the equipment set forth in Exhibit "A" attached hereto and incorporated herein (the "Equipment").

B. Lessee desires to lease to lease the Equipment from Lessor in exchange for the compensation and on the other terms and conditions specified herein.

Agreement:

NOW, THEREFORE, in exchange for such consideration set forth herein, and for other good and valuable consideration, the receipt of which is hereby acknowledged, the parties hereby represent and agree as follows:

1. Equipment Lease. Lessor hereby leases the Equipment to Lessee, and Lessee hereby leases the Equipment from Lessor, for Lessee's use in the ordinary course of Lessee's smoothie store business, pursuant to the terms and conditions herein.

2. Term. The term of this Agreement shall commence on the Effective Date and shall expire on _____ (date). The terms and conditions of this Agreement shall continue to be binding during any extension term(s) between Lessor and Lessee unless otherwise expressly agreed to in writing.

3. Lease Payments; Option; Repossession.

(a) Lease Payments. Lessee agrees to pay Lessor lease payments for the Equipment ("Lease Payments") in an aggregate amount equal to _____ (written amount) (\$ amount) per month during the term of this Agreement. Lease Payments are due in advance on the _____ day of each calendar month during the term of this Agreement.

(b) Prepayment. As long as no breach or default by Lessee under this Agreement has occurred and is continuing, Lessee may prepay all or any portion of the amounts due and payable under this Agreement without penalty; provided that written notice of prepayment is received by Lessor concurrently therewith.

(c) Option to Purchase. As long as no breach or default by Lessee under this Agreement has occurred and is continuing, Lessee shall have the option to purchase the Equipment for _____(written amount) (\$ amount), payable in cash or cash equivalent on the date of exercise, for ninety (90) days immediately following the expiration of the Lease term, provided Lessee has notified Lessor in writing within 60 days prior to the expiration of the Lease term of its election to exercise such option.

(d) Repossession. In the event Lessee fails to pay any Lease Payment when due, Lessor shall have the right to immediately recover possession of the Equipment without or without notice and with or without filing legal action. Lessor also shall have any and all rights and remedies available under the law.

4. Taxes; Licenses. During the term of this Agreement, Lessee shall be solely responsible for all taxes, fees and assessments of any government or taxing authority, and for all licenses and permits required, in respect of the Equipment and any other obligations of Lessee hereunder. If Lessee fails to pay any such taxes, fees or assessments, or obtain any such licenses or permits, in addition to all other rights and remedies of Lessor, Lessor in its sole discretion may pay such taxes, fees or assessments, or obtain any such licenses or permits, and Lessee shall promptly reimburse Lessor for all such amounts paid by Lessor.

5. Net Lease. Lessee's obligation to make Lease Payments for the Equipment and all other obligations of Lessee hereunder, including without limitation all costs for training and transportation of the Equipment, and payment of all other amounts owing to Lessor hereunder, shall be absolute and unconditional, and without any abatement, reduction, set-off, defense, counterclaim or recoupment for any reason whatsoever, and all Lease Payments and other amounts owing to Lessor hereunder shall continue to be payable in all events notwithstanding the expiration or termination of this Agreement. The Lease Payments shall not be subject to offset for any sums whatsoever owed by Lessor to Lessee.

6. Title to Equipment.

(a) Title to the Equipment shall be and remain exclusively in Lessor. During the Term, Lessee shall not directly or indirectly create, cause or suffer to exist any liens, mortgages, pledges, charges, security interests, encumbrances, claims or adverse interests upon or against the Equipment, nor shall Lessee perform or permit any act or omission which may result in the impairment of any of Lessor's rights or title to the Equipment. Lessee shall give Lessor written notice of any threatened, attempted or actual legal action or seizure, by process of law or otherwise, directly or indirectly affecting or relating to the Equipment immediately after Lessee becomes aware of action or threatened action.

(b) Lessee acknowledges and agrees that the Lessor is entitled to and may execute and file UCC1 registration on the Equipment up to the encumbered value of Equipment until such lease is terminated either through re-payment by Lessee or repossession of Equipment by Lessor.

7. Maintenance; Location. Lessee shall, at Lessee's sole cost and expense, keep the Equipment clean and in good working condition throughout the term of the Lease, including without limitation regular inspections and maintenance of all components of the Equipment. Lessee agrees to keep the Equipment at Lessee's Juice It Up® Unit at _____ (address), otherwise known as _____

_____ (additional location information), during the entire term of the Lease.

8. Service and Repair. Lessee will, at Lessee's sole cost and expense, maintain and service, and repair any damage to, each item of Equipment in a manner consistent with prudent industry practice and Lessee's own practice so that such item of Equipment is at all times (i) in the same condition as when delivered to Lessee, except for ordinary wear and tear, (ii) in good operating order for the function intended by its manufacturer's warranties and recommendations.

9. Insurance. Lessee shall, at Lessee's sole cost and expense, keep the Equipment insured for the entire Term against all risks of physical loss for at least the replacement value of such Equipment and shall provide for a loss payable endorsement to Lessor and/or any assignee of Lessor. Lessee will provide Lessor and any assignee of Lessor with a certificate of insurance from the insurer evidencing Lessor's or such assignee's interest in the policy of insurance. If Lessee fails to provide or maintain insurance as required herein, Lessor shall have the right, but shall not be obligated to obtain such insurance. In that event, Lessee shall pay to Lessor the cost thereof.

10. Resolution of Disputes. Any dispute arising from or relating to this Agreement shall be resolved by arbitration in the County of Orange, State of California, before a single arbitrator selected by the parties pursuant to the rules and procedures of JAMS or, should such organization be unable to act, such other arbitrator as the parties by agreement may select. Proceedings shall be conducted in accordance with the Commercial Arbitration Rules of the American Arbitration Association as then in effect, except as modified by agreement of the parties and order of the arbitrator. Any award will be accompanied by findings of fact and conclusions of law and may be enforced through the entry of judgment or issuance of execution in any court having statutory jurisdiction. All costs and expenses of such arbitration (including but not limited to legal expenses of both parties) shall be paid solely by the party against whom the arbitrator's award is directed or as directed by the arbitrator if an award not entirely in favor of either party is made.

11. Amendments: No Waivers.

(a) Amendments. Any provision of this Agreement may be amended or waived if, and only if, such amendment or waiver is in writing and signed, in the case of an amendment, by both parties, or in the case of a waiver, by the party against whom the waiver is to be effective.

(b) No Waivers. No failure or delay by either party in exercising any right, power or privilege hereunder shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies herein provided shall be cumulative and not exclusive of any rights or remedies provided by law.

12. Successor and Assigns. The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns; provided that no party may assign, delegate or otherwise transfer any of its rights or obligations under this Agreement without the consent of the other party hereto.

13. Governing Law. This Agreement shall exclusively be construed in accordance with and governed by the laws of the State of California without reference to the conflicts of laws principles thereof.

14. Counterparts. This Agreement may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument.

15. Entire Agreement. This Agreement (and each attachment hereto) constitutes the entire understanding of the parties with respect to the subject matter hereof and supersedes all prior agreements, understandings and negotiations, both written and oral, between the parties with respect to the subject matter hereof. No representation, inducement, promise, understanding, condition or warranty not set forth herein has been made or relied upon by either party hereto. Neither this Agreement nor any provision hereof is intended to confer upon any person other than the parties hereto any rights or remedies hereunder.

16. Captions. The captions herein are included for convenience of reference only and shall be ignored in the construction or interpretation hereof.

17. Confidentiality. Each party hereto agrees to hold, and to use its best efforts to cause its employees and representatives to hold, in confidence all confidential information concerning the other parties furnished to or obtained by such party, in a manner consistent with such party's standard policies with respect to the preservation and disclosure of confidential information concerning such party.

IN WITNESS WHEREOF, the parties hereto have caused this Equipment Lease Agreement to be duly executed by their respective authorized officers as of the date first above written.

LESSEE,
a _____

By: _____
Name and Title

By: _____
Name and Title

EXHIBIT "A"

Equipment

All fixtures, counters, equipment, & merchandising cabinets, including lighting, in the Juice It Up Unit located at _____ (address), otherwise known as _____ (location information).

EXHIBIT D-1

TO THE DISCLOSURE DOCUMENT

ROSTER OF FRANCHISEES & AFFILIATE OWNED LOCATIONS

EXHIBIT D-1
 ROSTER OF FRANCHISEES & AFFILIATE OWNED LOCATIONS
 AS OF DECEMBER 31, 2011

#	ST	Location Name	Owner Last Name	Owner First Name	Corporation/LLC	Store Phone #	Street Address
Arizona							
1	AZ	Buckeye/Sundance Towne Center	Villalpando	Mauricio & Laura		623-327-0931 ph	944 South Watson Road, Suite 102 Buckeye, AZ 85326
2	AZ	Tempe/Tempe Marketplace	Winter	Lance		480-557-9116 ph	2000 E. Rio Salado Parkway, Suite 1213 Tempe, AZ 85281
California							
1	CA	Aliso Viejo/Town Center	Kil	Moon Jung		949-448-0486 ph 949-823-0017 fx	26921 Aliso Creek Road, Ste. G Aliso Viejo, CA 92656
2	CA	Anaheim/Stadium Lofts	Esfahani	Kambiz	Tara Food Services, Inc.	714-385-9900 ph	1801 E. Katella Ave., Ste 1003 Anaheim, CA 92805
3	CA	Apple Valley/Apple Valley Village	Stoneman	Terry & Sherri		760-240-8841 ph 760-240-8842 fx	12218 Apple Valley Rd, Ste 102 Apple Valley, CA 92308
4	CA	Bakersfield/Winco Shopping Center	Revelle	Jeff		661-588-3163 ph 661-587-0076 fx	4000 Coffee Road Bakersfield, CA 93309
5	CA	Brea/Union Plaza	Han	Jeung & Myung	Imperial Auto Supply Inc.	714-257-1785 ph 714-257-1784 fx	2435 Imperial Hwy. #B Brea, CA 92821
6	CA	Buena Park/Buena Park Promenade	Correa & Rubi	Luis & Maira		714-821-1620 ph 714-821-1329 fx	5899 Lincoln Ave #C Buena Park, CA 90620
7	CA	Camarillo/CSU Channel Islands	Kaur & Gill	Dasmesh & Gurvinder	Amanat Enterprises Inc.	805-484-3663 ph 805-484-3661 fx	45 Rincon D101 Camarillo, CA 93012
8	CA	Cerritos/Towne Center	Nash	Kenneth		562-924-7704 ph 562-924-2561 fx	12765 Towne Center Drive, Ste. J2 Cerritos, CA 90703
9	CA	Chino/Chino Spectrum	Patel	Amar	A R Business Ventures, Inc.	909-591-6445 ph 909-591-6015 fx	3908 Grand Ave. Ste. C Chino, CA 91709
10	CA	Chino/Euclid Plaza	Harris	Sylvester & Lisa		909-590-8900 ph 909-590-8922 fx	7033 Schaefer Avenue Chino, CA 91710
11	CA	Corona/Corona Hills Plaza	Shahi	Parvinder & Ravneet	Juice Matters	951-734-1341 ph 951-734-4315 fx	350 N. McKinley St. #103 Corona, CA 92879

#	ST	Location Name	Owner Last Name	Owner First Name	Corporation/LLC	Store Phone #	Street Address
12	CA	Corona/Eagle Glen	Ta-Van & Ta	Heidi & John		951-808-0933 ph 951-808-0587 fx	2225 Eagle Glen Pkwy #104 Corona, CA 92883
13	CA	Corona/Main Street Village	Sodha	Amar & Mounesh		951-582-0077 ph 951-582-0011 fx	131 W. Ontario Blvd. #101 Corona, CA 92882
14	CA	Corona/Orchard Plaza	Sodha	Amar & Mounesh		951-734-9344 ph 951-734-7763 fx	1297 E. Ontario Ave., Suite 105 Corona, CA 92881
15	CA	Costa Mesa/Mesa North Shopping Center	Leonard	Doug & Roy		714-754-7402 ph 714-754-7403 fx	1170 Baker Street Costa Mesa, CA 92626
16	CA	Costa Mesa/Mesa Verde Center	Bhagat	Piyush		714-754-4273 ph 714-754-4274 fx	2701 Harbor Blvd. Suite D-2 Costa Mesa, CA 92626
17	CA	Costa Mesa/Newport	Hung	Alice	Snack Attack Inc.	949-515-4308 ph 949-515-4310 fx	1696 Newport Blvd., Ste. C Costa Mesa, CA 92627
18	CA	Cypress/Cypress Plaza	Abdul Aziz	Sultan & Saira		714-894-3779 ph 714-894-6044 fx	6864 Katella Avenue Cypress, CA 90630
19	CA	El Dorado Hills/Town Center	Davison	Chris		916-941-7140 ph 916-941-7150 fx	4355 Town Center Blvd. #113 El Dorado, CA 95762
20	CA	Escondido/Signature Plaza	Penaloza & Engels	Edison & Candy	Advanced Plus Janitorial Service, Inc.	760-796-4510 ph 760-796-4171 fx	328 W. Valley Parkway Escondido, CA 92025
21	CA	Fontana/Sierra Crossroads	Naulls	Mark & Tracye	Naulls Juice Joint, Inc.	909-355-3305 ph 909-355-0305 fx	11251 Sierra Ave Fontana, CA 92337
22	CA	Fontana/Sierra Lakes	Thornburg	Joe & Claudia	Joe Bananas LLC	909-854-5500 ph	16155 Sierra Lakes Pkwy, Ste 130 Fontana, CA 92336
23	CA	Fontana/Summit Heights Gateway	Quezada	Adela & Jose	Copper Top Market Inc.	909-463-6333 ph 909-463-6332 fx	15068 Summit Ave #530 Fontana, CA 92336
24	CA	Fountain Valley/Brookhurst	Shin	Hailey		714-964-8261 ph 714-964-5749 fx	18122 Brookhurst, Ste.C Fountain Valley, CA 92708
25	CA	Fresno/CSU Fresno	Patel	Jignesh		559-278-5322 ph	5280 N. Jackson Street Fresno, CA 93710
26	CA	Fullerton/CSU Fullerton #2/TSU	Malik	Zulekha	AAFREEN, INC.	657-447-9898 ph 657-447-9898 fx	800 N. State College, TSU Food Crt. Fullerton, CA 92634
27	CA	Fullerton/Orangefair Marketplace	Patel	Raj & Kavita		714-447-1075 ph 714-447-1074 fx	211 E. Orangethorpe Fullerton, CA 92832
28	CA	Hemet/Page Plaza	Patel	Jignesh		951-925-5295 ph 951-925-5618 fx	1131 S. Sanderson Ave Hemet, CA 92545

#	ST	Location Name	Owner Last Name	Owner First Name	Corporation/LLC	Store Phone #	Street Address
29	CA	Hesperia/High Desert Gateway	Shephard	Scott & Lila	The Shephard Shoppe, LLC	760-947-4411 ph	12721 Main Street, Suite 330 Hesperia, CA 92344
30	CA	Huntington Beach/Atlanta	Chon	Tar		714-593-9353 ph 714-593-1353 fx	9111 Allanta Huntington Beach, CA 92648
31	CA	Huntington Beach/Meadowlark Plaza	Chon	Tar		714-840-5575 ph 714-840-3443 fx	5353 Warner Ave., Unit C-2 Huntington Beach, CA 92648
32	CA	Irvine/Alton Square	Cho	Gina	Claire & Company, Inc.	949-551-6330 ph 949-551-6207 fx	5365 Alton Pkwy, Ste G Irvine, CA 92604
33	CA	Irvine/Trabuco Grove	Sharma	Vishal & Pradeep	Nirved Inc.	949-653-2072 ph 949-653-2073 fx	14031 Jeffrey Rd. Irvine, CA 92620
34	CA	La Crescenta/Foothill	Moradian	Ararat		818-957-7076 ph 818-957-7232 fx	3231 Foothill Blvd. Unit 102 La Crescenta, CA 91214
35	CA	La Verne/Foothill	Jaafri, O'Neill, Canavan	Murtaza, Sean, Jeffrey	The Mojo Group, Inc.	909-596-3886 ph 909-596-3886 fx	1249 Foothill Blvd. La Verne, CA 91750
36	CA	Ladera Ranch/Terrace Shops	Shelton & Johnson	Dairen & Arvo		949-388-2500 ph	1101 Corporate Drive, Ste. A-2 Ladera Ranch, CA 92694
37	CA	Lake Elsinore/Lake Elsinore Marketplace	Kelley & Polster	Tony & Chris	Kelley Franchise, Inc.	951-245-6210 ph 951-245-6211 fx	29261 Central Ave, Ste E Lake Elsinore, CA 92532
38	CA	Lake Forest/Foothill Ranch Towne Center	Adams	Tim		949-461-0611 ph 949-461-0356 fx	26612 Towne Centre Dr. #D Foothill Ranch, CA 92610
39	CA	Lake Forest/Sycamore Plaza	Chon	Tar		949-462-0704 ph 949-462-0417 fx	22331 El Toro Rd. Ste. C Lake Forest, CA 92630
40	CA	Lodi/Vintner Square	Wolcott	Dan		209-333-5227 ph 209-333-1462 fx	2533 W. Kettleman Ln, Ste 401 Lodi, CA 95242
41	CA	Long Beach/Towne Center	Griffith & Lopez	Claire & Ruby		562-275-3916 ph 562-496-4001 ph	7561 E Carson St. Long Beach, CA 90808
42	CA	Los Angeles/CSU Los Angeles	Yip	Brandon	B2 Management LLC	323-343-6551 ph	5155 State University Dr. Los Angeles, CA 90032
43	CA	Mecca/Mecca Travel Center	Chandi	Nachhattar & Susana		760-396-9260 ph 760-396-5247 fx	90-480 66th Avenue Mecca, CA 92254
44	CA	Modesto/Village One Plaza	Pindel	Dan & Sandy		209-551-3995 ph 209-551-4054 fax	3020 Floyd Ave #207 Modesto, CA 95355
45	CA	Moreno Valley/Iris	Astorga	Danny & Kim	KANDD, LLC	951-243-1717 ph	25970 Iris Ave. #B-6 Moreno Valley, CA 92551

#	ST	Location Name	Owner Last Name	Owner First Name	Corporation/LLC	Store Phone #	Street Address
46	CA	Moreno Valley/Moreno Beach Plaza	Astorga	Danny & Kim	KANDD, LLC	951-485-4555 ph	12831 Moreno Beach Drive, Suite 103 Moreno Valley, CA 92555
47	CA	Murrieta/The Orchard -Stonecreek	Bulusan	Rachel & Freddie		951-679-9988 ph 951-679-8955 fx	27850 Clinton Keith Road, Suite A Murrieta, CA 92562
48	CA	Murrieta/Village Walk	Rogers	Don & Lisa		951-813-3333 ph 951-816-3322 fx	24530 Village Walk Place, Ste. E Murrieta, CA 92562
49	CA	Newhall/Riverview Center	Balekian	Raffi		661-299-4442 ph 661-299-4148 fx	26917 Sierra Hwy. Newhall, CA 91321
50	CA	Northridge/CSU Northridge	McCarron	Thomas	The University Corporation	818-677-6226 ph 818-677-3017 fx	18111 Nordhoff Street Northridge, CA 91330
51	CA	Ontario/Archibald	Liu & Verde	Jean & Jerry		909-923-2018 ph 909-923-5026 fx	2910 S. Archibald Ave #D Ontario, CA 91761
52	CA	Ontario/Gateway	Gandecha	Anoop & Hasmita		909-391-6800 ph	1520 N. Mountain Ave., Unit 105 Ontario, CA 91762
53	CA	Pasadena/Hill	Vergel de Dios	Lisa & Cesar		626-793-3344 ph 626-793-3343 fx	165 N. Hill Ave Pasadena, CA 91101
54	CA	Rancho Cucamonga/Foothill	Hong	Eric		909-466-9270 ph 909-466-9271 fx	11096 Foothill Blvd., Ste. B Rancho Cucamonga, CA 91730
55	CA	Rancho Cucamonga/Milliken	Adair, Zbinden, Bleuthman	Chris, Scott & Kim, Mark & Cindy		909-581-0107 ph 909-581-0107 fx	9668 Milliken Ave #103 Rancho Cucamonga, CA 91730
56	CA	Rancho Cucamonga/Rancho Plaza	Adair, Zbinden, Bleuthman	Chris, Scott & Kim, Mark & Cindy		909-944-0449 ph 909-944-0404 fx	8678 19th Street, Suite 110 Rancho Cucamonga, CA 91701
57	CA	Rancho Cucamonga/Winery	Osuna & Samartin	Reyes/Darlene & Amber/Emilio		909-899-5433 ph 909-899-5574 fx	7325 Day Creek Blvd, Ste B-104 Rancho Cucamonga, CA 91729
58	CA	Rancho Mirage/Dinah Shore	Poist	Brent & Lori	Brylin Inc.	760-202-7713 ph 760-202-7631 fx	72877 Dinah Shore Dr. #101 Rancho Mirage, CA 92270
59	CA	Rancho Santa Margarita/El Paseo	Patel	Sam		949-858-8545 ph 949-858-8564 fx	22342 El Paseo #D Rancho Santa Margarita, CA 92688
60	CA	Redlands/Patio on Orange	Viriyapanthu	Chatchai & Sommas	Somy Co., Inc.	909-793-7393 ph 909-793-7392 fx	629 Orange St. Redlands, CA 92374
61	CA	Riverside/Canyon Springs	Sawyers	Wraymond & Denise	Sawyers Investments, LLC	951-656-7240 ph 951-656-7241 fx	2721 Canyon Springs Pkwy #10 Riverside, CA 92507
62	CA	Riverside/Riverside Plaza	Yorulmaz & Ozdenboyaci	Cem & Murat	MC Food Management, Inc.	951-222-2128 ph 951-222-2174 fx	3540 Riverside Plaza Dr. #318 Riverside, CA 92506

#	ST	Location Name	Owner Last Name	Owner First Name	Corporation/LLC	Store Phone #	Street Address
63	CA	Riverside/Sierra Village	Shahi	Parvinder & Ravneet	Blend Delight, Inc.	951-354-5952 ph 951-735-2795 fx	3380 La Sierra Ave, Ste 107 Riverside, CA 92503
64	CA	Riverside/University Marketplace	Lim	Chun Sik "Charlie" & Inogi		951-328-9113 ph 951-328-0112 fx	1201 University Ave. #114 Riverside, CA 92507
65	CA	Riverside/Wood	Hung	Alice & Jose		951-780-0082 ph 951-780-0684 fx	19040 Van Buren Blvd., Ste. 113 Riverside, CA 92508
66	CA	San Bernardino/Campus Crossroads	Kim	Jiyun		909-887-7273 ph 909-887-7273 fx	5244 University Parkway Suite A San Bernardino, CA 92407
67	CA	San Bernardino/Hospitality	Ahn	Ki		909-890-1441 ph 909-890-5636 fx	745 Hospitality Ln., Ste. B San Bernardino, CA 92408
68	CA	San Clemente/Gateway Village Plaza	Caverly	Melissa & Jeff	Cavco San Clemente, Inc.	949-542-7979 ph 949-542-7978 fx	802-J Avenida Pico San Clemente, CA 92672
69	CA	San Diego/San Diego State University	Marmon	Larry	Aztec Shops, LTD.	619-594-7695 ph	5200 Campanile Ave. West Commons Bldg San Diego, CA 92182
70	CA	San Diego/SDSU East Commons Bldg	Marmon	Larry	Aztec Shops, LTD.	619-594-0413 ph	5200 Campanile Ave. East Commons Bldg San Diego, CA 92182
71	CA	Santa Ana/17th Street	Daftary	Sanjay & Sejal		714-835-3629 ph 714-835-3633 fx	2268 East 17th St. Santa Ana, CA 92705
72	CA	Santa Clarita/Highridge Crossing	McCleary & Konczey	Terry & Zorka	Four Twenty-Two, LLC	661-295-6725 ph 661-295-5238 fx	28164 Newhall Ranch Rd. Santa Clarita, CA 91355
73	CA	Temecula/Rancho Temecula Town Center	Smith	Willie & Capucine	Bins, LLC	951-693-9360 ph 951-693-9369 fx	39848 Winchester Road Suite B Temecula, CA 92591
74	CA	Tustin/The District @ Tustin Legacy	Sharma	Vishal	Nirved Inc.	714-259-0776 ph	2348 Park Ave. Tustin, CA 92782
75	CA	Tustin/Tustin Crossings	Prosser, Saucedo	Ron, Febe	ProSauce Industries Inc.	714-731-5842 ph 714-731-1401 fx	12932 Newport Ave, Ste. 6 Tustin, CA 92780
76	CA	Victorville/Dunia Plaza	Yorulmaz & Ozdenboyaci	Cem & Murat	MC Food Management, Inc.	760-948-3948 ph 909-823-0875 fx	14329 Bear Valley Rd. #4 Victorville, CA 92392
77	CA	Winchester/French Valley Village Center	Sweeney	Timothy & Charye	Timchar, LLC	951-325-8025 ph	30628 Benton Rd, Suite 204 Winchester, CA 92596
78	CA	Yuba City/Yuba City Marketplace	Treanor	Patrick & Deborah		530-673-2047 ph	1074 S. Harter Rd #B104 Yuba City, CA 95993
79	CA	Temecula/The Promenade	Yorulmaz & Ozdenboyaci	Cem & Murat	MC Food Management, Inc.	951-719-3128 ph	40820 Winchester Road #2460 Temecula, CA 92591

#	ST	Location Name	Owner Last Name	Owner First Name	Corporation/LLC	Store Phone #	Street Address
80*	CA	Stockton/The Metro	Cort	Zachary		209-469-2678	347 E. Weber Stockton, CA 95202
81*	CA	Los Angeles/USC at Marengo	Dias	Colin	CPD, Collaborative, Inc.	562-682-1243	1826 Marengo Street Los Angeles, CA 90033
82*	CA	Upland/Foothill	Valencia	Reggie & Celeste	3 Girls & Their Guy! L.L.C.	909-946-5700	1013 W. Foothill Blvd. Upland, CA 91786
83*	CA	TBD/Rialto	Bholat & Acosta	Javid & Fernando		310-749-1786	TBD: N.E. Corner of Cedar Ave & Merrill Ave., Rialto, CA
84*	CA	TBD/Santa Ana	Delgado & Fahami,	Dwight & Esthella		949-309-8899	TBD: Broadway & 3 rd Santa Ana, CA
85*	CA	San Bernardino/Shell at Waterman	Mirshafiee & Dehbozorgi	Benny (Behrooz), Mike (Hossein) & Amir	B&M Oil Land, Inc	909-938-0979	1194 South Waterman Avenue San Bernardino, California 92408
86*	CA	Orange	Edwards	Monica		714-740-9076	8416 East Chapman Ave Orange, CA 92869
87*	CA	TBD/Lathrop	Sandhu	Bill		209-604-6859	TBD: S.W. Corner of River Islands Pkwy & Interstate 5, Lathrop, CA
88*	CA	TBD/Whittier (1)	Youssef	Ghobrial (Gabe)		562-519-0537	TBD: Beverly Blvd & Norwalk Blvd. Whittier, CA
89*	CA	Whittier (2)	Youssef	Ghobrial (Gabe)		562-519-0537	11745 Whittier Blvd. Whittier, CA 90601
90*	CA	TBD/Claremont	Pascual	Ralph		626-356-5754	TBD: N.E. Corner Indian Hill & Foothill Claremont, CA
91*	CA	TBD/Chino Hills	Sodha	Amar & Mounesh		951-264-5777	TBD: S.W. Corner of 71 Freeway & Soquel Canyon Road, Chino Hills, CA
92*	CA	TBD/Victorville	Obeid	Khaled		805-490-2609	TBD: S.E. Corner of Highway 295 & Mojave Dr., Victorville, CA
93*	CA	Westchester	Rogers	Sammie		310-488-2349	8601 Lincoln Blvd, Suite G-116 Westchester, CA 90045
94*	CA	TBD/Glendora	Jaafri & Canavan	Murtaza & Jeffrey		909-664-7406	TBD: N.E. Corner Gladstone St & Valley Center Ave., Glendora, CA
95*	CA	Mission Viejo	Ruiz	Joseph		714-454-7624	28391-A Marguerite Parkway Mission Viejo, CA 92691
96*	CA	Paso Robles	Goforth	Mark & Sherri		805-441-5962	1205 24 th Street Paso Robles, CA 93446

#	ST	Location Name	Owner Last Name	Owner First Name	Corporation/LLC	Store Phone #	Street Address
97*	CA	TBD/Huntington Beach	Patel & Patel	Ghanshyam & Pinky		n/a	TBD: S.E. Corner Goldenwest & Edinger Huntington Beach, CA
98*	CA	Redlands/Palm Grove Centre	Mauge	Jim	MCK, LLC	310-722-8692	10060 Alabama St., Suite B Redlands, CA 92374

* indicates franchisees who have signed franchise agreements, but have not yet opened an outlet

Florida

1*	FL	TBD/Miramar	Hamburger	Karen & Hugo		954-357-5432	TBD: Miramar Town Center, Building C in Block 4B, Miramar, FL
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* indicates franchisees who have signed franchise agreements, but have not yet opened an outlet

New York

1	NY	Massapequa/Southgate Shopping Center	Dethwick	Serafina	J.S.T.D. Smoothie, Inc.	516-541-4209 ph 516-541-4210 fx	4902-A Merrick Road Massapequa, NY 11762
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Texas

1	TX	Grand Prairie/LA Fitness	Al-Sharif	Mohamed	Cure Health Care, LLC	972-660-4700 ph	2807 W. Interstate Highway 20, Suite 20 Grand Prairie, TX 75052
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Affiliate-Owned Juice It Up Locations

1	CA	Fullerton/CSU Fullerton #1/Humanities Plaza			BBI	714-525-9052 ph	800 N. State College, TSU Food Crt. Fullerton, CA 92634
2	CA	Folsom/The Parkway at Folsom			BBI	916-984-4493 ph	25035 Blue Ravine Road, #100 Folsom, CA 95630
3	CA	Santa Ana/MacArthur Plaza			BBI	714-556-8531 ph	2 Hutton Center, Space 102 Santa Ana, CA 92707

EXHIBIT D-2
TO THE DISCLOSURE DOCUMENT
FORMER FRANCHISEES

EXHIBIT D-2

FORMER FRANCHISEES

#	Former Franchisee	City, State	Telephone	JIU / JIUFY
2011 Ceased Operations				
1	Tony Alahverdi	Turlock, CA	209-535-6964	JIU
2	Rick & Penny Plath / W.A.R.P.P. DRIVE, INC,	Stockton, CA	209-951-7927	JIU
3	Greg Luna	San Diego, CA	619-889-7477	JIU
4	Julio & Ana Valdez and Erika Mendoza	Downey, CA	562-904-1934	JIU
5	Dennis Malone	Oceanside, CA	760-521-9319	JIU
6	Timothy & Ronaldo Deang / RT DEANG & CO., INC.	Riverside, CA	951-217-5337	JIU
7	M. Simonne Hinkle / Mamo's Vision, Inc.	Hawthorne, CA	323-646-5054	JIU
8	Melissa & Jeff Caverley / Cavco San Clemente, Inc.	San Clemente, CA	714-420-6045	JIU
9	Ramsin Barkhoy / Smoothie Fascination, Inc.	Turlock, CA	209-678-3333	JIU
10	Kimjera & Brent Whittington / Liquid Energy Ventures, LLC	Murrieta, CA	510-468-0283	JIU

#	Former Franchisee	City, State	Telephone	JIU / JIUFY
2011 Store Transfers				
1	Oscar & Elsa Nunez	Victorville, CA	760-951-9651	JIU
2	Tolgar Demirel / T.T. Food Services, Inc.	Aliso Viejo, CA	949-300-0238	JIU
3	Sanjay & Tina Sapra	Anaheim Hills, CA	714-998-2861	JIU
4	Omar & Ileana Medina	Cerritos, CA	562-468-4604	JIU
5	Bahram Shadzi	San Diego, CA	760-443-6977	JIU
6	Jason & Jennifer Veras / JJVeras LLC	Modesto, CA	209-541-5314	JIU
7	Febe Saucedo / RFP Legacy Inc.	Orange, CA	714-914-6223	JIU
8	Serdar Ceylan / LC Food Services & Management LLC	Irvine, CA	949-387-1281	JIU
9	Serdar Ceylan / LC Food Services & Management LLC	Irvine, CA	949-387-1281	JIU
10	Serdar Ceylan / LC Food Services & Management LLC	Irvine, CA	949-387-1281	JIUFY
11	Mira Jang	Buena Park, CA	213-321-3992	JIU

EXHIBIT E
TO THE DISCLOSURE DOCUMENT
ASSET PURCHASE AGREEMENT



live life juiced®

**ASSET PURCHASE
AGREEMENT**

JUICE IT UP[®]
ASSET PURCHASE AGREEMENT

This Asset Purchase Agreement (the "AP Agreement" or "Agreement") is made as of _____, 20____, by and between Balboa Brands, Inc. ("Seller") a Delaware Corporation, and _____ (collectively and individually referred to as "Buyer").

BACKGROUND, BASIC BUSINESS ARRANGEMENT AND PRELIMINARY AGREEMENTS

A. Seller is currently operating a **JUICE IT UP[®]** unit at _____ (the "Unit").

B. Seller's affiliate, LLJ Franchise, LLC selectively awards franchises to qualified applicants to operate JUICE IT UP[®] units pursuant to the current form of JUICE IT UP[®] Franchise Agreement, including existing business operations (such as the Unit) which have been operated by the Seller and which may be franchised to qualified applicants.

C. Seller wishes to sell, and the Buyer, after a full personal inspection, wishes to buy certain assets of the Unit for the sole purpose of Buyer operating the Unit as a JUICE IT UP[®] Franchisee. In general, the assets to be sold consist of those assets located at, and used by the Seller in the ordinary conduct of the Unit, but excluding cash on hand or in bank accounts, lease and utility deposits, pre-paid insurance, permits and licenses, as well as real property and any property leases held by Seller unless otherwise provided in this Agreement at Section 1.1.

D. The purchase price is \$_____ (plus amounts for inventory) and will be paid in full on Closing (the "Purchase Price."). Closing, as defined in Section 7.1, will take place on the date specified in this Agreement, unless the Buyer and Seller agree to a different date. The Purchase Price is non-refundable, unless otherwise expressly stated in this Agreement.

E. LLJ Franchise, LLC has received Buyer's application to become a JUICE IT UP[®] Franchisee and is pleased to award a JUICE IT UP[®] Franchise to Buyer for operating the Unit only pursuant to a JUICE IT UP[®] Franchise Agreement (the "Franchise Agreement") and related documents, to be executed concurrently with the execution of this Agreement, each of which have been received, reviewed and approved by Buyer. Buyer will operate the Unit only pursuant to the Franchise Agreement and the initial Franchise Fee specified in the Franchise Agreement shall be paid in full to LLJ Franchise, LLC, or its designee, on execution of the Franchise Agreement by the Buyer and is in addition to and entirely separate from the Purchase Price paid under this Agreement.

F. Terms not defined in this Agreement have the same meanings as in the Franchise Agreement.

TERMS OF AGREEMENT

ARTICLE ONE: PURCHASE AND SALE OF ASSETS

1.1 Sale and Transfer of Assets.

1.1a Assets to be Sold. Subject to the terms and conditions set forth in this Agreement and the exclusions referenced below or in any exhibit to this Agreement, Seller agrees to sell to Buyer, and Buyer agrees to purchase from Seller, only the assets listed or referred to in this Section 1.1a (the "Assets"):

- (1) All trade fixtures, equipment used exclusively in the Unit, work in process, signage, inventory and supplies related exclusively to the Unit and on the Premises at Closing, together with any other assets which shall be used in and integral to the Unit at Closing and are listed on the attached Exhibit 1.

1.1b Assets Not to be Sold. Assets not to be purchased by the Buyer include:

- (1) Those assets disposed of in the ordinary course of business between the date of this Agreement and the Closing Date, or as otherwise permitted by this Agreement;
- (2) Cash on hand or in bank accounts, lease and utility deposits, pre-paid insurance, permits and licenses; and
- (3) Real property or any interests in real property; provided, that any leasehold interests being assigned or subleased to Buyer are identified on the attached Exhibit 2.

1.2 Total Purchase Price, Payments From Buyer at Signing of This Agreement and at Closing. The total purchase price is \$ _____ plus an amount for inventory and supplies on hand at Closing, to be jointly determined by Buyer and Seller (collectively the "Purchase Price"), all of which shall be paid in full at Closing. (Inventory will be valued on a good faith basis, based on a joint physical inventory taken the morning of the Closing Date). The Purchase Price shall be paid by cashier's check payable to the order of Seller or other manner and means acceptable to Seller. Buyer shall deliver, at the same time this Agreement is signed, a cashier's check, payable to the order of Seller in the amount of \$ _____, which will be credited as a deposit towards the Purchase Price (the "Deposit").

1.3 Liabilities. All costs, claims, expenses and liabilities incurred or accrued in conjunction with the operation of the Unit before the Closing are and shall remain the responsibility of Seller and all costs, expenses and liabilities incurred in conjunction with the operation of the Unit on and after the Closing shall be the responsibility of the Buyer.

1.4 Purchase Price Allocation. The purchase price (not including the value of the inventory) shall be allocated as follows:

<u>Tangible Assets</u>	<u>Portion of Purchase Price</u>
Equipment and Materials	\$ _____
Total Tangible Assets	\$ _____
<u>Intangible Assets</u>	<u>Portion of Purchase Price</u>
Total Intangible Assets	\$ _____
<u>Grand Total (Excluding Inventory)</u>	\$ _____

Each of the parties agrees to report this transaction for tax purposes in accordance with this allocation of the purchase price.

1.5 Taxes. Buyer shall be solely responsible and liable for the reporting and payment of all sales, use and/or similar taxes arising out of the sales, transfer or conveyance of the Assets or any related transaction and shall pay its portion, prorated as of the Closing Date, of state and local real and personal property and other taxes related to the Unit. Buyer shall file all appropriate tax forms required with respect to this sale/purchase. Buyer shall not be responsible for any taxes related to any period ending prior to the Closing Date and Seller shall indemnify and hold Buyer harmless with respect thereto. Buyer shall be responsible for any taxes of any kind related to any period on or after the Closing Date and Buyer shall indemnify and hold Seller harmless with respect thereto.

1.6 Unit Premises. Buyer and Seller intend that Buyer will conduct the Unit at the premises currently operated by Seller at the following address, _____ (the "Premises") and subject to any applicable provisions of Buyer's Franchise Agreement, including, without limitation, any Lease Assignment Agreement. Buyer and Seller will use best efforts to obtain the necessary consent to any assumption, transfer, assignment, sublease, novation or otherwise (the "Transfer") of Seller's current lease of the Premises. However, any consent required to effectuate such Transfer from Seller to Buyer shall be deemed a condition precedent to Closing and in the event that the necessary consent is not forthcoming on terms acceptable to Seller, Seller may cancel this transaction without any further obligation or liability, and this Asset Purchase Agreement. Except as expressly stated in this Agreement, Buyer has no right of cancellation. If cancelled by Seller as provided herein, Seller will return amounts paid by Buyer toward the Purchase Price prior to the cancellation date and Buyer (and Buyer's owners, if Buyer is a business entity) will sign a general release in a form prescribed by Seller, of any and all claims, however arising, known or unknown, against Seller and/or any Seller Affiliate, and their respective shareholders, members, employees, officers, directors, partners, attorneys, and agents.

If the necessary consent is obtained on terms acceptable to Seller, Buyer and Seller agree that after Closing, Seller will have no further obligation or liability related to the Premises (other than as expressly assumed under the Collateral Assignment of Lease or as provided in any

sublease between Buyer and Seller) and that Buyer will fully indemnify and hold harmless Seller from any claims and/or demands of any kind arising out of Buyer's use or occupancy of the Premises.

1.7 Transfer of Assets. On request by Buyer, Seller shall deliver to Buyer at or after the Closing, a Bill of Sale covering the Assets.

ARTICLE TWO: REPRESENTATIONS AND WARRANTIES OF SELLER

Seller represents and warrants that:

2.1 Title to Assets. Seller is the sole owner, beneficially and of record, of all the Assets (and after the Closing the Buyer will own the Assets) free and clear of all liens, encumbrances, security agreements, equities, options, claims, charges, and/or restrictions.

2.2 Tangible Personal Property. The tangible personal property constituting part of the Assets constitutes all tangible personal property reasonably necessary for the ordinary operation of the Unit.

2.3 Authority. The execution and delivery of this Agreement by Seller has been duly authorized by all necessary corporate action.

Seller and Buyer agree that:

2.4 All Items Sold "As Is" – "Where Is." Other than the limited warranty of title set forth in Section 2.1, all Assets are sold "AS IS," "WHERE IS" WITHOUT WARRANTIES, EXPRESS OR IMPLIED, AND SPECIFICALLY WITHOUT THE WARRANTIES OF MERCHANTABILITY AND/OR FITNESS FOR A PARTICULAR PURPOSE, including, but not limited to, any computers and other equipment identified on Exhibit 1. If the Seller is a party to any manufacturer's, dealer's, or supplier's warranty ("Manufacturer's Warranty") for any of the Assets and such Manufacturer's Warranty is transferable or assignable without cost or other burden to the Seller or any Affiliate, the Seller shall, on request by Buyer, transfer its interest in such Manufacturer's Warranty to Buyer.

ARTICLE THREE: REPRESENTATIONS AND WARRANTIES OF BUYER

Buyer represents and warrants that:

3.1 Permits and Other Requirements. Buyer will independently and at its own expense obtain any and all authorizations, licenses, approvals, and meet all regulatory or other requirements necessary to conduct the Unit under the Franchise Agreement and to carry on the business of the Unit as such business has heretofore been conducted by Seller. Buyer acknowledges that under the terms of the Franchise Agreement and this Asset Purchase Agreement Buyer is exclusively responsible for (a) determining what licenses, permits, authorizations, or otherwise are required in connection with the establishment, operation or activities of the Unit under the Franchise Agreement, (b) obtaining each of them and (c) complying with all relevant laws, ordinances and regulations as of the Closing Date and thereafter, including, but not limited to, any applicable bulk sales transfer laws.

3.2 Buyer's Authority Buyer has taken all requisite action to ensure that the execution of and delivery of this Agreement and the transactions contemplated hereby. This Agreement has been duly executed and delivered by Buyer, is binding upon Buyer and Buyer has all requisite power and authority to enter into this Agreement and to perform its respective obligations hereunder. The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby do not conflict with, result in a breach of, or constitute a default under any of the terms, provisions or conditions of any statute, regulation, court or administrative order or process, or any instrument to which Buyer is a party or by which it is bound.

ARTICLE FOUR: SELLER'S OBLIGATIONS BEFORE CLOSING

Seller agrees that from the date of this Agreement until the Closing Date:

4.1 Buyer's Access to Unit and Information. Buyer shall have reasonable access during normal business hours to the Unit, and Seller's books, accounts, records, and contracts relating exclusively to the Unit.

4.2 Conduct of Business in Normal Course. Seller will carry on the business of the Unit in substantially the same manner as it has previously done.

4.3 Consents of Others. As soon as reasonably practical after the execution and delivery of this Agreement, and in any event on or before the Closing Date, Seller will exert reasonable commercial efforts to obtain any lessor or other third party consents required in connection with this transaction and will furnish to Buyer executed copies of those consents.

ARTICLE FIVE: BUYER'S OBLIGATIONS BEFORE CLOSING

5.1 Cooperation in Securing Consents of Third Parties. Buyer will use its best efforts to assist Seller in obtaining any lessor or other third party consents required in connection with this transaction and transfer to Buyer of any and all properties, assets, and agreements to be transferred under the terms of this Agreement.

ARTICLE SIX: CONDITIONS PRECEDENT

6.1 Conditions Precedent with Respect to the Parties' Obligations to Close. Each and every obligation of the parties to be performed pursuant to this Agreement shall be subject to the prior satisfaction of the following conditions:

- (1) Seller and Buyer shall have performed and complied with all of their obligations under this Agreement which are to be performed prior to Closing or simultaneous therewith.
- (2) All disclosures or actions, corporate or otherwise, to be made or taken in connection with the transaction contemplated by this Agreement, and all documents incident thereto, shall be reasonably satisfactory in form and substance to Seller and Buyer to effect the transaction contemplated hereby. Seller and Buyer shall have complied with all statutory requirements from the valid consummation of this transaction.

- (3) All actions required to be performed by any third parties in relation to this transaction prior to Closing or simultaneous therewith shall have been performed.

Either party may, at its sole option, waive in writing any condition precedent to such party's obligation to perform prior to or at the Closing.

ARTICLE SEVEN: THE CLOSING

7.1 Time and Place. The transfer of the Assets by Seller to Buyer (the "Closing") shall take place at _____, at _____ local time, on _____, 20____, or at such other time and place as the parties may mutually agree in writing (the "Closing Date") and shall be attended by all parties to this Agreement. Possession of the Unit and the Assets shall be delivered to Buyer at the Closing. Should the Closing not occur by _____, 20____, the transaction shall be deemed null and void, with no further obligations on the part of either party being due and owing except as otherwise provided herein. If the Closing fails to take place due to any breach of any obligation by Seller, the Seller's sole obligation and liability shall be to return the Deposit to Buyer, without interest. The parties by mutual agreement may extend this Closing Date. The Parties agree that time is of the essence for the Closing.

7.2 Seller's Obligations at Closing. At the Closing, Seller shall deliver or cause to be delivered to Buyer:

- (a) Any consents as required under this Agreement;
- (b) Seller's standard form of Bill(s) of Sale (if requested by Buyer) with respect to the Assets;
- (c) JUICE IT UP® Franchise Agreement and related documents (including Personal Guarantees, Franchisee Acknowledgments and receipts) pertaining to the Unit (LLJ Franchise, LLC's standard form of Franchise Agreement and related documents have been reviewed and approved by Buyer and its counsel); and
- (d) Such other documents and items as Buyer shall reasonably require.

Simultaneously with the consummation of the transfer, Seller will put Buyer into full possession of the Assets.

Seller, at any time on or after the Closing Date, will execute, acknowledge, and deliver any further deeds, assignments, conveyances, and other assurances, documents, and instruments of transfer, reasonably requested by Buyer, and will take any other action consistent with the terms of this Agreement that may reasonably be requested by Buyer for the purpose of assigning, transferring, granting, conveying, and confirming to Buyer, or reducing to Buyer's possession, the Assets.

7.3 Buyer's Obligations at Closing. At the Closing, Buyer shall deliver to Seller the following instruments and documents against delivery of the items specified in Section 7.2:

- (a) A cashier's check in the amount of \$_____ with adjustment for inventory and subject to credit for the Buyer's Deposit, as provided in Section 1.2;
- (b) Related consents (to the extent Buyer's signature is required on such consents) on Seller's standard forms;
- (c) Franchise Agreement and related documents (including Personal Guarantees, Franchisee Acknowledgments and disclosure document receipt, if not already provided) pertaining to the Unit, each of which have been reviewed and approved by the Buyer, and any initial franchise fee and other payment then due thereunder; and
- (d) Such other documents and items as Seller shall reasonably require.

Each of the foregoing documents shall be signed by the Buyer (and its principals in the case of any Personal Guaranty) and be in a form satisfactory to Seller and its counsel.

7.4 Survival of Representations, etc. All of the representations, and warranties made by Seller or Buyer, respectively, herein shall survive the Closing.

7.5 IRS Documents. Seller and Buyer agree that each party shall file all applicable IRS Forms and provide information to each other necessary to complete such Forms, including, but not limited to, respective Employer Identification Numbers.

ARTICLE EIGHT: SELLER'S OBLIGATIONS AFTER CLOSING

8.1 Payment and Performance of Obligations by Seller. Seller shall promptly pay, fully perform and hold the Buyer harmless with regard to, each and every obligation and liability of Seller, related in any way to the Unit, which was incurred prior to the Closing Date and which has not been assumed by Buyer.

ARTICLE NINE: BUYER'S OBLIGATIONS AFTER CLOSING

9.1 Payment and Performance of Obligations by Buyer. Buyer will promptly pay, fully perform and hold the Seller harmless with regard to any obligations related in any way to the operation or otherwise of the Unit on and after the Closing Date, as well as any obligation which has been assumed by Buyer or which is an obligation of the Buyer under this Agreement or otherwise.

ARTICLE TEN: COSTS

10.1 Finder's Fee. Each party represents and warrants that it has dealt with no broker or finder in connection with any transaction contemplated by this Agreement, and, as far as it knows, no broker or other person is entitled to any commission or finder's fee in connection with any of these transactions. Seller and Buyer each agree to indemnify and hold harmless one another against any loss, liability, damage, cost, claim, or expense incurred by reason of any brokerage, commission, or finder's fee alleged to be payable because of any act, omission, or statement of the indemnifying party.

10.2 Expenses. Each party shall pay their own costs and expenses incurred or to be incurred by it in negotiating and preparing this Agreement and in closing and carrying out the transactions contemplated by this Agreement.

ARTICLE ELEVEN: TRANSFERABILITY OF INTEREST

11.1 Assignment by Seller. This Agreement will inure to the benefit of the successors and assigns of Seller, which has the right to transfer or assign its interests in this Agreement to any person or entity it chooses and, on such assignment, Seller will be forever released from any, and have no further, obligation or liability to Buyer, whether arising from this Agreement or otherwise.

11.2 Assignment by Buyer. Buyer's rights and/or obligations under this Agreement (and/or any interest therein) are personal and may not be transferred, whether voluntarily or by operation of law, without the prior written consent of Seller (which may be granted, conditioned or withheld in its sole and absolute discretion) and any attempt by Buyer to make any transfer without first obtaining such consent shall constitute a breach of this Agreement by Buyer and be without force or effect. Buyer has received, reviewed and approved, with assistance of Buyer's own independent legal counsel, the repurchase provisions of Section 9 of the Franchise Agreement.

ARTICLE TWELVE: GENERAL

12.1 Risk of Loss. Seller assumes all risk of loss, damage, or destruction to the Assets, up to the Closing Date. In the event of any such loss, which substantially impairs the value of the Assets, Buyer shall have the right to terminate this Agreement or to proceed with the Closing and receive an assignment of the applicable insurance proceeds. Buyer assumes all risk of loss, damage, or destruction to the Assets as of and after the Closing Date.

12.2 Proprietary Information and Confidentiality. Buyer agrees and acknowledges that Buyer will have received certain information about the Unit, its operation and the JUICE IT UP® System, which is proprietary and confidential ("Proprietary Information"). If a Closing does not occur as set forth herein, Buyer shall not disclose to any third party, nor shall Buyer or any of its directors, shareholders, officers, partners, employees, heirs, successors, agents or representatives utilize in any other manner, any of the Proprietary Information.

This provision shall survive the Closing. If any provisions of this Section or any part of this Agreement, should, for any reason whatsoever, be declared invalid, voidable or unenforceable by a court of competent jurisdiction, the validity or enforceability of the remainder of this Agreement shall not thereby be adversely affected.

12.3 No Representations of, or Reliance on, Financial Information. Buyer acknowledges that if it has received data and information regarding the financial performance of the Unit while owned and/or operated by Seller and required supplementary disclosures, that such information and data was provided at Buyer's request, that Buyer's operation of the Unit may not yield similar financial results and as such, the Buyer is at risk that it may not experience similar (or profitable) results. The Seller is unable to reliably estimate future results of operations of the Unit, even if operated by Seller, and certainly cannot reliably estimate financial or other

results which the Buyer might experience. Buyer has elected to acquire the Assets and to become a JUICE IT UP® Franchisee based solely on Buyer's own independent investigation and assumptions.

12.4 Indemnity Agreement. Except as otherwise expressly provided herein, Buyer will indemnify and hold Seller and LLJ Franchise, LLC and their respective affiliates, officers, directors, members, employees, partners, agents and representatives harmless from any and all claims, losses, damages, injuries and liabilities, including taxes, arising with respect to the Unit as of and after the date of the Closing.

Except as otherwise expressly provided herein, Seller will indemnify and hold Buyer harmless from any and all claims, losses, damages, injuries and liabilities arising with respect to the Unit prior to the date of the Closing.

12.5 Post-Closing Business Operations. Buyer will use reasonable efforts to have telephone calls forwarded to Seller and will take messages and forward any such messages to Seller.

After the date of the Closing, Seller shall notify its vendors that its mail should be addressed to its headquarters. If any of the forwarded mail belongs to Buyer, Seller shall return such mail to Buyer. If Buyer receives mail belonging to Seller, Buyer will forward mail to Seller at its headquarters not less than once a week.

Seller will, at Buyer's sole expense, arrange for a transfer of any applicable utility service to the Unit. All utility deposits and fees will be prorated accordingly.

Buyer is responsible for, and will obtain at its sole expense (1) any and all city, county, state and federal permits and licenses required for Buyer to operate the Unit and the JUICE IT UP® Franchise and (2) all insurance required under the Franchise Agreement, any Lease or Sublease.

12.6 Captions. Any titles or captions contained in this Agreement are for convenience of reference only and shall not be deemed part of the context of this Agreement.

12.7 Incorporation of Provisions Related to Dispute Avoidance and Resolution. The provisions of the Franchise Agreement (which Buyer has received, reviewed and approved, with assistance of Buyer's independent legal counsel), including, without limitation, those providing for any dispute resolution process, shall apply to and govern this Agreement and any dispute between the parties (and/or involving any Affiliates) and are incorporated herein by reference and shall have the same effect as if fully set forth herein.

12.8 Severability. If any provision of this Agreement is deemed invalid or unenforceable for any reason and to any extent, the remainder of this Agreement shall not be affected thereby, but rather shall be enforced to the greatest extent permitted by law.

12.9 Entire Agreement. The parties intend and agree that (1) this Agreement (together with any exhibits) contains the final, complete and exclusive expression of the terms of the parties' agreement with respect to the subject matter of this Agreement and is the final expression of their intent and entirely supersedes and replaces any and all prior and/or

concurrent understandings, agreements, inducements, prior course(s) of dealing, representations (financial or otherwise), promises, options, rights-of-first refusal, guarantees, warranties (express or implied) or otherwise (whether oral or written) between the parties with respect to the subject matter of this Agreement, (2) there are no prior and/or concurrent understandings, agreements, inducements, course(s) of dealing, representations (financial or otherwise), promises, options, rights-of-first refusal, guarantees, warranties (express or implied) or otherwise (whether oral or written) with respect to the subject matter of this Agreement which are not fully expressed in this Agreement (together with any exhibits) and (3) no prior and/or concurrent understandings, agreements, inducements, course(s) of dealing, representations (financial or otherwise), promises, options, rights-of-first refusal, guarantees, warranties (express or implied) or otherwise (whether oral or written) of any kind or nature whatsoever with respect to the subject matter of this Agreement have been made by any party or anyone else, nor have been relied on by any party nor will have any force or effect.

This Agreement supersedes any prior understandings and agreements between Buyer and Seller respecting its subject matter. Buyer acknowledges that Buyer has had access to advice by Buyer's own independent legal counsel (which is strongly recommended by Seller), has conducted an independent investigation of the Assets and the related franchise and business, and recognizes that the business venture contemplated by this Agreement involves speculative business risks, there is no assurance of success and any results will be primarily dependent upon Buyer's ability as an independent businessperson.

Seller and its Affiliates expressly disclaim the making of, and Buyer acknowledges that Buyer has not received, any warranty or guarantee, express or implied, as to the potential volume, profits, success or otherwise of the business venture contemplated by this Agreement and, in particular, Seller and its Affiliates make no representation as to the possible financial performance of the JUICE IT UP® Unit that is the subject of this Agreement. THERE ARE, AND HAVE BEEN, NO REPRESENTATIONS, WARRANTIES, EARNINGS, REVENUE OR OTHER CLAIMS, AGREEMENTS, PROMISES, ARRANGEMENTS OR UNDERSTANDINGS, ORAL OR WRITTEN, BETWEEN OR AMONG THE PARTIES HERETO RELATING TO THE SUBJECT MATTER OF THIS AGREEMENT WHICH ARE NOT FULLY EXPRESSED HEREIN OR WHICH HAVE BEEN RELIED ON BY THE BUYER.

The Buyer has read, understood, had an opportunity to discuss and has agreed to, each provision of this Agreement and all other agreements and documents to be signed by the Buyer and Seller has recommended that Buyer have this Agreement and all other documents reviewed by Buyer's own independent legal counsel. The Buyer has not been under any compulsion to sign this Agreement or any other documents and all documents will be deemed to have been drafted by each party in equal parts and no presumptions or inferences concerning this Agreement's terms, interpretation or otherwise will result by reason of the fact that any party prepared any part of this Agreement, the Franchise Agreement or any other related document.

12.10 Amendment. Any modification or change in or to this Agreement must be in writing and signed by each of the parties.

12.11 Insolvency. No corporation, firm or person other than Buyer shall have or acquire any rights granted to Buyer hereunder by virtue of any bankruptcy, insolvency or assignment for the benefit of creditors or reorganization proceedings, or any receivership or other legal process, either under attachment, execution or otherwise, or in any manner whatsoever

growing out of any proceeding or suit in law or in equity, without the prior written consent of Seller. In the event of any such proceeding being had or taken by or against Buyer or any assignee or successor in interest of Buyer's under any provisions of the law, including the various chapters of the bankruptcy act, or for the involuntary winding up of the Buyer or any assignee or successor in interest of Buyer's, without such proceeding being dismissed or such levies released within five (5) days therefrom, Seller shall have the option of terminating this Agreement and all rights of Buyer thereunder immediately. In the event of any proceeding to wind up or dissolve the Buyer, Seller shall have the option of terminating Buyer's rights under this Agreement immediately.

12.12 Remedies, Waivers, Limitation of Liability. All rights and remedies of each party will be cumulative and not alternative, in addition to and not exclusive of any other rights or remedies which are provided for herein or which may be available at law or in equity in case of any breach, failure or default or threatened breach, failure or default of any term, provision or condition of this Agreement or otherwise. The failure of any party to demand strict compliance with a covenant or condition hereunder shall not be a waiver of its rights to demand strict compliance in the future. In no event will any party's liability to the other in connection with this Agreement or the sale of the Assets exceed the Purchase Price.

12.13 Notices. The notice provisions of the Franchise Agreement to be signed by the Buyer are incorporated in, and shall apply to, this Agreement.

12.14 Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original.

12.15 Acknowledgments. BUYER EXPRESSLY ACKNOWLEDGES AND AGREES THAT:

- (a) Buyer has entered into this Agreement as a result of its own independent investigation, after consultation with an attorney or other advisor(s) of its choice, and in any event not as a result of any representations of Seller, or its Affiliates, agents or representatives.
- (b) The success of the Unit will be primarily dependent upon the abilities and efforts of Buyer and its agents, and Seller, its Affiliates, agents and representatives have not made any representation that the Unit will be successful or profitable.
- (c) Buyer has not received and is not relying upon any financial projections or similar information or representations made by Seller, its Affiliates, agents or representatives.
- (d) A complete ready-to-sign copy of this Agreement and all other Agreements and documents was received by Buyer at least seven (7) days prior to the earlier of their execution by Buyer or Buyer's payment of any amounts, and a complete copy of the LLJ Franchise, LLC Franchise Disclosure Document, together with all exhibits, was received by Buyer at least fourteen (14) days prior to the earlier of Buyer's execution of this Agreement or Buyer's payment of any amounts.

IN WITNESS WHEREOF, the parties have hereto caused this Agreement to be duly executed as of the date first above written.

SELLER:

By: _____

Title: President

Sign here if "Buyer" is a natural person

BUYER (Individual[s])

Signature

Signature

Printed Name

Printed Name

Sign here if "Buyer" is a type of business entity

BUYER (Corp., LLC or Partnership)

Legal Name of Franchisee Entity

a _____
Jurisdiction of Formation Corporation, LLC or Partnership

By: _____
Print Name

Signature

Title

EXHIBIT 1
ASSETS TO BE SOLD
(LIST BELOW)

INVENTORY AND SUPPLIES ON PREMISES AT CLOSING TO BE LISTED AT CLOSING

EXHIBIT 2

LEASE INFORMATION

BUYER WILL OCCUPY THE UNIT PREMISES UNDER THE FOLLOWING ARRANGEMENT:
(INITIAL SELECTION BELOW)

_____ Buyer will sign a lease negotiated directly with the landlord of the Premises; or

_____ Buyer will sign an assignment agreement for the existing lease on the Premises, which assignment and existing lease are attached to this Exhibit; or

_____ Buyer will sign a sublease agreement for the Premises, which sublease is attached to this Exhibit. If this option is selected, you understand and agree that your rights under any sublease, unless you specifically negotiate more favorable terms to you directly with the landlord, are entirely subject to the Master Lessee's default under, right to cancel or not renew, and/or expiration of, its Master Lease.

IN WITNESS WHEREOF, the parties have hereto caused this Agreement to be duly executed concurrently with the Asset Purchase Agreement.

SELLER:

By: _____

Title: President

Sign here if "Buyer" is a natural person

BUYER (Individual[s])

Signature

Signature

Printed Name

Printed Name

Sign here if "Buyer" is a type of business entity

BUYER (Corp., LLC or Partnership)

Legal Name of Franchisee Entity

a _____
Jurisdiction of Formation Corporation, LLC or Partnership

By: _____
Print Name

Signature

Title

EXHIBIT 3

PERSONAL GUARANTEES

In consideration of the sale of the Assets to Buyer, each of the undersigned hereby personally guarantees, jointly and severally, the full payment and performance of the Buyer's obligations to Seller and Seller's Affiliates under the Asset Purchase Agreement and individually undertakes to be bound by all the terms of the Asset Purchase Agreement, which provisions are hereby approved. This Personal Guaranty is and shall be a continuing guaranty and no amendment of or waiver under any agreement, or transfer of any interest in Buyer or the Assets, or other change in circumstances shall modify, reduce or cancel any of the obligations of any of the undersigned under this Personal Guaranty, except for the express, written cancellation of such obligations by an officer of Seller. Each of the undersigned agrees that neither Seller nor any of its Affiliates needs to bring suit first against the undersigned in order to enforce this guarantee, and each may enforce this guarantee against any or all of the undersigned as it chooses in its sole and absolute discretion.

Each of the undersigned waives presentment, demand, notice of dishonor, protest, nonpayment and all other notices whatsoever, including without limitation: notice of acceptance hereof; notice of all contracts and commitments; notice of the existence or creation of any liabilities under the Asset Purchase Agreement and of the amount and terms thereof; and notice of all defaults, disputes or controversies between Buyer and Seller, and the settlement, compromise or adjustment thereof.

GUARANTOR(S)	PERCENTAGE OWNERSHIP OF BUSINESS ENTITY FRANCHISEE
_____	Date: _____ %
(PRINT NAME)	
_____	Date: _____ %
(PRINT NAME)	
_____	Date: _____ %
(PRINT NAME)	(Totals 100%)

EXHIBIT F

TO THE DISCLOSURE DOCUMENT

OPERATIONS MANUAL TABLE OF CONTENTS



Juice and Smoothie Bar Operations Manual

Confidential Operations Manual

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3 Obligations of the Franchisor	3
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EXHIBIT G-1
TO THE DISCLOSURE DOCUMENT
RECEIPT (YOUR COPY)

Exhibit G-1 – 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 LLJ 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.

If LLJ 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 on Exhibit A.

The franchisor is LLJ Franchise, LLC, located at 17915 Sky Park Circle, Suite J, Irvine, CA 92614. Its telephone number is (949) 475-0137.

The Effective Date of this disclosure document is listed on the page following the state cover page of this disclosure document.

The following is the name, principal business address and telephone number of each franchise seller offering this franchise:

Carol Skinner 17915 Sky Park Circle, Suite J Irvine, CA 92614 (949) 475-0146	Suzanne Coshow 17915 Sky Park Circle, Suite J Irvine, CA 92614 (949) 475-0146	Other Sellers (if any): _____ _____ _____
---	--	--

LLJ authorized 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 as of the Effective Date that included the following Exhibits:

A-1: State Administrators	C-3: Area Development Agreement
A-2: Agents for Service of Process	Attachments:
B: Financial Statements	1: Development Area
C-1: Site Assistance Deposit Agreement	2: Area Development Schedule
C-2: Franchise Agreement	C-4: California Addendum
Attachments:	C-5: Closing Questionnaire
1: Accepted Location	C-6: Equipment Lease
2: Electronic Funds Transfer	D-1: Roster of Franchisees & Affiliate Owned Locations
3: Lease Assignment Agreement	D-2: Former Franchisees
4: Conditional Assignment of Telephone Numbers	E: Asset Purchase Agreement
5: Nondisclosure and Noncompetition Agreement	F: Operations Manual Tables of Contents
6: Personal Guaranty	G-1: Receipt (Your Copy)
7: Terms of Use – Juice Net	G-2: Receipt (LLJ's Copy)
8. General Releasing Language	
9. SBA Addendum	

Date: _____

Franchisee: _____

EXHIBIT G-1 (Your Copy)

EXHIBIT G-2

TO THE DISCLOSURE DOCUMENT

RECEIPT (LLJ'S COPY)

Exhibit G-2 – 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 LLJ 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.

If LLJ 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 on Exhibit A.

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LLJ authorized the respective state agencies identified on Exhibit A to receive service of process for it in the particular state.

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- | | |
|--|---|
| A-1: State Administrators | C-3: Area Development Agreement |
| A-2: Agents for Service of Process | Attachments: |
| B: Financial Statements | 1: Development Area |
| C-1: Site Assistance Deposit Agreement | 2: Area Development Schedule |
| C-2: Franchise Agreement | C-4: California Addendum |
| Attachments: | C-5: Closing Questionnaire |
| 1: Accepted Location | C-6: Equipment Lease |
| 2: Electronic Funds Transfer | D-1: Roster of Franchisees& Affiliate |
| 3: Lease Assignment Agreement | Owned Locations |
| 4: Conditional Assignment of Telephone Numbers | D-2: Former Franchisees |
| 5: Nondisclosure and Noncompetition Agreement | E: Asset Purchase Agreement |
| 6: Personal Guaranty | F: Operations Manual Tables of Contents |
| 7: Terms of Use – Juice Net | G-1: Receipt (Your Copy) |
| 8: General Releasing Language | G-2: Receipt (LLJ's Copy) |
| 9: SBA Addendum | |

Date: _____

Franchisee: _____