

EXHIBIT "B"

FRANCHISE AGREEMENT

BOOSTER JUICE LIMITED PARTNERSHIP FRANCHISE AGREEMENT

Franchisee

Date of Agreement

Address of Store

BOOSTER JUICE FRANCHISE AGREEMENT

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BOOSTER JUICE FRANCHISE AGREEMENT

THIS BOOSTER JUICE STORE FRANCHISE AGREEMENT ("Agreement") is entered into on this__ day of _____, 200_, by and between Booster Juice Limited Partnership, an Oregon Limited Partnership, d/b/a Booster Juice (hereinafter referred to as "Booster Juice" or "Franchisor") and _____, and _____ (jointly and severally the "Franchisee") located at _____.

RECITALS

WHEREAS, Booster Juice owns or has the right to license certain trademarks, trade names, logotypes, and service marks which include the phrase "Booster Juice" and other identifying features (hereinafter collectively referred to as the "Marks,") and Booster Juice's distinctive methods and products ("Licensed Methods") for establishing and operating the Booster Juice stores, (hereinafter referred to as the "Booster Juice Store", "Business", or "Franchised Business"), all of which are designed to enhance the reputation and goodwill with the public of establishments operated pursuant to the License Methods.

WHEREAS, Booster Juice grants the right to others to own and operate Booster Juice Stores using the Marks and pursuant to the Licensed Methods;

WHEREAS, Franchisee desires to establish a Booster Juice Store at a location identified below or to be later identified, and Booster Juice desires to grant Franchisee the right to operate a Booster Juice Store at such location under the terms and conditions contained in this Agreement;

NOW, THEREFORE, in consideration of the mutual covenants herein contained, the parties agree as follows:

COVENANTS

1. GRANT OF FRANCHISE, INITIAL FRANCHISEE FEE GRANT OF SECURITY INTEREST

1.01 Use of Reasonable Business Judgment

Franchisor agrees to use "Reasonable Business Judgment" in the exercise of its rights, obligations and discretion under this Agreement except where otherwise indicated in this Agreement. "Reasonable Business Judgment" means that Franchisor's determination shall prevail even in cases where other alternatives are also reasonable so long as Franchisor is intending to benefit or is acting in a way that could benefit the Licensed Method by enhancing the value of the Marks, increasing customer satisfaction, or minimizing possible customer brand or location confusion. Franchisor shall not be required to consider Franchisee's particular economic or other circumstances when exercising its Reasonable Business Judgment. At no time is Franchisee or any third party (including, but not limited to any third party acting as a trier of

fact) entitled to substitute Franchisee's or its judgment for a judgment which has been made by or on behalf of Franchisor and that meets the definition of Reasonable Business Judgment in recognition of the fact that the long-term goals of a franchised system, and the long-term interests of both Franchisor and all franchisees, taken together, require that Franchisor have the latitude to exercise Reasonable Business Judgment.

1.02. Grant of Franchise.

Subject to all of the terms and conditions of this Agreement, Booster Juice grants to Franchisee and Franchisee accepts from Booster Juice, the non-exclusive right to operate one (1) Booster Juice Store using the Marks and the Licensed Methods, at the location described in section 2 below (sometimes referred to as the "Franchised Business"). Franchisee agrees to use the Marks and Licensed Methods as they may be changed, improved and further developed from time to time, only in accordance with the terms and conditions of this Agreement. Booster Juice grants Franchisee the right to the Franchised Business in reliance upon Franchisee's representations that Franchisee will at all times faithfully, honestly and diligently perform its obligations hereunder and continuously exert its best efforts to promote and enhance the name of, and image of the Booster Juice Stores.

As part of the Franchised Business, Franchisee will be required to offer both "Proprietary" and "Non-proprietary" Products (as each such term is defined in the Operations Manual, as amended from time to time), and other goods and services, at the Franchised Business as more fully set forth in the Operations Manual. As part of the grant herein Franchisee shall provide only such Products, goods and services.

Franchisee agrees to use his, her, or its good faith best efforts in performing the duties required of it under this Agreement.

Franchisor may from time to time, add to, amend, modify, delete or enhance any portion of the Licensed Methods or any of the Marks as may be necessary in Franchisor's Reasonable Business Judgment to change, maintain or enhance the Marks, the reputation, efficiency, competitiveness and/or quality of the Licensed Methods or to adapt to new conditions, materials or technology, or to better serve the public. Franchisee at its expense, will fully comply with all such additions or modifications reasonably designated as applicable to then existing franchise owners similarly situated.

1.03. Term of Grant & Renewal

This Agreement and the grant of franchise contained herein, unless sooner terminated in accordance herewith, shall extend for 10 (ten) years from the Effective Date ("Initial Term").

Subject to the provisions of this section, Franchisee shall have the option to renew this Agreement (exercisable only by written notice not less than six (6) months, nor more than twelve (12) months prior to the end of the current term) for one (1) additional ten (10) year period provided that each of the following terms and conditions have been met prior to such renewal:

- a) Franchisee shall have throughout the Initial Term substantially complied with all of the provisions of this Agreement (including, without limitation, making all payments

in full when due), and any other agreements between Franchisee and Franchisor, Franchisee shall be in full compliance with this Agreement and such other agreements at the end of the term prior to renewal to the satisfaction of Franchisor;

- b) all monetary obligations owed by Franchisee to Franchisor have been satisfied and have been timely met throughout the Initial Term;
- c) if Franchisee has leased/subleased the premises ("Premises") from a party other than Franchisor, Franchisee shall have provided evidence satisfactory to Franchisor that it has the right to remain in possession of the Premises for the duration of the renewal period;
- d) Franchisee shall have made or agreed to make all reasonable capital expenditures required by Franchisor to renovate, refurbish, remodel, redecorate and modernize the Premises so as to reflect the then current image of a Booster Juice Business;
- e) Franchisee (and, if Franchisee is a corporation, its shareholders, directors and officers and, if Franchisee is a partnership all of its general partners) will execute a general release in a form designated by Franchisor, of any and all claims against Franchisor and its subsidiaries and affiliates and their respective officers, directors, agents and employees;
- f) at the option of Franchisor, Franchisee shall have executed Franchisor's then current form of franchise agreement and all other agreements, instruments and documents then customarily used by Franchisor in the granting of Booster Juice franchises, which agreements may contain substantially different terms (including, without limitation, financial terms) than those set forth herein (but excluding any requirement to pay an initial fee and excluding any further right of renewal); and
- g) Franchisee shall have paid to Franchisor a renewal fee in the amount of Five Thousand Dollars (\$5,000.00), such renewal fee to cover Franchisor's full costs and expenses in administering the renewal including, without limitation, all legal fees and Franchisor's costs for the time expended by Franchisor's staff in connection therewith.

In the event that any of the above conditions for renewal have not been met at the end of the Initial Term, Franchisor will have no obligation to renew this Agreement and this Agreement will automatically expire at the end of such term.

In addition to the above, in the event of the expiration of the Agreement at the end of the term, Booster Juice shall have the first right to purchase the Franchised Business under the terms and conditions more fully set forth in section 15.04 below.

1.04. Initial Franchisee Fee

Franchisee shall pay to Booster Juice an initial franchise fee of \$30,000 ("Initial Franchise Fee") due and payable in full on or before the date of execution of this Agreement. Franchisee acknowledges and agrees that the Initial Franchise Fee represents payment for the initial grant of rights to use the Marks and Licensed Methods, that Booster Juice has earned the

Initial Franchise Fee upon receipt thereof and, that the Initial Franchise Fee is under no circumstances refundable to Franchisee after it is paid, unless otherwise specifically set forth herein.

If Franchisee purchases more than one franchise at the time of execution of its first Franchise Agreement and meets all of Franchisor's then current multi-unit requirements, the additional Franchise Fees shall be reduced by \$5,000 ("Multi-Pack License Discount").

1.05. No Sublicensing Rights.

Notwithstanding anything herein to the contrary, Franchisee shall not be permitted to sublicense, sublease, subcontract or enter into any management agreement providing for the right to operate the Business, without the express prior written permission of Franchisor which may be withheld for any reason or for no reason at all.

1.06 Grant of Security Interest

In order to secure the continued performance of Franchisee under this Agreement, and in addition to any other rights granted herein, Franchisee shall also execute and deliver to Franchisor for filing in the appropriate location in the state in which the Business is located, that form of UCC-1 financing statement (UCC-1) as is used in that state which shall secure all of the furniture, fixtures, equipment, inventory and all such items after-acquired (Collateral). Franchisee shall also sign and deliver that security agreement (Security Agreement) attached hereto as Exhibit "H."

The UCC-1 and the Security Agreement shall only be subordinate to Franchisee's purchase money lender and any SBA lenders involved in SBA financing so long as the SBA financing remains outstanding, and to no other lender, lienor, creditor, vendor or any other party seeking to secure an interest in the Collateral.

The UCC-1 and Security Agreement shall be released of record only upon the following events:

- a) the termination of this Agreement at the end of the Term including any renewals thereof; so long as there is no money owed to Franchisor or,
- b) mutual agreement between Franchisor and Franchisee.

The UCC-1 and Security Agreement shall be delivered to Franchisor at the time that landlord delivers the property to Franchisee and shall be immediately filed by Franchisor. Franchisor shall bear the cost of filing.

2. FRANCHISED LOCATION

2.01. Franchised Location

Franchisee shall have the right to operate one Franchised Business at the address and location to be determined in accordance with section 2 and section 3 hereof, and which shall be added to Exhibit "A", attached hereto and incorporated by this reference when said site is determined ("Franchised Location"). Franchisee may only operate the Franchised Business from

said Franchised Location and but for the Franchised Business, Franchisee shall not engage in other business, either under the Marks, or under the trademarks, trade names, service marks, or logos of any other business from the Franchised Location.

2.02. Relocation

The Franchised Business must be located only at the Franchised Location and shall not be relocated without the prior written approval of Booster Juice which approval shall not be unreasonably withheld.

2.03. Reservation of Rights

Booster Juice retains the rights, among others: (i) to use, and to franchise others to use, the Marks and Licensed Methods for the operation of Booster Juice Stores at any location other than at the Franchised Location unless otherwise set out in Exhibit "B" attached hereto; (ii) to use the Marks and Licensed Methods in connection with similar products and services in alternative channels of distribution without regard to location including mail order sales, Internet or world wide web sales, or other alternate methods of distribution; (iii) to use and franchise others to use other proprietary marks or methods in the sale of Products and services similar to those which Franchisee will sell at the Franchised Location at any location and on any terms and conditions as Franchisor deems advisable and without granting Franchisee any rights to them.

Franchisee may advertise in and solicit customers from any geographic area, just as other Booster Juice Stores may advertise and solicit customers from any geographic area.

2.04 Exclusive Territory

Unless otherwise set out in Exhibit "B" attached hereto, Franchisee is not entitled to any exclusive rights of territory.

3. DEVELOPMENT OF STORE

3.01. Development Period

Franchisee shall have five (5) months within which to open its Franchised Location (the "Development Period"). Time is of the essence, and:

- a) all time periods described herein shall be strictly construed;
- b) all time periods shall begin running on the first full calendar day available; and,
- c) all time periods end at five o'clock p. m., Central Time, on the last day of the time period given.

Booster Juice will extend the Development Period for a reasonable period of time in the event factors beyond Franchisee's reasonable control prevent Franchisee from meeting this development schedule and:

- a) Franchisee has made reasonable and continuing efforts to comply with such development obligations; and,
- b) Franchisee, no later than fifteen (15) days before the end of the Development Period, requests, in writing, an extension of time in which to have its Franchised Business open and operating, which extension will not be unreasonably withheld.

3.02. Site Selection

Franchisee shall, within thirty (30) days after the date this Agreement is signed, and using the Site Location Criteria Package (the "Package") to be provided by Franchisor, locate a site suitable for the operation of its Booster Juice Store (the "First Proposed Site"), and forward the completed Package to Franchisor for approval, which shall not be unreasonably withheld.

Franchisor shall have thirty (30) days after receipt of the Package for the First Proposed Site to use its Reasonable Business Judgment to approve the same, or to provide Franchisee a written statement of the reason for turning it down. Should Franchisor fail to respond in writing to Franchisee within said thirty (30) days, then the Proposed Site shall be deemed to have been disapproved by Franchisor.

Should the First Proposed Site be disapproved by Franchisor, then Franchisee shall have an additional sixty (60) days within to locate a new Proposed Site (the "Second Proposed Site"), and forward to Booster Juice the completed Package regarding the Second Proposed Site. Thereafter Franchisor shall have an additional thirty (30) days within which to approve the Second Proposed Site. Should Franchisor fail to respond in writing to Franchisee within said thirty (30) days, then the Second Proposed Site shall be deemed to have been disapproved by Franchisor.

Should Franchisee fail to meet the deadline for the filing of the completed Package for either the First or Second Proposed Sites without receiving an extension from Franchisor, or should Franchisee file an incomplete Package for either the First or Second Proposed Site, then Franchisor shall give Franchisee written notice of same and thereafter Franchisee shall be given an additional fifteen (15) calendar days within which to cure the deficiency. Should Franchisee fail to cure the deficiency within said cure period, then Franchisor shall have the sole and exclusive right to terminate the Agreement, all in accordance with section 15 below.

FRANCHISEE ACKNOWLEDGES THAT BOOSTER JUICE'S APPROVAL OF A FRANCHISED LOCATION DOES NOT INFER OR GUARANTY THE SUCCESS OR PROFITABILITY OF THE FRANCHISED BUSINESS IN ANY MANNER WHATSOEVER.

Initials

3.03. Lease or Purchase of Proposed Site

Once the First or Second Proposed Site has been approved, Franchisee shall have an additional thirty (30) days within which to obtain a lease agreement ("Lease") for the Proposed

Site. A copy of the Lease shall be forwarded to Franchisor within said time period. Thereafter, Franchisor shall have fifteen (15) calendar days within which to use its Reasonable Business Judgment, to approve or disapprove of the terms found therein. Should Franchisor fail to respond to Franchisee within said time period then the Lease is deemed to be disapproved.

Should Franchisor disapprove the Lease, then Franchisee shall have an additional fifteen (15) calendar days within which to negotiate with the landlord of the Proposed Site to changes the objectionable portions of the Lease. Should Franchisee be unable to change the objectionable portions of the Document within said period then the Proposed Site shall be deemed to have been disapproved by Franchisor. Should Franchisee be successful in changing the objectionable terms of the Document, then Franchisee shall forward a copy of the changed Lease to Franchisor who shall have an additional seven (7) calendar days within which to approve of the Lease. Should Franchisor fail to respond to Franchisee with said seven (7) calendar days, then the Lease shall be deemed to be disapproved.

Only after the Documents have been approved shall the Proposed Site be considered the Franchised Location.

FRANCHISEE ACKNOWLEDGES THAT BOOSTER JUICE'S APPROVAL OF THE LEASE, OR ANY ASSISTANCE IN LEASE NEGOTIATIONS DOES NOT CONSTITUTE A GUARANTY, RECOMMENDATION OR ENDORSEMENT OF THE LEASE OR THE FRANCHISED LOCATION. FRANCHISEE SHOULD TAKE ALL STEPS NECESSARY TO ASCERTAIN WHETHER SUCH LEASE IS ACCEPTABLE TO FRANCHISEE.

Initials

3.04 Collateral Assignment of Lease

Franchisee acknowledges that it is required to enter into a Collateral Assignment of Lease agreement with Booster Juice or a related entity in connection with the lease of the Franchised Location, a copy of which is attached hereto as Exhibit "C". Franchisee further acknowledges that a breach of the Lease may result in the exercise by Franchisor of the Collateral Assignment of Lease, which in turn may result in the termination of this Franchise Agreement and a loss of the leased premises.

3.05. Design and Construction

Prior to the expiration of the fixturing period prescribed by the Lease, and in any event prior to the opening of the Booster Juice Store, Franchisor shall, at its sole cost and expense:

- a) develop the exterior and interior of the Booster Juice Store including preparing any site plan, store layout, floor plan, color schemes and décor, Booster Juice Store;
- b) obtain all required regulatory and other approvals, including but not limited to development permits, building permits, and approvals;

- c) subject to Franchisee's obligation to insure set out in section 17 hereof, obtain all reasonable and prudent costs of insurance and bonding in connection with the construction and development of the Booster Juice Store;
- d) retain a general contractor or subcontractors of Franchisor's choice to develop the Booster Juice Store;
- e) acquire, deliver and install all required furniture, fixtures, equipment, and machines ("FF&E"), smallwares and signage; and
- f) acquire all required utilities and other services hook-ups relating to the Booster Juice Store.

3.06. Other Pre-Opening Obligations

During the Development Period, Franchisee shall at its sole expense and in addition to all other development and training obligations contained in this Agreement, do or cause to be done all of the following with respect to developing the Booster Juice Store at the Franchised Location:

- a) secure all required financing;
- b) obtain all bank accounts, debit systems and other banking requirements;
- c) arrange for all utility, telephone and internet installations required and set up all utility accounts;
- d) obtain all required registrations, certifications, permits and licenses other than those that Franchisor is responsible for;
- e) contact all food supplier representatives, submit credit applications and establish terms for delivery;
- f) advertise and retain management and staff;
- g) obtain appropriate insurance; and
- h) attend to all security requirements for the Booster Juice Store.

4. TURN-KEY PRICE

4.01. In addition to the Initial Franchise Fee payable pursuant to section 1.04 of this Agreement, Franchisee shall also pay a non-refundable turn-key price ("Turn-key Price") plus any and all applicable local, state or federal sales tax, which shall be paid in accordance with the payment structure attached hereto as "Schedule 1". Any additions to equipment or services requested by Franchisee and approved by Booster Juice in writing shall increase the Turn-key Price.

4.02 The Turn-key Price shall be paid in accordance with the following schedule:

- i. 40% shall be due at the time the landlord delivers the space to Franchisee for completion of his work (Delivery Date);
- ii. 40% on or before six (6) weeks from the Delivery Date;
- iii. 20% on or before one week prior to opening.

4.03. The Turn-key Price shall not be refundable and will be deemed to be fully earned upon delivery. Notwithstanding the foregoing, if Franchisee attends training in accordance with paragraph 6 below, and fails to graduate from the same so that Franchisor can terminate the franchise, that portion of the Turn-key Price that was paid to the date of termination (Turn-key Refund), shall be refundable in accordance with the following schedule:

i. the Turn-key Refund shall be retained by Franchisor until such time as Franchisor has resold the Business to a new franchisee and has obtained from that franchisee the full amount of the Turn-key Refund;

ii. deducted from the Turn-key Refund shall be all costs incurred by Franchisor to carry the leased premises until it is sold to a new franchisee and that franchisee has taken possession, including, but not limited to: any rent paid by Franchisor; any utilities required to be paid by Franchisor; any interest costs incurred which are related to the maintaining the property; and, any maintenance fees, insurance costs or other reasonable fees or costs required to be paid;

iii. at the time of the delivery of the Turn-key Refund, Franchisor shall also deliver an itemized accounting of all costs and fees offset against the Turn-key Refund.

5. OPENING ASSISTANCE

5.01. Opening Assistance

Booster Juice shall provide Franchisee with assistance prior to the opening of the Booster Juice Store as follows:

- a) assistance related to the acceptance of a Proposed Site for the Franchised Business as set out in sections 3.02 to 3.04, above;
- b) if applicable, delivery of a non-exclusive license to use certain proprietary computer programs in accordance with the terms of the Booster Juice's software license agreement to be provided to Franchisee at the time that the software/hardware system is made available;
- c) recommendations for accounting systems for the Booster Juice Store;
- d) between Franchisee's actual opening and its "Grand Opening," as that term is defined below, Booster Juice shall have one of its representatives on site for a period of not less than one (1) day, nor more than three (3) days to assist Franchisee in training employees and in determining that the Franchised Business is properly established and that Franchisee and its employees are instructed in the operation and management

thereof. In addition, a Booster Juice representative may spend not less than one day and as many as three additional days at the Franchised Location to provide the above opening assistance; Franchisee acknowledges, however, that this may be subject to variation based on the experience and capabilities of Franchisee, as assessed by Booster Juice in its sole discretion. The time for the on-site opening assistance shall be established by mutual agreement of the parties;

- e) an initial training program for Franchisee or, if Franchisee is not an individual, the person designated by Franchisee to assume primary responsibility for the management of the Franchised Business, as more fully described in section 6 below;
- f) an Operations Manual, as defined and described in section 7 below; and
- g) a Local Store Marketing Kit, as defined and described in section 11 below.

6. TRAINING

6.01. Initial Training

Franchisee agrees that the Franchised Business shall only be managed and operated by individuals who have successfully completed the initial training program (the "Initial Training") and have received certification (the "Certificate") by Booster Juice. Franchisee further agrees that Franchisee, or its representative(s) if Franchisee is a corporation, shall complete the initial training. In addition Franchisee may designate other personnel as being a "Principal Operator(s)" (as that term is defined below) of the Franchised Business who shall also be required to attend, successfully complete, and be certified by Booster Juice as completing the Initial Training.

If the Business is located in an area serviced by a Regional Developer (defined in Subsection 12.A of this Agreement), then the Regional Developer shall provide the on-site training to you. You and your Principal Operator (if applicable) must complete the initial training to our satisfaction and participate in all other activities we require before opening the Business. Although we provide this training at no additional fee, you must pay all travel and living expenses which you and your personnel incur. If you are a Regional Developer under a Regional Development Agreement with us and this Agreement is not for your First Booster Juice Store, then you shall provide the on-site training to your employees.

For purposes of this Agreement, a "Principal Operator" shall be considered the general manager of the Franchised Location who is authorized by Franchisee to hire and fire employee's and is authorized to operate the store on a day-to-day basis, and make management decisions in the best interest of Franchisee and Booster Juice.

If we determine that you cannot complete initial training to our satisfaction, we may, at our option, either (1) require you to attend additional training at your expense (for which we may charge reasonable fees), or (2) terminate this Agreement under Section 14(d) of this Agreement. If we determine that either you or your Principal Manager has failed to satisfactorily complete the training program, you agree to immediately hire a substitute and promptly arrange for such person to complete the training program to our satisfaction. You shall pay the charges we

establish for training programs furnished to individuals who replace a manager who has previously attended the training program.

If Franchisee fails to designate a substitute trainee, or if the substitute trainee fails to complete such initial training to Franchisor's satisfaction, with the result being that neither Franchisee, nor, if applicable, a manager selected by Franchisee, completes the Initial Training to the satisfaction of Franchisor prior to the time by which the Unit is required to be open for business in accordance with this Agreement, Franchisor may, in its sole discretion, elect to terminate this Agreement, in which event Franchisee shall not be entitled to receive a refund of the Initial Franchise Fee; all other training costs or expenses including travel and room and board incurred by Franchisee shall not be refunded or reimbursed.

The Turn-key Refund will be paid in accordance with paragraph 4 above.

At all times during the term of this Agreement Franchisee or its Principal Operator shall be principally responsible for the operation of the Business on a full time, on-site basis.

Booster Juice shall offer its Initial Training no less than six times per year lasting for no less than eight (8) to twelve (12) business days or such other length of time as Booster Juice and Franchisee may agree, having regard to the circumstances of all attendees at a training session. Franchisee shall designate up to two persons [which must include Franchisee and its Principal Operator (if applicable)], to attend the program or programs until they have successfully completed the same, at any time prior to the opening of the Franchised Business.

Franchisee shall pay the transportation costs and living expenses for its designated trainees while attending Initial Training.

6.02. Additional Training

If the original Principal Operator(s) trained by Booster Juice is no longer actively involved in the operation of the Franchised Business, then Franchisee shall notify Booster Juice of its replacement Principal Operator, who shall be required to successfully complete the next available Initial Training (Initial Training is offered no less than 6 times a year). Franchisor and Franchisee may agree to training at a time other than normally scheduled by Franchisor and Franchisee. Franchisee may be required to pay to Booster Juice in advance the then current training fee for any subsequent Principal Operators that are to be trained by Booster Juice to satisfy the terms of this Agreement. Booster Juice shall not be responsible for any transportation, accommodation or living expenses of the replacement Principal Operator during such training.

6.03. Annual Seminar

Franchisee, and any Principal Operator, shall attend, at his or her own cost and expense, any seminars, conventions, programs or meetings offered by Booster Juice or its designated representatives and designated as mandatory, which Booster Juice shall conduct on an annual basis. Franchisee, or its Principal Operator, shall attend these workshops or seminars each year as a prerequisite to Franchisee or the Principal Operator retaining their certification to operate the Booster Juice Store. No tuition or fee shall be charged for the annual workshop or seminar. The costs of attending the seminar shall be borne solely by Franchisee.

7. OPERATIONS MANUAL

7.01. Operations Manual

Booster Juice shall provide Franchisee with confidential operations manuals (the "Operations Manual") covering proper operating and marketing techniques of the Franchised Business as well as standards and specifications for the operation of the Franchised Business. Franchisee agrees that it shall comply with the Operations Manual as an essential aspect of its obligations under this Agreement and failure to substantially comply with the Operations Manual is a breach of this Agreement.

7.02. Revisions to Operations Manual

The Operations Manual contents may be updated periodically by Booster Juice in writing. Upon receipt, Franchisee shall update Franchisee's copy of the Operations Manual as instructed by Booster Juice and shall conform the Franchised Business operations with the updated provisions, within the time required by Franchisor acting reasonably. Franchisee acknowledges that the master copy of the Operations Manual maintained by Booster Juice at its principal office shall be controlling in the event of a dispute relative to the contents of any Operations Manual.

7.03. Confidentiality of Operations Manual

The Operations Manual and all updates is the sole property of Booster Juice and shall be used by Franchisee only during the term of this Agreement and in strict accordance with the terms and conditions hereof. Franchisee shall not duplicate the Operations Manual nor disclose its contents to persons other than employees of its Booster Juice Store. Franchisee shall return the Operations Manual to Booster Juice immediately upon the expiration, termination or assignment of this Agreement in accordance with section 16.04 below.

Franchisee acknowledges and agrees that unauthorized use or disclosure of Franchisor's confidential information and trade secrets (including, without limitation, the Operations Manual) will cause irreparable injury to Franchisor and that damages are not an adequate remedy and for which Franchisor may seek injunctive relief in addition to any other damages it may prove.

8. OPERATING ASSISTANCE

8.01. Operating Assistance

After the Franchised Business has opened for business, Booster Juice may provide:

- a) advice and consultation, as Booster Juice deems necessary, in its sole discretion, regarding the continuing operation and management of the Franchised Business;
- b) information regarding any new product, service or supplier or any updated methods of doing business available to Booster Juice Stores. Booster Juice may use the annual national, and/or any regional or local workshops and seminars, as well as Operations Manual updates or bulletins, correspondence and/or newsletters to accomplish this;

and

- c) to the extent that advertising materials are made available to Franchisee by Booster Juice, Franchisee shall have access to the same in a manner deemed appropriate by Booster Juice, in its sole discretion. Under such conditions, Franchisee shall be solely responsible for the cost of the placement of advertising in the various media.

8.02. Additional On-Site Assistance

We will provide, at no additional cost to you, on-site advice, guidance and support for a period of no more than five (5) days, in connection with the opening and initial operations of the Franchised Business; provided, however, that if you are a Regional Developer under a Regional development Agreement with us, and this Agreement is not for your first Booster Juice Store, then you will not receive this on-site assistance. We shall determine, in our sole discretion, the composition of the on-site assistance team. If we determine, in our sole discretion, that additional on-site assistance is necessary or beneficial, we have the right, at our option, to provide such additional on-site assistance. You will be required to pay reasonable fees for any such additional on-site assistance and will also be responsible for the travel or living expenses incurred by our personnel in providing such additional on-site assistance.

9. FRANCHISEE'S OPERATIONAL COVENANTS

9.01. Franchised Operations

FRANCHISEE ACKNOWLEDGES THAT IT IS SOLELY RESPONSIBLE FOR THE OPERATION OF ITS FRANCHISED BUSINESS AND THAT THE SUCCESSFUL OPERATION IS, DEPENDENT UPON FRANCHISEE'S COMPLIANCE WITH THIS AGREEMENT AND THE OPERATIONS MANUAL.

Initials

In addition to all other obligations contained herein and in the Operations Manual, Franchisee represents and covenants:

- a) to maintain a clean, efficient and high quality Franchised Business and shall operate the Franchised Business in accordance with the Operations Manual, as amended, and in such a manner as not to detract from or adversely reflect upon the Marks or the reputation of Booster Juice;
- b) to conduct and operate the Franchised Business in compliance with all applicable laws and ordinances and in such a manner as to promote a good public image in the business community;
- c) to maintain business hours at the Franchised Business as may from time to time be prescribed by Booster Juice in the Operations Manual or otherwise;

- d) to maintain sufficient supplies of Products and employ adequate personnel at all times so as to operate the Franchised Business at its maximum capacity and efficiency;
- e) to cause all employees of Franchisee, while working in the Franchised Business, to present a professional appearance, as described in the Operations Manual, and to render competent and courteous service to Franchised Business customers;
- f) to offer only those Products and services through the Franchised Business which meet or exceed the standards and specifications established by Booster Juice. These standards and specifications may be changed by Booster Juice at any time but shall not affect Franchisee until same have been forwarded to Franchisee in writing;
- g) to permit Franchisor or its agents, at any reasonable time, to remove from the Premises, at Franchisor's option, certain samples of any products, materials, supplies and expendables without payment therefor to determine whether such samples meet Franchisor's then-current standards and specifications, with no liability to Franchisor for any damage to such samples as a result of such testing;
- h) at all times to refrain from offering any other Products or services from or through the Franchised Business, unless Franchisor has provided prior written approval. Any Products or services offered by Franchisee which have not been previously approved in writing by Franchisor, shall be deemed to be in violation of this Agreement;
- i) to submit all reports required hereunder and to pay the "Royalty" and "National Advertising Fee" (as those terms are defined below) on a timely basis;
- j) to pay on a timely basis all amounts due and owing to Booster Juice pursuant to this Agreement and pursuant to any separate agreements between Franchisee and Booster Juice as well as any and all amounts due and owing by Franchisee to all third parties with whom Franchisee does business at or through the Franchised Business. In connection with any amounts due and owing by Franchisee to third parties, Franchisee expressly acknowledges that a default by Franchisee with respect to such indebtedness may adversely affect the good name and reputation of Booster Juice and may, at Franchisor's sole and exclusive option, be considered a default hereunder, for which Booster Juice may avail itself of all remedies provided for herein in the event of such default;
- k) acknowledging that proper management of the Franchised Business is important, to ensure that only Franchisee, individually, and any Principal Operator who has completed the Booster Juice Initial Training will be responsible for the management of the Franchised Business;
- l) the Statement of Ownership, attached hereto as Exhibit "D" and by this reference incorporated herein, is true, complete, accurate and not misleading. Franchisee shall promptly provide Booster Juice with a written notification if the information contained in the Statement of Ownership changes at any time during the term of this Agreement and shall in such circumstances comply with the applicable transfer provisions contained in section 14 herein;

- m) each officer, director or other principal who owns 5% or more of the interest in Franchisee will be required to guaranty the performance of Franchisee hereunder and sign the Guaranty and Assumption of Franchisee's Obligations which is attached to this Agreement as Exhibit "E";
- n) to obtain and maintain any special promotional materials of the kind and size as Franchisor may from time to time require for comparable Booster Juice Stores. Subject to the terms hereof, Franchisee shall submit any proposed new advertising material to Booster Juice for its written approval prior to publication or broadcast;
- o) to participate in all cooperative advertising and/or marketing programs as are from time to time prescribed by Franchisor. The terms and conditions required for participation in any such co-op advertising program or programs shall be as specified in the Operations Manual or as otherwise designated by Franchisor. Franchisee agrees to participate in all advertising and marketing programs designated by Franchisor as mandatory;
- p) to purchase such proprietary software program to aid Franchisee in its inventory control, ordering, and scanning for prices as Franchisor may make available. At such time as same is available, Franchisee shall be required to purchase both the hardware and software necessary to operate the system including computer hardware and the computer-controlled point-of-sale and scanning cash register/inventory-control equipment. Upon delivery, Franchisee shall be required to use the hardware and software in accordance with instructions from Franchisor and vendor, and shall also be required to operate under the terms of a software Franchise agreement which shall be provided by Franchisor. Franchisee shall at all times comply with its terms and conditions including, but not limited to the use of the hardware and proprietary computer software programs provided. Franchisee's failure to operate the system in accordance therewith shall be deemed to be a breach of this Agreement;
- q) to cooperate with Franchisee's bank and Franchisor to set up Franchisee's operation account so as to permit Franchisor to automatically withdraw from the account the Royalty and National Advertising Fee due to Franchisor as more fully described in section 11 below; and
- r) to maintain at all times maintain a listing for the Franchised Business in the local area telephone directory white pages books.
- s) to maintain at all times the UCC-1 financing statement described in paragraph 1.06, and to protect and defend the collateral secured therein.

10. QUALITY CONTROL AND PRODUCTS

10.01. Quality Control

Franchisee agrees to maintain and operate the Franchised Business in compliance with this Agreement and the standards and specifications contained in the Operations Manual,

including the "Books and Records" of the Business (as that term is defined in section 12) as the same may be modified from time to time by Franchisor. Said quality standards, specifications, methods, and criteria shall be jointly and severally referred to as the "Quality Control Methods."

10.02. Quality Control Inspections

In order to protect the Marks and the Licensed Methods, and as part of overall quality control, Franchisee agrees to permit inspection by Booster Juice of the Franchised Business and the supplies, equipment and services of every kind used in connection with the Franchised Business, by Booster Juice at all reasonable times during normal business hours. Booster Juice reserves the right to inspect the Franchised Business without prior notice to Franchisee. Franchisee will furnish promptly, upon request, any desired information or samples regarding its supplies, equipment, services and methods used in conducting its Franchised Business.

10.03. Authorized Products

The presentation of a uniform image to the public and the offering of a uniform product line are essential elements of the Franchise. Franchisee therefore agrees that it will only offer brands and types of products (including but not limited to specific types of juices, sorbets, soups, nutritional supplements, healthy snacks and the like and hereinafter referred to as the "Products"), and services that are specified from time to time by Booster Juice as set forth in the Operations Manual, as amended from time to time, as presented at national meetings, or by any other means deemed reasonable by Booster Juice.

Franchisee agrees to purchase or lease its entire requirements for inventory, Products, supplies, other items and services used, sold or leased at or through its Franchised Business only in accordance with Booster Juice's standards and specifications and only from suppliers approved in advance by Booster Juice. The same are found in the Operations Manual, as amended from time to time.

All acquisitions of approved supplies and Products by Franchisee shall be made at Franchisee's own expense and for Franchisee's own account. Booster Juice shall in no way be obligated or liable for said acquisitions by Franchisee, and Franchisee shall be obligated to inform all of its suppliers to this effect.

10.04 Designation of Supplier of Inventory, Services, Decor, Furniture, fixtures and equipment and Products

Franchisee shall purchase all t-shirts, baseball caps, bucket hats, Boosters, nutritional products, aprons, herbal product, name tags and printed material from Franchisor or its designated suppliers.

Franchisee shall use only business stationery, business cards, marketing materials, advertising materials, printed materials or forms which have been approved in advance by Franchisor.

Franchisee shall acquire all other fixtures, furnishings, signs, equipment, inventory, uniforms, advertising materials, services, and other supplies, products and materials required for

the operation of the Franchised Business solely from suppliers who demonstrate, to the continuing reasonable satisfaction of Franchisor:

- a) the ability to meet Franchisor's reasonable standards, specifications and requirements for such items regarding quality, variety, service, safety and health;
- b) who possess adequate quality controls and capacity to supply Franchisee's needs promptly and reliably;
- c) who have a sound financial condition and business reputation;
- d) who will supply such items to a sufficient number of Franchisees to enable Franchisor to economically monitor compliance by the supplier with Franchisor's standards, specifications, and requirements; and
- e) who have been approved for such items in writing by Franchisor and not thereafter disapproved.

If Franchisee desires to purchase any items from an unapproved supplier, Franchisee will notify Booster Juice in writing to request approval of the different supplier. Said writing shall contain the name, address, and telephone number of the supplier, and shall specifically described the good, service, product, or equipment that the supplier is to provide. Thereafter Franchisor shall have the right to reasonably inspect the products, goods and/or services of the prospective vendor by requesting of the vendor, in writing, and within fifteen (15) calendar days of receipt of the above information from Franchisee, samples of its products, goods, or services, test data (if available), or other information that will help Franchisor make a decision about the product, good or service. Upon receipt of the information from the prospective vendor, Franchisor shall have thirty (30) calendar days to determine in its sole and exclusive determination whether the prospective vendor should be approved. Should Franchisor fail to act within said period then the prospective vendor, good, service or item shall be deemed to be rejected.

Further Franchisee may wish to offer other products, goods, and services not previously offered by Booster Juice. Franchisee may not offer for sale any such good or service until Franchisor has approved the same, in writing. Franchisor shall consider any such matter on a case by case basis and may approve or disapprove of such product, good or service, for any reason or for no reason at all.

Should Franchisee wish to offer any product, good or service not previously offered by Booster Juice, Franchisee will notify Booster Juice in writing to request approval of the new, product, good or service. Said writing shall identify the new product, good or service and shall also contain the name, address, and telephone number of the proposed supplier. Any such writing shall be accompanied by a sample product, good or a full description of the manner and method of offering the service. Thereafter Franchisor shall have fifteen (15) calendar days to reasonably inspect the products, goods and/or services and request of the supplier any test data or other information that it may deem necessary to evaluate the new product, good or service. Upon receipt of the same, Franchisor shall have an additional thirty (30) calendar days to determine in its whether the prospective product, good or service, should be approved. Should Franchisor fail to act within said period then the prospective vendor, good, service or item shall be deemed to be

rejected.

Franchisor reserves the right to increase or decrease the number of approved suppliers and to designate itself an approved supplier and to make a profit or otherwise receive value in kind or rebates from the designation of approved suppliers and/or from the sale of supplies to Franchisee.

10.05 Maintenance, Remodeling and Replacement at the Store

In order to protect and promote the Marks, and so present a uniform and sanitary image to the public, Franchisee is required to maintain the interior and exterior of the Business in a clean, orderly and sanitary manner, which shall include, repainting, reflooring, maintenance, repair, and if necessary, replacement of each and every item of FF&E, floor and wall coverings, menus, and the like, on an "as-needed" basis, but in no event shall Franchisee make any structural improvements to the Franchised Business or the Franchised Location without Franchisor's prior written approval.

Further, Franchisor shall have the right, on or after the third anniversary of the opening of the Business to require Franchisee to perform such remodeling, repairs, replacements and redecoration, including the replacement of, or addition of new FF&E, replacement of signage, replacement of menus, or interior or exterior appearance, so that the Franchised Business shall be up to the then-current standards of a newly developed Booster Juice Store.

Notwithstanding anything herein to the contrary, as part of the use of Franchisor's Reasonable Business Judgment, and in order to timely respond to market conditions, customer needs and wishes, the demographics and potential of a given site, Franchisor reserve the right, in its sole and exclusive determination, to vary any standard of the Licensed Method, the Marks or the Operations Manual, including the interior or exterior appearance of the Business, the menu items, the signage and the like.

11. ROYALTY AND ADVERTISING FEES

11.01. Royalty

Franchisee agrees to pay to Booster Juice on a monthly basis a nonrefundable fee (the "Royalty") of six percent (6%) of Franchisee's total monthly "Gross Receipts" as that term is defined below. Franchisor reserves the right, in its sole discretion and on reasonable notice, to require Royalty to be paid on a weekly basis.

11.02. Gross Receipts

For the purposes of this Agreement, "Gross Receipts" shall mean and include the aggregate amount of all revenue received from all retail and wholesale sales at the Business of its inventory or supply of Products, whether for cash or credit. Excluded from the calculation of Gross Receipts shall be the amount of the discount given off the regular price of any Product in connection with the use of coupons or other discount promotions; and, federal, state or municipal sales or services taxes collected from customers and paid to the appropriate taxing authority.

11.03. Advertising Expenditures

As part of or in addition to the Operations Manual, Franchisor shall provide Franchisee with a Local Store Marketing Kit ("LSM") which shall contain advertising materials that Franchisee may use in connection with its local marketing efforts. Franchisee shall seek Franchisor's prior approval for all local marketing efforts provided, however, that so long as no material changes are made, Franchisee's use of LSM materials is deemed to be approved by Franchisor.

11.03.1. Grand Opening

Franchisee shall be required to spend a minimum of \$1,000 on the promotion and advertising of the Franchised Business during the period ending forty-five (45) days following the opening of the Franchised Business ("Grand Opening Advertising").

11.03.2. Local Advertising

Franchisee shall make ongoing local advertising and marketing efforts and expenditures, and in this regard, Franchisee shall:

- a) spend a minimum of 1.5% of Franchisee's monthly Gross Receipts (the "Advertising Allocation") on local marketing and advertising for the Booster Juice Store, in any medium of Franchisee's choosing subject to the provisions hereof. All such advertising shall contain the Marks and shall provide the location of the Business;
- b) submit monthly reports to Franchisor which describe Franchisee's expenditure of the Advertising Allocation for the previous month and present Franchisee's plans for marketing and expenditure for the next month to Franchisor;
- c) deliver any requests for approval for non-LSM marketing materials or advertising to Franchisor for approval no later than ten (10) calendar days before proposed use. If Franchisor fails to provide written approval on the proposed materials or advertising prior to the expiry of the said ten (10) day period, then the materials or advertising shall be deemed to be disapproved; and
- d) maintain during the Term and any extension thereof, a listing in the local telephone directory (the "white pages") The listing shall include the name, address and telephone number of Franchisee.

11.03.3. National Advertising Fund

Franchisee shall participate in the National Advertising Program and in this regard:

- a) Franchisee shall remit 2% of monthly Gross Receipts to Franchisor ("National Advertising Fee"). Franchisor reserves the right, in its sole discretion and on reasonable notice, to require National Advertising Fee to be paid on a weekly basis.. The amount of the National Advertising Fee may be changed from time to time upon

thirty (30) days prior written notice except that the amount of the Advertising Fee plus the Advertising Allocation shall not exceed 5% of the Gross Receipts for any year;

- b) the National Advertising Fee will be due and payable concurrently with the payment of the Royalty;
- c) the National Advertising Fee shall be deposited by Booster Juice in a checking account, savings account, or any other account of Booster Juice's determination (the "Account");
- d) the Account will be administered by Booster Juice, in its sole discretion. Booster Juice may reimburse itself for independent audits, reasonable accounting, bookkeeping, reporting and legal expenses, taxes and any and all other reasonable direct or indirect expenses as may be incurred by Booster Juice or its authorized representatives in connection with the programs funded by the Account. Booster Juice assumes no direct or indirect liability or obligation with respect to collecting amounts due to the Account or with respect to maintaining, directing or administering the Account;
- e) Booster Juice may, in its Reasonable Business Judgment, upon 30 days prior written notice, allocate a portion of the Account to a regional advertising cooperative, and if the Franchised Business falls in the targeted region, Franchisee must participate in said regional advertising cooperative; and
- f) Upon written request, Booster Juice shall make available to Franchisee an annual financial report for the Account which indicates how the Account has been spent, no later than 120 days after the end of each calendar year.

FRANCHISEE ACKNOWLEDGES THAT ITS USE OF THE LSM OR BOOSTER JUICE'S APPROVAL OF ANY MARKETING EFFORTS DOES NOT CONSTITUTE A GUARANTY OF SUCCESS OF SAID MARKETING. FRANCHISEE FURTHER ACKNOWLEDGES THAT BOOSTER JUICE MAKES NO GUARANTY THAT ADVERTISING EXPENDITURES FROM THE ACCOUNT WILL BENEFIT FRANCHISEE DIRECTLY OR ON A PRO RATA BASIS TOGETHER WITH OTHER FRANCHISEES.

Initials

11.04. Payment Schedule

Subject to section 11.06 below, all Royalty, National Advertising Fees and any other fees to be paid to Booster Juice by Franchisee pursuant to this Agreement shall be made by the 10th of each month, based on the amount of Gross Receipts of the previous month. This payment shall be submitted as set out in section 11.06 hereof.

Payments shall be in accordance with monthly reconciliation reports, which shall be in a form approved by Booster Juice and which form shall be submitted to Booster Juice by 10:00

a.m. Central Time on or before the 10th of the current month for the previous month. In addition, Booster Juice may also request certain additional information it determines useful in the overall management and marketing of the Booster Juice Store Franchise system.

Franchisor reserves the right in its sole discretion and on reasonable notice to require all Royalty and National Advertising Fees and any other fees payable to Booster Juice to be paid on a weekly basis, and to require all reconciliation reports to be submitted on a weekly basis.

11.05. Late Charges

Delinquent Royalty and National Advertising Fees or other amounts as may be due from Franchisee to Booster Juice hereunder, shall bear interest at the greater of 1.5% percent per month or the highest rate permitted by law, which shall accrue monthly.

11.06 Payment Method

Franchisee agrees that Franchisor shall have the right to receive payment for the Royalty and National Advertising Fees through the automatic electronic deduction of these fees from the operating bank account of Franchisee. Franchisee shall cooperate with Franchisor to complete all paperwork necessary to insure that Franchisee's bank will automatically transfer into the account of Franchisor all such Fees. Said paperwork shall be completed before the Franchised Business is opened for business. The rights granted by the automatic withdrawal described herein shall not be revoked by Franchisee without the express written permission of Franchisor which permission Franchisor may deny for any reason or for no reason at all. Any such revocation without Franchisor's permission shall be deemed to be a material default of this Agreement and subject to the provisions of section 15.01 below.

12. BOOKS AND RECORDS AND REPORTING

12.01. Reports

Franchisee shall supply Booster Juice with reports in such manner and form as Booster Juice may from time to time reasonably require, including:

- a) monthly transmittal reports indicating fees due to Franchisor in a form as may be prescribed by Booster Juice, which shall be submitted by 10:00 a.m. Central Time no later than ten (10) days after the end of each month of Franchisee's operations. In addition to Franchisor's remedies contained in section 12.03 of this Agreement, Franchisee shall pay Franchisor a penalty equal to 10% of the Royalty for each transmittal report received after the deadline set out above;
- b) financial statements, including a profit and loss statement as of the end of each month of operation, in a form acceptable to Booster Juice, which shall be submitted within ten (10) days after the end of each month of Franchisee's operations;
- c) at Franchisor's request, Franchisee shall deliver copies of its sales tax reports and federal income tax reports relating to the Franchised Business for the preceding year;

- d) electronic access to certain non-proprietary daily information of the Franchised Business as may be available to Franchisee or Franchisor using software installed at the Franchised Business;
- e) at Franchisor's request, copies of all product supply invoices
- f) at Franchisor's request, daily labor control costs;
- g) at Franchisor's request, a compilation of any financial or product related statistics (e.g. the amount sold of a certain menu item in a given period of time) as Franchisor may deem reasonably necessary;
- h) within 90 days after the close of each fiscal year of Franchisee, Franchisee shall furnish to Franchisor financial statements which shall include a statement of income and retained earnings, a statement of changes in financial position, and a balance sheet of Franchisee, all as of the end of such fiscal year, which shall be certified to by Franchisee as being true and correct;
- i) at Franchisor's request, in addition to the foregoing unaudited statements, within 90 days after the close of each fiscal year of Franchisee, Franchisee shall furnish to Franchisor, at Franchisee's expense, a statement of income and retained earnings of Franchisee for such fiscal year and a balance sheet of Franchisee as of the end of such fiscal year, all prepared in accordance with generally accepted accounting principles consistently applied and reviewed by a certified accountant. Franchisee shall also submit copies of filed tax returns within 30 days of filing.
- j) at Franchisor's request, and in any event, within sixty (60) calendar days of the end of each year, Franchisee shall provide Franchisor with a list of all beneficial owners of the Franchise including each such person's name, address and telephone number along with a statement as to the type and level of ownership each such person enjoys. Further to the extent that Franchisee is a business entity of any nature, upon the resignation or termination of any Member, partner, officer, director, or principal, and upon the transfer of any interest in any such entity to any party not previously disclosed, Franchisee shall provide the name, address, telephone number, and a statement of the nature of change be it a resignation, transfer or termination.

All records delivered hereunder, shall become the property of Franchisor and shall be used for such purposes as it deems necessary; except such data shall not be used or disclosed for any purpose not otherwise permitted by law.

12.02. Books and Records

Franchisee shall maintain all financial "Books and Records" (as that term is defined below) for the Franchised Business in accordance with generally accepted accounting principles, consistently applied, and preserve these records for at least five (5) years after the fiscal year to which they relate.

12.03. Failure to Submit Reports

The failure of Franchisee to timely submit the required reports and financial statements shall be considered by Booster Juice to be a material default under this Agreement.

12.04. Audit

Franchisee agrees to allow Booster Juice the right to review, inspect and/or audit the financial "Books and Records" of the Franchised Business at any time during regular business hours, and at Booster Juice's expense.

For the purposes of this Agreement, "Books and Records" includes but is not limited to, all financial accounting ledgers, accounts, bank accounts, bank reconciliation statements, profit and loss statements, balance sheets, tax reports of any nature or kind, cash register tapes, sales slips, and other financial books and records of the Franchised Business, which are normally and usually kept by a similar business in the normal course.

In the event that any inspection or audit discloses an understatement of Franchisee's Gross Receipts of the Franchised Business of more than 1%, Franchisee shall bear the cost of such inspection or audit and shall immediately pay all deficiencies which may be due and owing to Booster Juice, including interest on the deficiencies from the due date at the greater of 18% per annum or the maximum permitted by the law of the state in which Franchisee is located. In addition, if such audit reflects an underpayment to Booster Juice by five percent (5%) or more, Franchisee will bear the entire cost of such audit and all related reasonable expenses and Booster Juice shall be entitled to re-audit the Franchised Business at Franchisee's expense, at any time within one (1) year from the date of the current audit, to determine whether Franchisee has accurately reported the Gross Receipts of the Franchised Business; all at Franchisee's expense.

13. PROPRIETARY MARKS

13.01. Marks and Licensed Methods

Franchisee acknowledges Booster Juice's rights in, and its ability to license the Marks and the Licensed Methods. Franchisee acknowledges that it has not acquired any right, title, or interest in the Marks and Licensed Methods except for the right to use the Marks and Licensed Methods in the operation of its Franchised Business in accordance with this Agreement.

Franchisee agrees that no name, trademark or service mark other than the Mark shall be used in the operation of the Franchised Business nor shall any other name, symbols, logo or other identifying marks be used in connection with the Franchised Business without the prior written approval of Booster Juice which approval may be withheld for any reason or for no reason at all.

13.02. Change of Marks

In the event that Booster Juice is required to, or in its sole discretion, shall determine to modify or discontinue use of the Marks or to develop additional or substitute proprietary marks, Franchisee shall, within a reasonable time after receipt of written notice from Booster Juice, take such action, at Franchisee's sole expense, as may be necessary to comply with such modification, discontinuation, addition or substitution. Booster Juice shall not be obligated to reimburse

Franchisee for any loss of goodwill associated with any modifications or discontinuance of the Marks or for any expenditures made by Franchisee to promote a modified or substitute Marks.

13.03. Trademark Infringement

Franchisee will promptly notify Booster Juice in writing of any possible infringement or illegal use by others of a trademark the same as or similar to the Marks which may come to its attention. Franchisee acknowledges that Booster Juice shall have the right to determine whether action will be taken on account of any possible infringement or illegal use. Booster Juice shall commence or prosecute such action in Booster Juice's own name and may join Franchisee as a party to the action if Booster Juice determines it to be reasonably necessary for the continued protection and quality control of the Marks and Licensed Methods. Booster Juice shall bear the reasonable cost of any such action, including attorneys' fees. Franchisee will not institute any action on account of any possible infringement or illegal use without first obtaining Booster Juice's prior written consent.

13.04. Franchisee's Business Name

Franchisee acknowledges that Booster Juice has a prior and superior claim to the Marks. Franchisee agrees not to register or attempt to register such trade name or any variation thereof in Franchisee's name or that of any other person or business entity without prior written consent of Booster Juice. Franchisee shall not use any of the Marks or any confusingly similar marks, names or indicia in the legal name of its corporation, partnership or any other business entity used in conducting the Franchised Business provided for in this Agreement.

14. ASSIGNMENT OF RIGHTS OR TRANSFER OF ASSETS

14.01. Assignment of Rights by Franchisor

This Agreement and all rights and duties hereunder may be freely assigned or transferred by Franchisor, in whole or in part, in its sole discretion without Franchisee's consent, to any person or legal entity that agrees to assume Franchisor's obligations hereunder, including a competitor of Franchisor, and shall be binding upon and inure to the benefit of Franchisor's successors and assigns including, without limitation, any entity which acquires all or a portion of the capital stock of Franchisor or any entity resulting from or participating in a merger, consolidation or reorganization in which Franchisor is involved, and to which Franchisor's rights and duties hereunder (in whole or in part), are assigned or transferred.

14.02. Assignment of Rights by Franchisee

- a) Franchisee understands and acknowledges that the rights and duties created by this Agreement are personal to Franchisee (and Franchisee's owners, if Franchisee is a legal entity), and that Franchisor has granted this Franchise in reliance on many factors, including, without limitation, the individual or collective character, skill, aptitude and business and financial capacity of Franchisee and any persons owning an interest in Franchisee. Accordingly, neither Franchisee nor any person owning any direct or indirect equity interest therein, shall, without Franchisor's prior written consent, directly or indirectly sell, assign, transfer, convey, give away, pledge,

mortgage or otherwise encumber any interest; (i) in this Agreement or any portion or aspect thereof, (ii) the Franchised Business, (iii) the Premises, or (iv) any equity or voting interest in Franchisee, nor permit the Franchised Business to be operated, managed, directed or controlled, directly or indirectly, by any person other than Franchisee (any such act or event is referred to as a "Transfer") without the prior written approval of Franchisor. Any such purported Transfer occurring by operation of law or otherwise, including any Transfer by a trustee in bankruptcy, without Franchisor's prior written consent, shall be a material default of this Agreement, but the transferor shall remain obligated under this Agreement until released by Franchisor, or until this Agreement is terminated and all post-term obligations pursuant to this Agreement are fulfilled.

- b) Franchisee understands and acknowledges the vital importance of the performance of Franchisee to the market position and overall image of Franchisor. Franchisee also recognizes that there are many subjective factors that comprise the process by which Franchisor selects a suitable Franchisee. The consent of Franchisor to a Transfer by Franchisee shall remain a subjective determination and shall include, but not be limited to, the following conditions:
 - (i) The proposed transferee is a person or entity that meets Franchisor's standards of qualification then applicable with respect to all new applicants for similar Booster Juice System Franchisees;
 - (ii) The proposed Transfer is at a price and upon such terms and conditions as Franchisor shall deem reasonable based upon the financial capability of the proposed franchisee.;
 - (iii) As of the effective date of the proposed Transfer, all obligations of Franchisee hereunder and under any other agreements between Franchisee and Franchisor are fully satisfied;
 - (iv) As of the effective date of the proposed Transfer, all obligations of the proposed transferee to Franchisor under all other agreements of any kind between the proposed transferee and Franchisor are fully satisfied;
 - (v) As of the effective date of the proposed Transfer, Franchisor shall have forwarded to Franchisee its approval, which shall not unreasonably be withheld and granted in its Reasonable Business Judgment, of the proposed Transfer to the proposed transferee, in accordance with the following provisions of this section 14; and,
 - (vi) the proposed transferee shall sign any documents of assignment of the UCC-1 and Security Agreement to insure that the same will remain in full force and effect as to the proposed transferee.
- c) Franchisee shall submit to Franchisor prior to any proposed Transfer of any equity or voting interest in Franchisee, and at any other time upon request, a list of all holders of direct or indirect equity and voting interests in Franchisee reflecting their

respective present and/or proposed direct or indirect interests in Franchisee, in such form as Franchisor may require.

- d) Franchisor may require, as a condition of its approval of any proposed Transfer, satisfaction of the additional requirements set forth in section 14.02(e) in the event Franchisee is a partnership (general or limited), a limited liability entity, or privately-held corporation and the proposed Transfer, alone or together with all other previous, simultaneous and/or proposed Transfers, would have the effect of reducing directly or indirectly to less than a majority the percentage of equity and voting interest (as reasonably determined by Franchisor) owned in Franchisee in the initial equity and voting interests identified in Exhibit "D" attached hereto, or in the event Franchisee is a natural person and the proposed Transfer would result in Franchisee's loss of control of the Business. In computing the percentages of equity and voting interest owned in Franchisee for purposes of this section 14.02(d), corporate, limited liability company membership, general or limited partnership interests shall not be distinguished .
- e) The requirements for all such Transfers under section 14.02(d) are as follows:
 - (i) The proposed transferee must execute a new franchise agreement, namely, Franchisor's then-current form of unit franchise agreement, which may contain terms and conditions substantially different from those in this Agreement, for an initial term equal to the time remaining in the term of this Agreement as of the date of such transfer;
 - (ii) There shall have been paid to Franchisor, together with the application for consent to the transfer, the non-refundable transfer fee then required by Franchisor of comparable Booster Juice System Store operators (currently \$5,000.00);
 - (iii) The transferor and the transferee shall have executed a general release under seal where required (copy attached as Exhibit "F"), in a form satisfactory to Franchisor, of any and all claims against Franchisor, its parent, subsidiaries, affiliates and their officers, directors, attorneys, shareholders, and employees, in their corporate and individual capacities, including, without limitation, claims arising under federal, state, and local laws, rules, and ordinances arising out of, or connected with, the performance of this Agreement or any other agreement;
 - (iv) The transferee shall demonstrate to Franchisor's sole satisfaction that it meets all of Franchisor's requirements for becoming a Franchisee, including, without limitation, that it meets Franchisor's managerial and business standards then in effect for similarly situated Franchisees; possesses a good moral character, business reputation, and satisfactory credit rating; is not a competitor of Franchisor; will comply with all instruction and training requirements of Franchisor and has the aptitude and ability to operate the Franchised Business (as may be evidenced by prior related business experience or otherwise);

- (v) The transferee and/or its designated managerial personnel (as applicable) shall have completed, to Franchisor's satisfaction, the training then required by Franchisor and shall have paid to Franchisor, prior to Franchisor granting its approval of the transfer, a non-refundable training fee of five thousand dollars (\$5,000.00);
 - (vi) All obligations, monetary or otherwise, of Franchisee or of the principals of Franchisee to Franchisor, affiliates and suppliers of Franchisor will have been satisfied in full;
 - (vii) The Transferee will enter into a written agreement, under seal, and in a form satisfactory to Franchisor, assuming and agreeing to discharge all of Franchisee's obligations under this Agreement;
 - (viii) If the transferee is a corporation or limited liability entity then the Members, shareholders, directors and officers of who hold more than a 5% interest in the transferee will provide their personal guaranty of all of Franchisee's obligations under this Agreement and any other agreement between Franchisor and Franchisee; and
 - (ix) Prior to the granting of approval for the transfer of Franchisee's interest in this Agreement, Franchisor will have been paid in full its transfer and training fees, which will be non-refundable.
- f) Upon the death or mental or physical incompetency (as reasonably determined by an independent third party such as a licensed doctor) of any person with any direct or indirect interest in Franchisee and who has managerial responsibility for the operation of the Franchised Business, the executor, administrator, or personal representative of such person shall transfer his interest to a third party approved by Franchisor within six months after the death or finding of incompetency. Such transfers shall be subject to the same conditions as any lifetime Transfer. If the heirs or beneficiaries of any such person are unable to meet the conditions in section 14.02(e) hereof, Franchisor may terminate this Agreement.
- g) Without in any way limiting Franchisor's right to reject a proposed transfer, if at any time during the term of this Agreement or any renewal thereof, Franchisee or any party holding an interest in Franchisee or the Franchised Business (the "Seller") obtains a bona fide offer (the "Offer") from a third party with which it deals at arms length, to acquire the whole or any part of the Seller's interest in the Franchised Business which the Seller wishes to accept, the Seller shall promptly give notice of the Offer to Franchisor together with a true copy of the Offer, a copy of Franchisee's most current financial statements, Franchisor's standard franchise application form completed by the proposed transferee, and a One Thousand Dollar (\$1,000.00) non-refundable payment for considering the request for the transfer (this payment will be applied toward the amount payable as a transfer fee under Section 14.02(e)(ii) in the event Franchisor does not exercise its right of first refusal provided by this section and consents to the transfer). Upon receipt of the foregoing, Franchisor shall have the option of purchasing the interest of the Franchised Business forming the subject

matter of this Agreement upon the same terms and conditions as those set out in the Offer except that there shall be deducted from the purchase price the amount of any commission or fee that would otherwise have been payable to any broker, agent or other intermediary in connection with the sale of such interest in the Franchised Business and Franchisor shall have the right to substitute cash for any other form of consideration specified in the Offer and to pay in full the entire purchase price at the time of closing. Franchisor may exercise its option to purchase at any time within thirty (30) days after receipt of the notice and Offer by giving notice to that effect to the Seller. If Franchisor declines to exercise such option and if such transfer is otherwise approved by Franchisor, Franchisee shall be entitled to complete the transfer to such third party purchaser in accordance with the Offer subject to the provisions of this Agreement provided that such transfer is completed within ninety (90) days from the last day in which Franchisor could have exercised its option to purchase. If the transfer is not completed within the same ninety (90) day period, Franchisor's option to purchase under this section shall revive automatically for a further period of 30 days and continue in full force. If Franchisor exercises the option to purchase, such purchase must be completed within one hundred and twenty (120) days from the date of Franchisor's notice of election to purchase. Any change in the terms of the Offer, prior to the closing will constitute a new offer subject to the same rights of refusal by Franchisor as in the case of an initial offer. Failure of Franchisor to exercise the option afforded by this section will not constitute a waiver of any other provision of this Agreement including all requirements of this section 14.02 with respect to a proposed transfer.

- h) Notwithstanding the foregoing, it is understood that Franchisee (if an individual) may assign this Agreement, the Franchised Business, and/or Franchisee's rights and obligations hereunder on one occasion to a legal entity organized by Franchisee for that purpose only and at least a majority of all the issued and outstanding shares of voting stock and/or equity interest of which shall be owned and voted continuously by Franchisee, and further provided that Franchisor shall have approved in advance all other shareholders of such corporation or others holding equity or voting interests, which consent shall not be unreasonably withheld. Franchisor shall be given written notice of such assignments and delegation, and thereupon such corporation shall have all of such rights and obligations, and the term "Franchisee" as used herein shall refer to such legal entity; provided, however, that such assignment shall in no way affect the obligations hereunder of the individual above designated "Franchisee", who shall remain fully bound by and responsible for the performance of all of such obligations, jointly and severally with such legal entity. Such legal entity shall at no time engage in any business or activities other than the exercise of the rights herein granted to Franchisee and the performance of its obligations as Franchisee hereunder.
- i) Franchisor's consent to a Transfer of any interest in Franchisee granted herein shall not constitute a waiver of any claims it may have against the transferring party, nor shall it be deemed a waiver of Franchisor's right to demand exact compliance with any of the terms of this Agreement by the transferee.
- j) Franchisor will not require approval of the assignment of all or any part of the assets of the Franchised Business or the stock or other interests in a Franchisee, excluding

this Agreement or the Franchise, to a bank or other lending institution as collateral security for loans made directly to or for the benefit of the Franchised Business. However, such approval will be required for any proposed assignment or hypothecation of this Agreement or the Franchise, which approval will not permit further transfers or assignments of this Agreement or the Franchise, without compliance by the transferee or assignee with the provisions of section 14.02 hereof.

14.03. Delegation to Regional Developer

We reserve the right to retain the services of a regional developer or other representative ("**Regional Developer**") in the geographic area in which the Business will be located. In such event, the Regional Developer, on our behalf, will perform certain sales, training, site assistance, and supervisory services as we direct. You agree in advance to any such delegation and assignment by us of any portion or all of our obligations and rights under this Agreement. You also acknowledge that you are not a third party beneficiary of any Regional Development Agreement or other agreement between us and any Regional Developer.

15. DEFAULT AND TERMINATION

15.01. Termination with Cause

Upon the occurrence of any event of default as described below, Franchisor may, at its option, and without waiving its rights hereunder or any other rights available at law or in equity, including its rights to damages, terminate this Agreement and all of Franchisee's rights hereunder effective in accordance with the time period stated below:

- a) Automatically, without notice or action required by Franchisor, if:
 - (i) Franchisee makes or is deemed to have made a general assignment for the benefit of creditors; franchisee files for, or is involuntarily forced into bankruptcy, or is adjudicated a bankrupt, in accordance with federal or state law (except as prohibited by law); make any arrangement with creditors the effect of which is to result in franchisee's insolvency (as that term is defined using generally accepted accounting principals, consistently applied); a liquidator, trustee in bankruptcy, custodian, receiver, receiver and manager, moderator, or any other officer with similar powers shall be appointed of or for Franchisee; Franchisee shall commit any act of bankruptcy or institute proceedings to be adjudged bankrupt or insolvent or consents to the institution of such appointment or proceedings; or if Franchisee admits in writing an inability to pay debts generally as they become due;
 - (ii) If Franchisee fails to pay any financial obligation pursuant to this Agreement within five (5) days of the date on which Franchisor gives notice of such delinquency or immediately upon written notice if such payment has not been made within sixty (60) days after the date on which it is required to be paid (even without notice from Franchisor),
 - (iii) upon written notice if Franchisee is determined to have under-reported its Gross Volume of Business during any month by three percent (3%) or more of the

actual Gross Volume of Business during any month or, on two (2) or more occasions during the term of this Agreement, whether or not Franchisee subsequently rectifies such deficiency;

b) Immediately after the delivery of written notice, if at any time if;

- (i) any of the goods and chattels of the Franchised Business are seized or taken in execution or in attachment by a creditor of Franchisee;
- (ii) a writ of execution shall issue against such goods and chattels or if Franchisee shall without the prior written consent of Franchisor give any security interest in any of such goods or chattels or sell any of such goods or chattels except in the normal course of business,
- (iii) Franchisee fails to commence operation of the Franchised Business as required by this Agreement;
- (iv) Franchisee makes, or has made, any materially false statement or report to Franchisor in connection with this Agreement or application therefore;
- (v) there is any violation of any transfer and assignment provision contained in this Agreement;
- (vi) Franchisee receives from Franchisor three (3) or more notices to cure the same, similar or different defaults or violations of this Agreement during any twelve (12) month period;
- (vii) Franchisee or its designated manager fails to complete to Franchisor's reasonable satisfaction any of the training required pursuant to this Agreement;
- (viii) Franchisee fails, for a period of fifteen (15) days after notification of non-compliance by appropriate authority to comply with any law or regulation applicable to the operation of the Franchised Business;
- (ix) Franchisee violates any covenant of confidentiality or non-disclosure contained this Agreement or otherwise discloses, uses, permits the use of, copies, duplicates, records, transmits or otherwise reproduces any manuals, materials, goods or information created or used by Franchisor and designated for confidential use within the Booster Juice System without Franchisor's prior approval;
- (x) Franchisee or any person controlling, controlled by or under common control with Franchisee, or any principal officer or employee of Franchisee or any such person, owning an interest in the Franchise is convicted of a criminal offense, or any other crime or offense (even if not a crime) that is reasonably likely, in the sole opinion of Franchisor, to affect adversely the Booster Juice System, any Booster Juice System unit, the Licensed Marks or the goodwill associated therewith;
- (xi) Franchisee fails to perform or breaches any covenant, obligation, term, condition, warranty or certification herein or fails to operate the Franchised

Business as specified by Franchisor in the Confidential Operating Manual, fails to pay promptly any undisputed bills from suppliers, and fails to cure such non-compliance or deficiency within fifteen (15) days (or such longer term as granted by Franchisor) after Franchisor's written notice thereof;

- (xii) Franchisee abandons or ceases to operate all or any part of the Franchised Business conducted under this Agreement for seventy two (72) hours or longer (except as otherwise provided herein) or defaults under any mortgage, deed of trust or lease with Franchisor or any third party covering the Franchised Business or the Premises, and Franchisor or such third party treats such act or omission as a default, and Franchisee fails to cure such default to the satisfaction of Franchisor or such third party within any applicable cure period granted Franchisee by Franchisor or such third party;
- (xiii) Franchisee shall operate the Franchised Business in a dishonest, illegal or unethical manner or in a manner which imminently endangers public health or safety or the goodwill associated with the Booster Juice System;
- (xiv) any insurance policy required to be obtained hereunder shall be cancelled or shall be threatened by the insurer to be cancelled or the coverage thereunder reduced in any way by the insurer by reason of the use and occupation of the Premises or any part thereof by Franchisee provided that such right will not be exercised by Franchisor unless it has given notice to Franchisee to remedy the condition giving rise to cancellation, threatened cancellation or reduction of coverage and Franchisee has failed to remedy such condition within forty eight (48) hours after such notice.
- (xv) Franchisee or any guarantor(s) hereof default on any other agreement with Franchisor, or any affiliate or parent corporation of Franchisor, and such default is not cured in accordance with the terms of such other agreement; or
- (xvi) Franchisee's interest in any lease relating to the operation of the Franchised Business at the Premises is terminated or expires and Franchisee fails to obtain replacement Premises reasonably suitable to Franchisor or if Franchisee's right of possession of the Premises shall be terminated at any time for any cause whatsoever.

15.02. Termination by Franchisee

Franchisee may not terminate this Agreement prior to the expiration of its term except through legal process resulting from Franchisor's material breach of this Agreement or otherwise with Franchisor's consent. In the event that Franchisee shall claim that Franchisor has failed to meet any obligation under this Agreement, Franchisee shall provide Franchisor with written notice of such claim, within one (1) year of its occurrence, specifically enumerating all alleged deficiencies and providing Franchisor with an opportunity to cure, which shall in no event be less than thirty (30) days from the date of receipt of such notice by Franchisor from Franchisee. Failure to give such notice shall constitute a waiver of any such alleged default.

15.03. Rights and Obligations Upon Termination or Expiration

Forthwith upon the termination or expiration of this Agreement for any reason, Franchisee shall cease to be a Franchisee under this Agreement and the following provisions shall apply:

- a) All rights of Franchisee under this Agreement including its right to use the Licensed Methods and the Marks shall cease and Franchisee shall cease conducting the Franchised Business and using any advertising and promotional material in respect thereof;
- b) Without limiting any other rights or remedies of Franchisor, Franchisee shall pay all amounts owing by it to Franchisor up to the date of termination or expiration including, but not limited to: actual and consequential damages, costs and expenses (including legal fees) incurred by Franchisor as a result of the termination.
- c) Franchisee shall deliver to Franchisor the Operations Manual and all trade secret and other confidential materials, equipment, software and other property owned by Franchisor, and all copies thereof. Franchisee shall retain no copy or record of any of the foregoing; provided Franchisee may retain its copy of this Agreement, any correspondence between the parties, and any other document which Franchisee reasonably needs for compliance with any applicable provision of law;
- d) Franchisee acknowledges that, as between Franchisee and Booster Juice, Booster Juice has the sole rights to and interest in all telephone, telecopy or facsimile machine numbers and directory listings whether or not associated with any Trademark. Franchisee authorizes Booster Juice, and hereby appoints Booster Juice and any of its officers as Franchisee's attorney-in-fact, to direct the telephone company and all telephone directory publishers to transfer any telephone, telecopy or facsimile machine numbers and directory listings relating to the Franchised Business to Booster Juice or its designee, should Franchisee fail or refuse to do so, and the telephone company and all telephone directory publishers may accept such direction under this Agreement as conclusive of Booster Juice's exclusive rights in such telephone numbers and directory listings and Booster Juice's authority to direct their transfer;
- e) Franchisee shall abide by the covenants not to compete and confidentiality provisions set forth in section 16 of this Agreement;
- f) Franchisee shall comply with all applicable provisions of the Collateral Assignment of Lease;
- g) Franchisee shall cease to use in advertising, or in any manner whatsoever, any methods, procedures or techniques associated with the Licensed Methods in which Franchisor has a proprietary right, title or interest; cease to use the Marks and any other marks and indicia of operation associated with the Licensed Methods and remove all trade dress, physical characteristics, color combinations and other indications of operation under the Licensed Methods from the Franchised Location. Without limiting the generality of the foregoing, Franchisee agrees that in the event of any termination or expiration of this Agreement, it will remove all signage bearing

the Marks, and, upon Franchisor's request, deliver the fascia for such signs to Franchisor, and will remove any items which are characteristic of a Booster Juice Store "trade dress" from the Franchised Location. Franchisee agrees that Franchisor or a designated agent may enter upon the Premises at any time to make such changes at Franchisee's sole risk and expense and without liability for trespass;

- h) If Franchisee, having received Franchisor's consent, retains possession of the Franchised Location, Franchisee shall make such reasonable alterations in the exterior and interior décor of the Franchised Location as Franchisor deems necessary in its sole discretion to remove its identification as a Booster Juice Store;
- i) At the request of Franchisor, Franchisee shall take all such actions as may be necessary to cancel any trade or business name registration which contains any of the Marks under any applicable laws or regulations and furnish Franchisor with evidence satisfactory to Franchisor of compliance with Franchisee's obligations hereunder within thirty (30) days after the termination or expiration of this Agreement; and
- j) Franchisee shall permit Franchisor at Franchisee's expense to enter the Franchised Location and remove any and all personal property of Franchisor and any all personal property of Franchisee which displays the Marks or any distinctive feature or device associated with the Licensed Methods, including any and all equipment, signs, advertising materials, fixtures, furnishings, inventory, invoices, supplies or forms, and make such reasonable alterations in the exterior and interior décor as Franchisor deems necessary to remove the Franchised Location's identification as a Booster Juice Store.

15.04. Option to Purchase Upon Termination or Expiration

Upon the termination or expiration of this Agreement, Franchisor shall have an option to purchase as follows:

- a) Franchisor shall have the option to purchase from Franchisee, free and clear of all liens, charges or encumbrances, all or any portion of the equipment, moveable leasehold improvements, furniture, fixtures, signs, and other assets owned by Franchisee and used in the Franchised Business (the "Franchise Assets") and the inventory, such option to be exercised by notice delivered to Franchisee within thirty (30) days of the date of the termination or expiration of this Agreement. Unless Franchisee has failed to open, the purchase price payable to Franchisee for any such inventory shall be the lower of Franchisee's cost therefor as originally invoiced to Franchisee by Franchisor or any supplier thereof, less a ten percent (10%) restocking charge; or the "Net Realizable Value" thereof. For the purposes of this section, the Net Realizable Value shall be calculated on a declining balance basis of accounting at a rate of twenty percent (20%) per annum. In the event Franchisee shall fail to ever open the Franchised Business, the purchase price payable to Franchisee for the Franchise Assets shall be Franchisee's cost therefor as originally invoiced to Franchisee by Franchisor or any supplier thereof, less a twenty percent (20%) administration fee.

- b) If any lien or encumbrance exists on any Franchise Asset to be purchased, Franchisor shall have the right to pay the amount of such lien or encumbrances directly to the creditor. In the event the amount required to satisfy any lien or encumbrance exceeds the price to be paid by Franchisor as described in paragraph 15.04(a) above, Franchisor shall have the right to pay the amount required to purchase from the party having the benefit of the lien and or encumbrance, all or part of the Franchise Assets free and clear of liens and encumbrances (the "Purchase Price") and Franchisee shall be liable to Franchisor and shall pay forthwith to Franchisor the difference between the value as calculated in 15.04(a) above and the Purchase Price

15.05. Continuing Obligations

The foregoing rights of Booster Juice upon termination for any reason shall not be exclusive, but shall be in addition to and not in lieu of any other rights available to Booster Juice under the terms hereof or at law or in equity. Termination of this Agreement under any circumstances shall not abrogate, impair, release, or extinguish the debt, obligation or liability of Franchisee which may have accrued hereunder, including without limitation, any debt, obligation or liability which was the cause of termination.

All covenants and agreements of Franchisee which by their terms or by reasonable implication are to be performed, in whole or in part, after the termination of this Agreement, including without limitation, Franchisee's obligations of non-disclosure and confidentiality, shall survive any termination of this Agreement.

15.06. Governing State Law

If any mandatory provisions of governing state law prohibit termination of this Agreement as described herein or otherwise limits Booster Juice's rights to terminate by imposing different rights or obligations as are found herein, or which require renewal hereof, then such mandatory provisions of state law shall be deemed incorporated in this Agreement by reference and shall prevail over any inconsistent terms in this Agreement. If no such law exists, or if such law exists but permits Franchisee to agree to abide by the law of a state other than the state in which he, she, or, it is located, then Franchisee shall agree that this Agreement shall be governed by the law of the State of Oregon and the rights to terminate, the option to purchase and other rights or obligations described in this Agreement shall prevail.

16. RESTRICTIVE COVENANTS

16.01. Non-competition During Term

Franchisee acknowledges that, in addition to the license of the Marks hereunder, Booster Juice is also licensing the commercially valuable Licensed Method including without limitation, operations, marketing, advertising, and related information and materials (sometimes also referred to as "Trade Secrets" or "Proprietary Information," as those terms are defined by the Oregon Trade Secrets Act.) The value of this information is derived not only from the time, effort, and money which went into its compilation, but also from the usage of the same by all Franchisees of Booster Juice. Franchisee therefore agrees that during the Term of this Agreement, and except for the Franchised Business franchised herein, (and except for any other

Booster Juice Stores franchised under other franchise agreements with Booster Juice,) Franchisee and any of Franchisee's Members (if Franchisee is a limited liability entity) partners, officers, directors, owners or any other partner or member of a business entity and any of his, her, or their immediate families, shall not:

- a) have any direct or indirect controlling interest as a disclosed, undisclosed, or beneficial owner in a "Competitive Business" (as that term is defined below); or
- b) perform services as a director, officer, manager, employee, consultant, representative, agent or otherwise for a "Competitive Business."

For purposes of this Agreement the term "Competitive Business" shall mean any business which derives ten percent (10%) or more of its Gross Receipts from the sale at wholesale or retail, of any combination of any soups, smoothies, fruit juices, nutritional supplements, or snacks which are sold through a Booster Juice Store at the time of the termination for any reason.

16.02. Post-Termination Covenant Not to Compete

Franchisee also acknowledges that in addition to being privy to the Trade Secrets and the Marks of Franchisor in the event the Franchise Agreement expires or is terminated for any reason, Franchisee could injure Booster Juice, not only because he, she, or it is no longer in the system, but, in addition, because Franchisee would be able to use the knowledge that it gained through disclosure of the Trade Secrets, the Marks and the Licensed Methods of Franchisor to take those customers it has acquired over a period of time to a Competitive Business.

Franchisee, therefore, agrees that in the event the Franchise Agreement is terminated for any reason, or if it expires, or, if Franchisee otherwise relinquishes its rights to the Franchise Agreement through assignment or otherwise, Franchisee as an individual or, if Franchisee is a business entity then Franchisee's Members (if Franchisee is a limited liability entity), partners, officers, directors, and of a corporate Franchisee shall, for a period of five (5) years, commencing on the date of termination or expiration, (or the date on which Franchisee ceases to conduct business, whichever is later,) have no direct or indirect interest (through a member of any immediate family of Franchisee, through its Members, partners, its officers, directors and owners of a corporate Franchisee or otherwise) as a disclosed, undisclosed, or beneficial owner, investor, partner, director, officer, employee, consultant, representative or agent, (or in any other capacity) in a Competitive Business within a radius of fifteen (15) miles from the center of the Franchised Business or within a radius of six (6) miles from the center of any other Booster Juice Store owned or operated by Booster Juice or any of its Franchisees.

16.03. No Interference With Business

During the term of this Agreement and for five (5) years thereafter, Franchisee and its Members partners, officers, directors and owners of a corporate Franchisee, and his or their immediate families, shall not divert or attempt to divert any business related to, or any customer or prospective customer of the Franchised Business, by direct inducement or otherwise, or divert or attempt to divert the employment of any employee of Booster Juice or another Franchisee to any Competitive Business.

16.04. Confidentiality of Proprietary Information

Franchisee acknowledges that after execution of this Agreement, Franchisee will have access to Proprietary Information, the Licensed Methods, the Marks, and the Trade Secrets of Booster Juice. Franchisee acknowledges that the unauthorized use of such information or the disclosure of such information, or any part thereof, to unauthorized third parties will be injurious to Booster Juice. Franchisee covenants and agrees that, during and after the term hereof, it shall not make unauthorized use of, or disclose to any unauthorized third party, the License Methods, the Operations Manual, the Trade Secrets, the Proprietary Products, the system, techniques, operating procedures, marketing systems or other trade secrets or confidential information relating to the establishment and operation of a Booster Juice Franchise.

Booster Juice shall require Franchisee personally, and if it is a business entity then its Members, partners, and/or its officers, and directors, Principal Operator and/or members of Franchisee's immediate family to execute a non-disclosure and non-competition agreement containing the provisions set forth in this section 16, and further, Franchisee shall notify Booster Juice of the identity of each and every above-described person and provide Booster Juice with an originally executed copy of each such nondisclosure and non-competition agreement.

16.05 Reasonable Restrictions

These covenants are intended to be a reasonable restriction on Franchisee. For purposes of interpretation, every location of a Franchised Business or company-owned Booster Juice Store, every month of time and mile of distance, or individuals covered by these covenants shall be considered severable. In the event a court of competent jurisdiction interprets a spatial, temporal or other limitation in any of the above restrictive covenants to be overly broad, then the court shall adjust the offending limitation, either by months of time or miles of distance, or otherwise, so as to fashion a reasonably enforceable covenant which upholds the restrictive nature of these covenants to the fullest extent of the law.

16.06. Injunctive Relief

Franchisee irrevocably grants Booster Juice, in addition to other legal remedies available, the right to apply for an injunction to enforce the covenants herein and the other terms and conditions of this Agreement.

17. INSURANCE

17.01. Insurance Coverage

Franchisee agrees to procure and maintain with an insurer or insurers reasonably acceptable to Booster Juice, during the term of this Agreement, a policy or policies of not less than the following insurance:

- a) comprehensive and general liability insurance covering the construction operation or occupancy of the Franchised Business with a limit of not less than \$1,000,000 for injury to one person and \$2,000,000 in the aggregate;

- b) replacement cost property insurance in an amount equal to at least 100% of the replacement cost of the building, and/or leasehold improvements and contents comprising the Franchised Business;
- c) unemployment and worker's compensation insurance with a broad form all-states endorsement coverage sufficient to meet the requirements of applicable state law;
- d) business interruption insurance for actual losses sustained for a minimum 12 month period;
- e) crime coverage (including employee theft, forgery and fraud); and
- f) machinery breakdown.

All policies of insurance shall contain a thirty (30) day advance written notice of cancellation requirement and shall designate Booster Juice, its officers, directors, partners, agents and employees as an additional insured.

The procurement and maintenance of such insurance shall not relieve Franchisee of any liability to Franchisor under any indemnity requirement of this Agreement.

17.02. Proof of Insurance

Franchisee will provide proof of insurance to Booster Juice prior to commencement of operations at its Franchised Business. This proof will show that the insurer has been authorized to inform Booster Juice in the event any policies lapse or are canceled. Booster Juice has the right to change the minimum amount of insurance Franchisee is required to maintain by giving Franchisee prior reasonable notice.

Noncompliance with the insurance provisions set forth herein shall be deemed a material breach of this Agreement; in the event of any lapse in insurance coverage, in addition to all other remedies, Booster Juice shall have the right to demand that Franchisee cease operations of the Franchised Business until coverage is reinstated, or, in the alternative, pay any delinquencies in premium payments and charge the same back to Franchisee.

18. OPTION TO PURCHASE ADDITIONAL FRANCHISE

18.01. Option to Purchase

Franchisee shall have no special right or option to purchase additional Franchises from Franchisor at reduced rates or on special terms.

Notwithstanding the foregoing, if Franchisee has not been in breach or default of this Agreement or any other agreement with Franchisor at any time from the date that this Agreement was signed and Franchisee requests an additional Franchise, the following rules shall apply:

- a) The decision to grant or withhold such additional Franchise shall be entirely at the

discretion of Franchisor, exercising its Reasonable Business Judgment;

- b) Franchisee will be required to meet the then current Franchisee qualification standards of Booster Juice, including without limitation, financial requirements
- c) Franchisee must have identified a location for the Booster Juice Store which location is reasonably acceptable to Booster Juice when considering all elements required by the Site Location Package which shall be delivered at the time that the site is identified;
- d) The additional Franchise will be subject to all of the terms and conditions which are contained in the Franchise agreement in effect at the time of the sale which Franchisee must sign at the time of the sale. If required by state or federal law, Franchisee will be given the appropriate franchise offering circular; and
- e) Payment in full of the Initial Franchise Fee is due to Booster Juice upon the execution of the new Franchise agreement and is nonrefundable in all circumstances.

Notwithstanding the foregoing, the grant of the additional Franchise shall be conditional upon and subject to Booster Juice's ability to comply with all applicable laws and regulations regarding the sale of the Franchise. Booster Juice makes no guarantee that such a Franchise can be granted at the time that Franchisee desires to exercise this option

19. BUSINESS RELATIONSHIP AND INDEMNIFICATION

19.01. Independent Businessperson

During the term of this Agreement, Franchisee shall be an independent contractor and shall in no way be considered as an agent, servant or employee of Booster Juice. It is understood and agreed that no agency, partnership or fiduciary relationship is created by this Agreement. As such, Franchisee has no authority of any nature whatsoever to bind Booster Juice or incur any liability for or on behalf of Booster Juice or to represent itself as anything other than an independent contractor. Franchisee agrees to exercise full and complete control over and have full responsibility for any and all labor relations, including the hiring, firing, disciplining, compensation and work schedule of their employees.

19.02. Payment of Third Party Obligations

Booster Juice shall have no liability for Franchisee's obligations to pay any third parties, including without limitation, any sales, use, service, occupation, excise, gross receipts, income, property or other tax levied upon Franchisee, Franchisee's Franchised Business, Franchisee's property or upon Booster Juice in connection with the sales made or business conducted by Franchisee (except any taxes Booster Juice is required by law to collect from Franchisee with respect to purchases from Booster Juice.)

19.03. Indemnification

Franchisee agrees to indemnify, defend and hold harmless Booster Juice, its subsidiaries

and affiliates, and their shareholders, directors, officers, employees, agents, successors and assignees, (the "Indemnified Parties") against, and to reimburse them for all:

- a) "Claims" (as that term is defined below,) obligations, judgments, and damages described in this section 19.03;
- b) any and all third party obligations described in section 19.02; and
- c) any and all other claims, judgments, debts, taxes, and liabilities direct or indirect, arising out of:
 - (i) the Franchised Location
 - (ii) the operation of the Franchised Business;
 - (iii) the relationship of the parties under this Agreement; or
 - (iv) arising out of the use of the Marks and Licensed Methods in any manner not in accordance with this Agreement, but only to the extent that the Indemnified Party's gross negligence was not the causation of the same.

For purposes of this indemnification, "Claims" shall mean and include all causes of action, claims for relief, demands, obligations, judgments, actual and consequential damages, direct or indirect obligations, as well as all costs reasonably incurred or suffered (including without limitation, reasonable attorney's fees, expert witness fees, court costs, accountants fees, and the like) in the defense of any claim against any Indemnified Party for which this indemnification shall apply.

This indemnity shall continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement.

20. ARBITRATION

20.01. Arbitration

Except for claims or controversies, disputes or claims related to or based on the Marks, (which controversies shall be heard in the Federal District Court for Portland, Oregon) upon demand of either party, all controversies, disputes or claims between Booster Juice, its subsidiaries and affiliated companies their shareholders, officers, directors, agents, employees and attorneys (in their representative capacity) and Franchisee (and its owners and guarantors, if applicable) shall be submitted for arbitration to the Oregon, office of the American Arbitration Association (AAA).

Such arbitration shall be conducted in Portland, Oregon and shall be heard by a panel of three (3) arbitrators chosen in accordance with the then current expedited Commercial Arbitration Rules of the AAA.

The arbitrators shall have the right to award or include in the award any relief which they deems proper in the circumstances, including, without limitation, money damages (with interest on unpaid amounts from the date due), specific performance, and attorney's fees and costs, in accordance with this Agreement, provided that the arbitrator shall not award:

- a) exemplary or punitive damages;
- b) damages based upon lost future earnings or loss of use of money; or,
- c) consequential damages.

The award and decision of the arbitrators shall be final, conclusive and binding upon all parties hereto and judgment upon the award may be entered in any court of competent jurisdiction.

Booster Juice and Franchisee agree that arbitration shall be conducted on an individual, not a class-wide, basis and that an arbitration proceeding between Booster Juice and Franchisee shall not be consolidated with any other arbitration proceeding involving Booster Juice and any other person, corporation or partnership.

20.02. Injunctive Relief

Notwithstanding anything to the contrary contained in this section of this Agreement, Booster Juice and Franchisee shall each have the right in a proper case to obtain temporary or preliminary injunctive relief from a court of competent jurisdiction.

20.03. Governing Law/Consent to Jurisdiction

Except to the extent governed by the Federal Arbitration Act, (FAA) and the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 105 1 et seq.) or other federal law, this Agreement, the Franchise and the relationship between Booster Juice and Franchisee shall be governed by the laws of the state of Oregon.

21. MISCELLANEOUS PROVISIONS

21.01. Entire Agreement

This Agreement contains the entire agreement between the parties and supersedes any and all prior agreements concerning the subject matter hereof. Any such understanding or agreement, whether written, or oral, shall be merged herein and this Agreement shall prevail.

21.02 Representations

Franchisee further acknowledges and agrees that no representations have been made to it by Booster Juice regarding projected sales volumes, marketing potential, revenues, profits of Franchisee's Franchised Business, or operational assistance other than as stated in this Agreement and the Uniform Franchise Offering Circular and all exhibits thereto.

At the time of closing Franchisee will be required to sign a disclosure document concerning representations. A copy of the same is attached as Exhibit "G".

21.03. Effective Date

This Agreement shall not be effective until accepted by Booster Juice as evidenced by dating and signing by an officer of Booster Juice.

21.04. Review of Agreement

Franchisee acknowledges that it had a copy of this Agreement in its possession for a period of time not less than ten (10) full business days, during which Franchisee has had the opportunity to submit same for professional review and advice of Franchisee's choosing prior to freely executing this Agreement.

21.05. Invalidity

If any provision of this Agreement is held invalid by any tribunal in a final decision from which no appeal is or can be taken, such provision shall be deemed modified or excised, at the discretion of the tribunal to eliminate the invalid element and, as so modified such provision shall be deemed a part of this Agreement as though originally included. The remaining provisions of this Agreement shall not be affected by such modification.

21.06. Waiver

No waiver of any condition or covenant contained in this Agreement or failure to exercise a right or remedy by Booster Juice or Franchisee shall be considered to imply or constitute a further waiver by Booster Juice or Franchisee of the same or any other condition, covenant, right or remedy.

21.07. Notice

All notices or demands required hereunder shall be made in writing and shall be deemed to be fully given when deposited in the U.S. certified mail, postage prepaid, return receipt requested or when sent Federal Express or similar overnight courier to:

Franchisor:

Booster Juice Limited Partnership
4949 Meadows Road, Suite 375
Lake Oswego, Oregon 97035

Attn: Jon Amack, President

Franchisee:

or to its then current address. Mailing any notice hereunder sent by U.S. certified mail, postage prepaid or when sent Federal Express or similar overnight courier shall be presumptive evidence of delivery of the notice. Either party may change its address hereunder by notice to the other party, sent by U.S. certified mail postage prepaid, return receipt requested or when sent Federal Express or similar overnight courier.

21.08. Cost of Enforcement

In the event of any default on the part of either party to this Agreement, in addition to all other remedies, the party in default will pay the aggrieved party all amounts due and all damages, costs and expenses, including reasonable attorneys' fees, incurred by the aggrieved party in any legal action or proceeding as a result of such default, plus interest at the highest rate allowable by law, accruing from the date of such default.

21.09. Modification

Booster Juice and/or Franchisee may modify this Agreement only upon execution of a written agreement between the parties. Notwithstanding the above, Franchisee acknowledges that Booster Juice may modify its standards and specifications set forth in the Operations Manual unilaterally under any conditions and to the extent in which Booster Juice, in its sole discretion, deems necessary to protect, promote, or improve the Marks and the quality of the Licensed Methods, but under no circumstances will such modifications be made without good cause therefor. Franchisee agrees to accept and utilize any such changes or modifications which are reasonably requested as if they were a part of this Agreement.

21.10. Prohibition Against Nonpayment or Setoff

Franchisee agrees to consult with Booster Juice with respect to any alleged nonperformance of Booster Juice and Franchisee will not, on the grounds of any alleged nonperformance by Booster Juice of its obligations hereunder, setoff or withhold payment of any Royalty, National Advertising Fee, rents or other payment or fee payable by Franchisee pursuant to the terms of this Agreement or any related document.

21.11. Acknowledgment

BEFORE SIGNING THIS AGREEMENT, FRANCHISEE SHOULD READ IT CAREFULLY WITH THE ASSISTANCE OF LEGAL COUNSEL FRANCHISEE ACKNOWLEDGES THAT:

A. THE SUCCESS OF THE BUSINESS VENTURE CONTEMPLATED HEREIN INVOLVES SUBSTANTIAL RISKS AND DEPENDS UPON FRANCHISEE'S ABILITY AS AN INDEPENDENT BUSINESSPERSON AND ITS ACTIVE PARTICIPATION IN THE DAILY AFFAIRS OF THE BUSINESS, AND

B. NO ASSURANCE OR WARRANTY, EXPRESSED OR IMPLIED, HAS BEEN GIVEN AS TO THE POTENTIAL SUCCESS OF SUCH BUSINESS VENTURE OR THE EARNINGS LIKELY TO BE ACHIEVED, AND

C. NO STATEMENT, REPRESENTATION OR OTHER ACT, EVENT OR COMMUNICATION, EXCEPT AS SET FORTH IN THIS DOCUMENT, AND IN ANY OFFERING CIRCULAR SUPPLIED TO FRANCHISEE IS BINDING ON FRANCHISOR IN CONNECTION WITH THE SUBJECT MATTER OF THIS AGREEMENT, AND

D. FRANCHISEE HAS REVIEWED EACH PARAGRAPH OF THE CLOSING AGREEMENT, HAS INITIALED SAME AS NECESSARY, HAS MADE ANY CHANGES TO SAME AS NECESSARY, AND HAS SIGNED SAME OF HIS OR HER OWN FREE WILL.

IN WITNESS WHEREOF, the parties hereto set their hands and seals the day and year as set forth above.

FRANCHISOR:

For Booster Juice Limited Partnership:

AW Holdings, Inc., its General Partner
By Jon Amack, President

Date

FRANCHISEE:

Date

SCHEDULE 1

PAYMENT STRUCTURE

Detailed on your store invoice which will be prepared after the lease is executed and initial quotes are received for the actual on-site construction.

EXHIBIT "A"
FRANCHISED LOCATION

Municipal description:

Legal description:

EXHIBIT "B"
ADDITIONAL AREA RIGHTS

None.

EXHIBIT "C"

COLLATERAL ASSIGNMENT OF LEASE

FOR VALUE RECEIVED, the undersigned, _____ ("Assignor") hereby assigns, transfers and sets over unto **BOOSTER JUICE LIMITED PARTNERSHIP**, an Oregon Limited Partnership ("Assignee") all of Assignor's right, title and interest as tenant in, to and under that certain lease, a copy of which is attached hereto as Schedule 1 (the "Lease"), respecting Premises at _____. This Agreement is for collateral purposes only and except as specified herein, Assignee shall have no liability or obligation of any kind whatsoever arising from or in connection with this Assignment of Lease unless Assignee shall take possession of the Premises pursuant to the terms hereof and shall assume the obligations of Assignor thereunder.

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

Upon a default by Assignor under the Lease or under the unit franchise agreement for a Booster Juice Franchise dated _____ between Assignee and Assignor (the "Franchise Agreement"), or in the event of a default by Assignor under any document or instrument securing the Franchise Agreement, Assignee shall have the right and is hereby empowered to take possession of the Premises, expel Assignor therefrom, and, in such event, Assignor shall have no further right, title or interest in the Lease.

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

CONSENT AND AGREEMENT OF LESSOR

The undersigned Lessor under the afore-described Lease hereby:

- a) agrees to notify Assignee in writing of and upon the failure of Assignor to cure any default by Assignor under the Lease;
- b) agrees that Assignee shall have the right, but shall not be obligated, to cure any default by Assignor under the Lease within 30 days after delivery by Lessor of notice thereof in accordance with paragraph (a) above;
- c) consents to the foregoing Collateral Assignment and agrees that if Assignee shall take possession of the Premises and confirms to Lessor the assumption of the Lease by Assignee as tenant thereunder, Lessor shall recognize Assignee as tenant under the Lease, provided that Assignee cures within such 30-day period the defaults of Assignor under the Lease;
- d) agrees that Assignee may further assign the Lease or its interest therein or sublet the Premises to a person, firm or corporation who is a Booster Juice Franchisee who is reasonably acceptable to Lessor. In the case of an assignment, Assignee shall have no further liability or

obligation under the Lease as assignee, tenant or otherwise. In the case of an assignment of sublease, this consent and agreement of Lessor shall again apply with respect to any such subsequent Booster Juice Franchisee.

IN WITNESS WHEREOF, the parties hereto set their hands and seals the day and year as set forth above.

Assignor (corporate):

by: _____

title: _____

date: _____

Assignee:

BOOSTER JUICE LIMITED PARTNERSHIP,

by: _____

title: _____

date: _____

Assignor (individual(s)):

date: _____

Lessor (corporate):

by: _____

title: _____

date: _____

EXHIBIT "D"

STATEMENT OF OWNERSHIP

Owner Name and Address	Number of Shares	Percentage Ownership
_____	_____	_____

_____	_____	_____

TOTAL	_____	100%

Director Name

Residence Address

Officer Name

Position Held

EXHIBIT "E"

GUARANTY AND ASSUMPTION OF FRANCHISEE'S OBLIGATIONS

1. REPRESENTATION

I/We represent and warrant that I am/we are all of the shareholders, partners, holders of any beneficial interest, officers, or directors of _____ (the "Franchisee").

2. INDUCEMENT

To induce Booster Juice Limited Partnership (the "Franchisor") to enter into the franchise agreement (the "Franchise Agreement") to which this personal guarantee forms a schedule, I/we have executed this guarantee and agree to be jointly, severally and unconditionally bound by all of its provisions, and individually guarantee the performance by Franchisee of all its obligations under the Franchise Agreement.

3. APPLICATION OF FRANCHISE AGREEMENT

I/We further agree that I am/we are personally subject to all of the covenants, conditions and obligations contained in the Franchise Agreement.

4. WAIVER OF NOTICE

I/We waive demand, notice of dishonour, non-payment and all other notices whatsoever and agree to pay all expenses incurred by Franchisor in attempting to enforce this guarantee and the Franchise Agreement against both Franchisee and me/us, including reasonable legal expenses.

5. NO REQUIREMENT TO EXHAUST RECOURSE

I/We agree that Franchisor will not be required to exhaust its recourse against Franchisee or others or resort to or marshal any security it may hold before being entitled to payment from me/us.

6. EXTENSIONS, ETC.

Franchisor may grant extensions of time and other indulgences, take or give up securities, accept compositions, grant releases and discharges and otherwise deal with Franchisee and others as it sees fit without prejudice to my/our liability under this guarantee.

7. PRIMARY OBLIGATION

My/Our obligations under this guarantee are and will be absolute and unconditional. If any monies or amounts expressed to be owing or payable by me/us are not recoverable from me/us on the basis of a guarantee, then such monies or amounts will be recoverable from me/us in the same manner and to the same extent as if I was/we were primary obligor(s) and principal debtor(s) in respect of such monies or amounts, and as if I was/we were original signatory(ies) to the Franchise Agreement.

8. POSTPONEMENT

Without in any way diminishing my/our liability under this guarantee, all debts and liabilities, present or future, owed by Franchisee to me/us are assigned and transferred to Franchisor and postponed to the payment in full of all indebtedness and liabilities (present and future, contingent or otherwise) of Franchisee to Franchisor. All moneys received by me/us or my/our legal representatives or assigns from Franchisee will be paid over to Franchisor for so long as there is any indebtedness outstanding from Franchisee to Franchisor. This assignment and postponement is independent of and severable from this guarantee and will remain in full effect whether or not I/we am/are liable for any amount under this guarantee.

DATED at _____, this ____ day of _____, _____.

SIGNED, SEALED AND DELIVERED
in the presence of:

Witness

Name

EXHIBIT "F"

GENERAL RELEASE

This General Release (Release) is made this ____ day of ____, 20__, by and between Booster Juice Limited Partnership, an Oregon Limited Partnership (hereinafter "Franchisor") and _____ (hereinafter "Franchisee")

RECITALS

WHEREAS, Franchisor and Franchisee entered into that certain franchise Agreement dated _____ ("Franchise");

WHEREAS, pursuant to the Franchise, Franchisee was permitted to open and operate a Franchised Location (as that term is defined in the Franchise) at _____ (hereinafter the "Business");

WHEREAS, Franchisee wishes to (*assign; sell; etc*) the Business;

WHEREAS, as a material inducement to Franchisor approving the same, Franchisee has agreed to provide this Release;

NOW, THEREFORE, for and in consideration of the mutual covenants found herein, for that consideration stated below, and for other good and valuable consideration the adequacy of which is admitted by all parties hereto, it is agreed as follows:

COVENANTS

1. The Recitals are incorporated herein by this reference.

2. Franchisee for and on behalf of itself, its officers directors, shareholders, and employees, and on behalf of any parent corporation or subsidiary, business entity, successor, assign, and their officers, directors, shareholders and employees, and for and in consideration of: Franchisor's permission to _____; and for other good and valuable consideration all of which is deemed adequate by all parties hereto, does hereby release, forever forgive and discharge Franchisor, its officers, directors, shareholders and employees, from any: equitable or legal claim; cause of action; complaint direct, indirect, or consequential damage; judgment; award; injury, or, any other right or action; which relates in any way to: (i) the delivery of the Uniform Franchise Offering Circular (UFOC) to Franchisee; (ii) the performance or failure of performance of Franchisor under the Franchise; and, (iii) the performance or the failure to perform of Franchisor under any other agreement, covenant, or document by and between the parties from the beginning of time to the date of this Release.

3. The Release shall be interpreted in accordance with the laws of the state of Oregon and shall be enforceable in accordance with the arbitration requirements found in the applicable sections of the Franchise which are incorporated herein as if fully set forth.

4. Franchisee delivers this Release with the intent that Franchisor rely upon the same. Should any condition, covenant or clause herein be considered to be unenforceable, any tribunal of competent jurisdiction shall be permitted to amend the Release or to excise the offending clause, covenant or condition so as to form an enforceable Release which shall be binding upon Franchisee to the fullest extent permissible.

DONE AS OF THE DATE FIRST FOUND ABOVE.

Booster Juice Limited Partnership

By: _____
Its: _____

By: _____
Its: _____

EXHIBIT "G"

DISCLOSURE DOCUMENT CONCERNING REPRESENTATIONS

THE FOLLOWING ARE TRUE AND CORRECT AS OF THE DATE STATED HEREIN

A. IMPORTANT DATES:

1. THE DATE ON WHICH I AS FRANCHISEE
RECEIVED THE BOOSTER JUICE UNIFORM
FRANCHISE OFFERING CIRCULAR

month/day/year

2. THE DATE OF MY (FRANCHISEE'S) FIRST FACE-TO-FACE
MEETING WITH A BOOSTER JUICE
REPRESENTATIVE TO DISCUSS THE
POSSIBLE PURCHASE OF A
BOOSTER JUICE FRANCHISE

month/day/year

3. THE DATES THAT I AS FRANCHISEE
RECEIVED THE FOLLOWING DOCUMENTS IN
A FORM FOR EXECUTION:
 - a. FRANCHISE AGREEMENT
WITH ALL EXHIBITS (1 through 5):

month/day/year
 - b. CONVERSION AMENDMENT (if applicable):

month/day/year
 - c. SOFTWARE LICENSE: (if applicable)

month/day/year
 - d. OTHER:

month/day/year
 - e. OTHER:

month/day/year

4. THE EARLIEST DATE ON WHICH I DELIVERED
CASH, CHECK, OR OTHER CONSIDERATION
TO FRANCHISOR:

month/day/year

B. FURTHER REPRESENTATION

PLEASE REVIEW AND INITIAL AS TO EACH DISCLOSURE

This document shall be completed at the time of the signing of the Franchise agreement

FRANCHISE CLOSING DISCLOSURE TABLE					
No			DISCLOSURE	DATE	INITIALS
1	f		FRANCHISE HAS HAD THE OPPORTUNITY TO CONSULT WITH COUNSEL OF HIS OR HER CHOICE INCLUDING LEGAL AND FINANCIAL COUNSEL PRIOR TO THE SIGNATURE OF THIS AGREEMENT		
2			FRANCHISEE ACKNOWLEDGES THAT FRANCHISEE HAS REVIEWED THE FRANCHISE AGREEMENT AND UNIFORM FRANCHISE OFFERING CIRCULAR AT LEAST TEN BUSINESS DAYS PRIOR TO SIGNING THE FRANCHISE AGREEMENT.		
3			FRANCHISEE ACKNOWLEDGES THAT BOOSTER JUICE LIMITED PARTNERSHIP IS UNDER NO OBLIGATION TO PROVIDE ADDITIONAL SERVICES OTHER THAN AS MAY BE SET FORTH IN THE WRITTEN, EXECUTED FRANCHISE AGREEMENT.		
4			FRANCHISEE ACKNOWLEDGES THAT HE IS SOLELY RESPONSIBLE FOR THE OPERATION OF THE FRANCHISE BUSINESS		
5			BOOSTER JUICE LIMITED PARTNERSHIP DESIGNATION OF ANY TERRITORY DOES NOT CONSTITUTE A GUARANTEE, RECOMMENDATION OR ENDORSEMENT OF THE FRANCHISED TERRITORY. THE SUCCESS OF THE BOOSTER JUICE BUSINESS IS DEPENDENT UPON FRANCHISEE'S ABILITIES AS AN INDEPENDENT BUSINESS PERSON;		

6		FRANCHISEE ACKNOWLEDGES THAT:	DATE	INITIALS
A		THE SUCCESS OF THE BUSINESS VENTURE CONTEMPLATED HEREIN INVOLVES SUBSTANTIAL RISKS AND DEPENDS UPON FRANCHISEE'S ABILITY AS AN INDEPENDENT BUSINESSPERSON		
B		NO ASSURANCE OR WARRANTY, EXPRESSED OR IMPLIED, HAS BEEN GIVEN BY ANY EMPLOYEE, OFFICER, DIRECTOR, OR REPRESENTATIVE OF FRANCHISOR AS TO THE POTENTIAL SUCCESS OF SUCH BUSINESS VENTURE OR THE EARNINGS LIKELY TO BE ACHIEVED.		
C		NO STATEMENT, REPRESENTATION OR OTHER ACT, EVENT OR COMMUNICATION, EXCEPT AS SET FORTH IN THE FRANCHISE AGREEMENT HAS BEEN GIVEN BY ANY OFFICER, DIRECTOR, MANAGER, EMPLOYEE OR REPRESENTATIVE OF FRANCHISOR WHICH IS DIFFERENT THAN THE WRITTEN TERMS OF THIS FRANCHISE AGREEMENT.		
D		FRANCHISEE AGREES THAT THE TERMS OF THE FRANCHISE AGREEMENT ARE INTENDED TO BE BINDING UPON BOTH PARTIES AND THAT THE RESTRICTIVE COVENANTS FOUND IN THE FRANCHISE AGREEMENT INCLUDING THE COVENANTS NOT TO COMPETE HAVE BEEN REVIEWED BY FRANCHISEE AND FRANCHISEE AGREES THAT SAME ARE BINDING UPON FRANCHISEE.		

EXHIBIT "H"

SECURITY AGREEMENT

1. **Individual franchisee/debtor:** _____

Business entity franchisee/debtor: _____

Business Address:

The persons and entity referred to in this paragraph 1 shall be referred to individually and jointly as "Debtor".

2. **Creditor:**

Address:

Booster Juice Limited Partnership

4949 Meadows Road, Suite 375

Lake Oswego, Oregon 97035

3. **Collateral:**

The collateral is all of the tangible and intangible personal property of the Debtor, including, but not limited to: computer equipment, the Debtor's good will, corporate name and all variants therefor, trade names, telephone and fax numbers, its interest as lessee in leases, including but not limited to, the premises lease for the property at the address of the Debtor listed above (collectively, "Leases"), together with the deposits and prepayments made as lessee, machinery, equipment, furniture, fixtures and other operating properties, licenses, undertakings, general intangibles, customer lists, data and customer-related files, cash on hand, deposits, credit card receipts, rights in funds of whatever nature, financial books and records, including those stored upon computer, other than its minute books and stock records and all other properties and rights of every kind and nature now or hereafter owned or held by the Debtor, and all products thereof, proceeds therefrom and replacements therefor, now existing and hereafter acquired. This collateral is and will be used in the conduct of Debtor's Booster Juice Business.

4. **Obligations:**

- (a) All obligations pursuant to that certain Booster Juice Franchise Agreement signed by and between Debtor and Creditor on the ____ day of _____, 20__, (Franchise Agreement);
- (b) Future advances made to Debtor by the Creditor, whether or not evidenced by a note;
- (c) All expenditures made or incurred by the Creditor to protect and maintain the Collateral and to enforce its rights under this agreement, as more fully set forth herein; and

- (d) All other obligations of Debtor to the Creditor, director or indirect, absolute or contingent, now existing or hereafter arising, including the performance and observance of any term or condition of the note and this agreement.

5. Subordinate Security Interest.

Debtor hereby grants to the Creditor a security interest in the Collateral that is subordinate and junior to the first and senior security interest in the collateral granted to and for the benefit of its lender who loaned Debtor funds to purchase and/or build out the Business (Purchase Money Lender); and no others.

6. Warranties and Representations.

Debtor warrants and represents to Creditor:

- (a) Debtor has, or forthwith will acquire, title to the Collateral free and clear of all liens, security interests and encumbrances, excepting only those security interests directly relating to the existing amounts due and payable to the Purchase Money Lender;
- (b) Debtor's governing documents do not prohibit any term or condition of this agreement;
- (c) The execution and delivery of this agreement will not violate any law or agreement governing Debtor or to which Debtor is a party; and
- (d) The Collateral will be used primarily for the purpose set forth above, unless the Creditor consents to another use, and all other information and statements hereinabove are true and correct.

7. Covenants of Debtor.

Unless and until the Creditor expressly agrees in writing to another course of action:

- (a) The Collateral shall be kept routinely at the Business Address above;
- (b) Debtor shall not sell, transfer, lease, abandon or otherwise dispose of any of the Collateral or any interest therein without replacing such item with an item of equal or greater value, except in the ordinary course of business.
- (c) Debtor shall keep the Collateral in good condition and free of liens, security interests and encumbrances (other than the security interest created by this agreement and directly relating to amounts due and payable to Debtor's Purchase Money Lender) as may be renewed from time to time); shall promptly notify the Creditor of any Event of Default, as defined herein; shall not use the Collateral for hire or in violation of any applicable statute, ordinance or insurance policy; shall defend the Collateral against the claims and demands of all persons; shall pay promptly all taxes and assessments with respect to the Collateral, and shall not permit the Collateral to become a part of or to be affixed to any real or personal property except that covered by this Security Agreement, without first making arrangements satisfactory to the Creditor to protect the Creditor's

security interest. The Creditor may inspect the Collateral at any time, wherever located.

- (d) Debtor shall keep the Collateral insured with companies acceptable to the Creditor against such casualties and in such amounts as the Creditor may require.
- (e) At its option, Creditor may discharge taxes, liens, security interests and other encumbrances against the Collateral including, but not limited to the first and senior security interest of its revolving line of credit lender, and may pay for the repair of any damage to the Collateral, the maintenance and preservation thereof and insurance thereon. Debtor shall reimburse the Creditor on demand for any payments so made, plus interest thereon at the default interest rate specified in the Franchise Agreement
- (f) Debtor shall from time to time execute financing statements and other documents in form satisfactory to the Creditor (and pay the cost of filing or recording them in whatever public offices the Creditor deems necessary) and perform such other acts as the Creditor may request to perfect and maintain a valid security interest in the Collateral.
- (g) Debtor, and none of them, shall transfer any ownership interest in Debtor company to any other person or entity without the prior written consent of Creditor, in the sole discretion of Creditor.
- (h) Debtor shall faithfully perform all of the terms and conditions of the Franchise Agreement.

8. Events of Default.

Debtor shall be in default under this agreement upon the happening of any of the following events or conditions ("Events of Default"):

- (a) Default in the due payment, performance or observance of any of the Obligations;
- (b) Any warranty, representation or statement of Debtor in this agreement, or otherwise made or furnished to the Creditor by or on behalf of Debtor, proves to have been false in any material respect when made or furnished;
- (c) Any event which results in the acceleration of the maturity of indebtedness of Debtor to its Purchase Money Lender;
- (d) Loss, theft, destruction or substantial damage to a substantial portion of the Collateral which is not substantially covered by insurance; or the seizure or taking thereof by its revolving line of credit lender, by any governmental or similar authority, or the issuance of a writ, order of attachment or garnishment with respect thereto;
- (e) Dissolution, insolvency (however expressed or indicated), termination of existence of, appointment of a receiver of any part of the property of, assignment for the benefit of creditors by, or the commencement of any proceeding under any bankruptcy,

reorganization, arrangement, insolvency or other law relating to the relief of debtors by or against Debtor, or any guarantor or surety for Debtor under any of the Obligations. If this agreement is given to secure the Obligations of a person other than Debtor, an additional Event of Default shall be the happening of any of the above events or conditions to, by or with respect to such other person; or

- (f) Violation of any agreements with lenders or creditors of Debtor, or of any covenants set forth herein.

9. **Remedies.**

- (a) Upon the occurrence of any Event of Default and subject to the rights of any senior secured creditor of Debtor, the Creditor may without notice or demand, except as required by the Franchise Agreement, declare any of the Obligations immediately due and payable and this agreement in default, and thereafter the Creditor shall have the remedies of a secured party under the Uniform Commercial Code as then in effect in the state in which the Collateral is located, including without limitation, the right to take possession of the Collateral and any proceeds thereof. To take possession, the Creditor may enter upon any premises and remove the Collateral or any proceeds therefrom. Debtor shall make the Collateral available to the Creditor at a place to be designated by the Creditor that is reasonably convenient for Creditor. If notice is required by law, five (5) days prior written notice of the time and place of any public sale or of the time after which any private sale or any other intended disposition thereof is to be made shall be reasonable notice to all parties entitled thereto. Proceeds of any sale or other disposition of the Collateral may be applied to the Obligations in any order of priority.
- (b) During the time that the Creditor is in possession of the Collateral and to the extent permitted by law, the Creditor shall have the right to hold, use, operate, manage and control all or any part of the Collateral to make all such repairs, replacements, alterations, additions and improvements to the Collateral as it may deem proper; and to demand, collect and retain all earnings, proceeds from such use, all other costs, expenses, charges, damage or loss by reason of such use. Notwithstanding the foregoing, the Creditor shall also be entitled, without notice or demand and to the extent permitted by law, to have a receiver appointed, with or without notice to Debtor, to take charge of all or any part of the Collateral, exercising all of the rights specified in the immediately preceding sentence.
- (c) Debtor shall pay to the Creditor all reasonable expenses (including reasonable attorneys' fees and legal expenses) of or incidental to retaking, holding, preparing for sale, selling and the like and in otherwise enforcing any term or condition of this agreement. All such expenses shall be a fixed indebtedness of Debtor to the Creditor, secured by the Collateral.

10. **General.**

- (a) The terms "Debtor", "Creditor", "Collateral" and "Obligations" in this agreement are defined in paragraphs 1 through 4 respectively.

- (b) No Event of Default shall be waived by the Creditor except in writing and no waiver of any payment shall be deemed a waiver of any other payment or right.
- (c) Without affecting any obligations of Debtor under this agreement, the Creditor without notice or demand may renew, extend or otherwise change the terms and conditions of any of the Obligations; take or release any other collateral as security for any of the Obligations, and add or release any guarantor, endorser, surety or other party to any of the Obligations.
- (d) Any consent, notice and other communication required or contemplated by this agreement shall be in writing. If intended for Debtor it shall be deemed given if mailed, postage prepaid, to Debtor at the address given in paragraph 1 hereof or at such other address given by notice as herein provided. If intended for the Creditor, it shall be deemed given only if actually received by the Creditor.
- (e) This agreement shall be construed under and governed by the laws of the State of Oregon, except to the extent that any law governing franchises in the state in which the Collateral is found declares another choice of law.
- (f) Unless the context otherwise requires, all terms used herein which are defined in the Uniform Commercial Code as in effect in Oregon shall have the meanings therein stated.
- (g) All of the rights of the Creditor under this agreement shall be cumulative and shall inure to the benefit of its successors and assigns. All obligations of Debtor hereunder shall be binding upon its legal representatives, successors and assigns.

THIS SECURITY AGREEMENT is executed as of _____.

Booster Juice Limited Partnership,
An Oregon Limited Partnership

By: _____
President

Franchisee/Debtor , Individually

(if a business entity Franchisee/Debtor)

By: _____
Title: _____