



6.12. EFT and Pre-Authorized Payments.

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

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

7. OBLIGATIONS OF FRANCHISEE

7.1. Use of Trade Name and Marks

7.1.1. Context

You may use the Trade Name and Marks only in the operation of a JUICE IT UP juice bar only at an ^Accepted Location. You may not use any other trade name or marks in connection with the JUICE IT UP Juice Bar.

7.1.2. Changes in Trade Name and Marks

Juice It Up has invested substantial money, time, and energy, in the promotion and protection of its Trade Name and other Marks as they exist on the Start Date. It has no present intention of altering them. However, Juice It Up recognizes that rights in intangible property such as the Trade Name and Marks are often difficult to establish and defend and

that changes in the cultural and economic environment within which the System operates or third-party challenges to Juice It Up rights in the Marks may make changes in the Trade Name and Marks desirable or necessary. Juice It Up therefore reserves the right to change its Trade Name and Marks and the specifications for each when Juice It Up believes that such changes will benefit the Franchise Network. You agree that you will promptly conform, at your own expense, to any such changes.

7.1.3. Advertising Materials

You agree to submit to Juice It Up copies of all non-Juice It Up-generated advertising materials that you propose to use at least two weeks before the first time they are broadcast or published. Juice It Up will review the materials within a reasonable time and will promptly notify you whether it approves or rejects them. Juice It Up may not withhold its approval unreasonably, provided, however, if you make any product or ingredient related claims, we may reject the materials containing such claims at our sole option and discretion. For purposes of this paragraph, advertising materials that differ from previously approved materials only in such variables as date or price will be considered to be previously approved. Even if Juice It Up has approved specified materials, it may later withdraw its approval if it reasonably believes it necessary to make the advertising conform to changes in the System or to correct unacceptable features of the advertising, including any misrepresentation (or alleged misrepresentation), or "claim" in the advertising material.

7.1.4. Legal Protection

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

7.2. Start-Up

7.2.1. Compliance with Manual

You must operate the JUICE IT UP Juice Bar in complete compliance with the standards and specifications set out in the Manual. Juice It Up may make changes in these standards and specifications from time to time. Such changes may necessitate the purchase of equipment, supplies, menu boards, external signs, furnishings or other goods, completion of additional training by your employees, or other cost to you. You must promptly conform to the modified standards and specifications at your own expense. You

must at all times keep your copy of the Manual current by inserting in it revised pages given to you by Juice It Up in either hard copy or electronic form, and deleting superseded pages. If there is any dispute as to the requirements of the Manual at any point in time, the terms of the master copy of the Manual maintained by Juice It Up will control.

Without limiting any of Juice it Up's rights or remedies herein or at law or equity, Juice it Up may establish and impose fines (not to exceed \$1,000 per instance) for violating your duties under this Agreement and/or the Manual. The fact that fines may be imposed will neither be construed as a waiver of Juice It Up's right to require strict compliance with this Agreement and the Manuals, nor as liquidated damages. Juice it Up may also establish charge-back policies and procedures to recoup from you the amount of any refunds Juice it Up makes to resolve customer complaints relating to goods or services sold or performed you. Juice it Up may require you to pay such fines upon demand or may utilize EFT to collect such fines.

7.2.2. Site Location and Development

You must, on your own initiative and at your own expense, locate and obtain our written acceptance of a location for your JUICE IT UP juice bar and secure a lease for the premises at that location. Upon our acceptance of that location, the location will be deemed to be the "Accepted Location". You must provide us with a fully executed copy of the lease for the premises at which you will operate the JUICE IT UP Juice Bar not later than 15 days after executing said lease. You will not execute a lease for the premises at which you intend to operate a JUICE IT UP juice bar unless you have received our prior written acceptance for the location of the premises. The tenant under the lease for the Accepted Location must be you. You hereby authorize us to communicate with the lessor under the lease (and hereby authorizes such lessor to communicate with us) for any purpose, including de-identification of the Accepted Location following the termination or expiration of this Agreement, your sales, your defaults under this Agreement or the lease and negotiating a lease for the Accepted Location commencing following the termination or expiration of your lease.

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

We may voluntarily (without obligation) assist you in obtaining an acceptable location. Neither our said assistance, if any, our acceptance of your proposed site, nor our acceptance of the proposed lease or purchase agreement shall be construed to insure or guarantee the profitable or successful operation of the JUICE IT UP Juice Bar by you, and we hereby expressly disclaim any responsibility therefor. You acknowledge that it is your sole responsibility for finding the Accepted Location.

You must plan, construct, equip and furnish your Juice Bar in accordance with our currently effective standards, as described in the Manual. You will employ experienced and competent architects, engineers and general contractors of your own selection (but each accepted in writing by us prior to their engagement)^ unless we have designated architects, engineers and general contractors in the Manuals as "approved" or "designated," in which case you will only use such approved or designated vendors. At

your sole cost and expense, ^you will have architectural, engineering and construction drawings and site plans prepared, and/or ^ modify the standard layout plans and specifications, which may be provided by us, and ^ obtain all permits, consents, licenses, and approvals required to construct, remodel, renovate, and/or equip the ^Accepted Location. All such drawings and plans, and all modifications and revisions thereto, shall be submitted to us in writing for our prior review and acceptance before you commence demolition and construction, or renovation pursuant thereto. If we do not deliver written notice to you that we have accepted such drawing and plans, the same shall be deemed rejected.

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

Our acceptance of your drawings, plans, and modifications thereto, our guidance with the development of your JUICE IT UP juice bar, and our authorization to open the JUICE IT UP Juice Bar are to assure that you comply with our standards and specifications, and shall not be construed as any express or implied representation or warranty that the Accepted Location complies with any applicable laws, codes or regulations or that the construction is sound or free from defects. Our criteria for acceptance or rejection do not encompass technical, architectural or engineering considerations. We will have no liability with respect to construction of the Accepted Location, nor shall we be responsible in any way for delays or losses occurring during the design, construction or other preparation of the juice bar at the Accepted Location, whether caused by the condition of the Accepted Location, the design, engineering, construction, equipping, decorating, or stocking of the juice bar at the Accepted Location, or any other reason. You expressly acknowledges and agrees that we do not, directly or indirectly, warrant or ensure that the design, decor, appearance, fixtures, layout, and/or other improvements of the juice bar at the Accepted Location will guaranty your success.

Subject only to Force Majeure, you must commence construction (or remodeling) of the ^Accepted Location within 165 days following the date of this Agreement. Without limiting the foregoing and subject only to Force Majeure, you will take all necessary action to develop your Juice Bar in a timely manner in relationship to the Start Date stated in Article 3 or any written extension of the Start Date we grant to you. The time periods for the commencement and completion of construction and commencement of business by the Start Date are of the essence of this Agreement. If you fail to perform your obligations contained in this Section, we may deem your failure to so perform its obligations to constitute a material default of this Agreement.

In the event of the occurrence of an event which you claim to constitute Force Majeure, you must provide written notice to us in writing within 5 days following commencement of the alleged Force Majeure which notice shall include the words "Force Majeure" and explicitly describe the specific nature and extent of the Force Majeure, and how it has impacted your performance hereunder. You must provide us with continuous updates (no less frequently than once each week) on your progress and diligence in responding to and overcoming the Force Majeure, and shall notify us immediately upon

cessation of such Force Majeure, and provide all other information as may be requested by us. If you fail to notify us of any alleged Force Majeure within said 5 days, or shall fail to provide any such updates during the continuance of the alleged Force Majeure, you shall be deemed to have waived the right to claim such Force Majeure.

Default under your lease or sublease, if non-curable or if uncured within any applicable cure period, is a noncurable default under this agreement and may, at our option, lead to immediate termination of this Agreement.

7.2.3. Lay-out, Design and Construction

You will at your sole cost and expense promptly cause the JUICE IT UP Juice Bar to be constructed, equipped and improved in accordance with such our standards and specifications for the design and layout of a JUICE IT UP juice bar, unless we, in writing, agree to modifications thereof. Unless otherwise permitted in writing by us, you will use the materials provided by us to plan and organize the construction of your JUICE IT UP juice bar, including the project management activity timeline. Unless otherwise permitted us in writing, you will only use service providers (such as architects, engineers, and designers), contractors, and equipment vendors that are indicated as "approved" in the Manuals. You may, however, use other service providers, contractors and equipment vendors of your own choice provided, that each such service provider, contractor and vendor is acceptable to us (which acceptance will not be unreasonably withheld) prior to your engagement of such person or entity. You must provide us with such information as we may request regarding each such service provider, contractor and vendor as a condition to our acceptance. By issuing our approval or acceptance, we do not make any guaranty or warranty concerning the fitness or quality of the goods or services of any supplier, vendor, contractor or other provider.

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

7.2.4. Orientation and Initial Training Program

You or your Designated Manager must faithfully attend all phases of the ITP and complete it to Juice It Up's satisfaction, as certified by it in writing by us. Failure to successfully complete any aspect of the training program, as determined by Juice It Up in its sole discretion, constitutes a material breach and default of this Agreement and grounds for immediate termination of this Agreement. However, Juice It Up has the right to offer you one or more remedial courses of action, such as additional training or employment of supplemental personnel, in lieu of declaring a material breach of this Agreement.

7.2.5. Opening

You will notify us of the scheduled date on which all construction or remodeling of the Accepted Location will be completed in accordance with our specifications and all permits (and other approvals) necessary to open to the public shall have been obtained and you have fully prepared the Accepted Location for opening assistance training (the "**Scheduled Completion Date**") no later than 30 days prior to the Scheduled Completion

Date. You must periodically communicate with us so that Juice It Up training personnel can be appropriately scheduled to provide the opening assistance and training. We will use commercially reasonable efforts to provide the opening assistance and training promptly following the Scheduled Completion Date, but you agree that our opening assistance and training is provided on an as-available basis.

You may not open the JUICE IT UP Juice Bar to the public until Juice It Up certifies in writing that, in the view of its management, you and your employees are prepared to do so. **By certifying that Juice It Up's management believes the store is prepared to open, Juice It Up does not guarantee that the JUICE IT UP Juice Bar will be successful.** Success will depend on a number of factors, including your skill and hard work and general economic conditions that are not within Juice It Up's control.

7.2.6. Products and Services Offered

You must offer and sell all the products and services and only the products and services that Juice It Up has authorized you to provide. All products and services prepared, sold or provided by you from the JUICE IT UP Juice Bar must be prepared, sold and/or manufactured in strict accordance with our recipes, standards and specifications, including specifications as to ingredients, brand names, preparation and presentation.

Promotional Items, including menus, gift and loyalty card machines, program POS material, supplement guides, in-store promotional posters, smoothie cards, and point-of-sale materials for new promotions, may be purchased only from Juice It Up or a designated or approved supplier as set forth in the Manual. The reason why designated suppliers must be patronized is that many of the items they supply are proprietary to Juice It Up and must be protected by contract. Also, by entering into exclusive purchasing agreements with these suppliers, Juice It Up may have negotiated quantity discounts for the JUICE IT UP Network as a whole.

You must buy juices, frozen yogurt and sherbets, IQF fruit, other food products, nutritional supplements, organic coffee, snacks, and the POS system, and when available, polling software exclusively from approved suppliers. You must use and sell only the specified retail supplements, snacks, Jumpin' Java organic coffee, and other products designated by Juice It Up from time to time.

Paper goods, including cups and paper napkins bearing the Juice It Up marks, may be purchased only from approved suppliers. To be approved, a supplier must stock all of the long list of paper items used in a JUICE IT UP juice bar, be reliable, and charge reasonable prices.

If you would like to use any ingredient, ingredient distributor, or, product or service which has not previously been approved by Juice It Up, you must advise Juice It Up of this fact and, upon Juice It Up's request, give Juice It Up product specifications, sample products, and/or information about the supplier. Juice It Up will promptly communicate to you either its written approval or its reasons for withholding its approval. Silence may not be construed as consent. Normally, Juice It Up will not expect you to pay for its evaluation of a supplier. However, if the cost of inspecting the supplier's premises, checking the

supplier's credentials, or testing the product is inordinate, Juice It Up may ask you to contribute to the cost of the evaluation. As a condition of approving a supplier of any product that bears the Trade Name or Marks, Juice It Up may require that the supplier sign Juice It Up's License Agreement. Juice It Up may withdraw its approval of a supplier or product if either or both no longer meet Juice It Up standards or specifications.

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

7.2.7. Customer Satisfaction Program

You must distribute customer response cards in the form prescribed by Juice It Up for return by its customers to Juice It Up. If your scores from the customer response cards do not meet Juice It Up's then-current standards, as described in the Manual, Juice It Up may suggest ways in which you can improve your scores. Additionally, from time to time, Juice It Up may employ the services of a mystery shopping company to evaluate customer service. Scores from that evaluation must meet defined minimum expectations. If you do not take immediate, effective steps to bring your operation up to Juice It Up's standards, your failure to do so will constitute a material breach of this Agreement.

7.2.8. Menus.

All Promotional Items and other goods and services offered or sold from the JUICE IT UP Juice Bar shall be marketed by approved menu formats to be utilized in the JUICE IT UP Juice Bar. The approved and authorized menu and menu format(s) may include, in our discretion, requirements concerning organization, graphics, product descriptions, illustrations, and any other matters related to the menu, whether or not similar to those listed. In our discretion, the menu and/or menu format(s) may vary depending upon region, market size, and other factors. We may change the menu and/or menu format(s) from time to time or region to region or authorize tests from region to region or authorize non-uniform regions or juice bars within regions.

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

7.2.9. ^Inspections

Juice It Up and/or its designated representatives (which may include "mystery shoppers") may conduct periodic quality control inspections of the JUICE IT UP Juice Bar during normal business hours. You hereby authorize Juice It Up and its representatives to enter your JUICE IT UP Juice Bar at any time during business hours with or without notice. Quality control inspections may be made with or without prior notice and are not limited as

to frequency. You must promptly correct any deficiencies in your operation of which you are advised by Juice It Up. If you do not take immediate, effective steps to bring your operation up to Juice It Up standards, your failure to do so will constitute a material breach of this Agreement.

You shall promptly reimburse Juice it Up for all of its costs and expenses incurred in connection with each inspection of your JUICE IT UP Juice Bar if you fail to achieve the minimum acceptable standard in connection with the evaluation of your JUICE IT UP Juice Bar during such inspection.

7.2.10. ^Notification of Complaints

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

7.2.11. ^Ethical Business Conduct ; Business Practices

(a) Juice It Up expects you to abide by certain standards of moral and ethical behavior in the conduct and operation of your business. This applies both to management of affairs within the local community of the JUICE IT UP Juice Bar, relationship with vendors and suppliers, and to the relationship with us and our Related Parties. You must, in all dealings with your customers, suppliers, and public officials, adhere to high standards of professionalism, honesty, integrity, fair dealing and ethical conduct and refrain from engaging in any action which will cause any violation of any applicable law. Without limiting the foregoing, you must periodically communicate with, and promptly respond to communications from us and our Related Parties.

(b) Neither you nor any of your Owners conducts any activity, or has failed to conduct any activity, if such action or inaction constitutes a money laundering crime, including any money laundering crime prohibited under the International Money Laundering Abatement and Anti-Terrorist Financing Act, as amended, and any amendments or successors thereto.

(c) Neither you, any of your Owners nor any employee of either of them is named as a "Specially Designated Nationals" or "Blocked Persons" as designated by the U.S. Department of the Treasury's Office of Foreign Assets Control. Currently, this list is published under the internet website address "www.treas.gov/offices/enforcement/ofac/sdn". You are neither directly nor indirectly owned or controlled by the government of any country that is subject to a United States embargo. Nor do you or your Owners act directly or indirectly on behalf of the government of any country that is subject to a United States embargo. You agree that you will notify us in writing immediately of the occurrence of any event, which renders the foregoing representations and warranties of this paragraph incorrect.

(d) You represent that you understand and have been advised by legal counsel on the requirements of the applicable laws referred to above, including the United States Foreign Corrupt Practices Act (currently located at www.usdoj.gov/criminal/fraud/fcpa.html), as amended, any local foreign corrupt practices laws, and the USA Patriot Act of 2001, as amended, and hereby acknowledges the importance to us, the Franchise Network, and the parties' relationship of their respective compliance with any applicable auditing requirements and any requirement to report or provide access to information to us or any government, that is made part of any applicable law. You must take all reasonable steps to require its consultants, agents and employees to comply with such laws prior to engaging or employing any such persons.

7.2.12. Hours

Subject to applicable law or subsequent written agreement between you and us to the contrary, the JUICE IT UP Juice Bar shall be open and operational at least 12 hours per day, 7 days per week or as otherwise prescribed by us; provided however, the JUICE IT UP Juice Bar shall be open and operational additional hours if required by applicable agreement. You shall diligently and efficiently exercise your best efforts to achieve the maximum Adjusted Gross Sales possible from JUICE IT UP Juice Bar, and shall remain open for longer hours if additional opening hours are reasonably required to maximize operations and sales.

7.2.13. Vending or Other Machines

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

7.2.14. Co-Branding

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

7.3. Personnel

7.3.1. Management

Your Designated Manager must devote all his or her productive time and effort to the management and operation of the JUICE IT UP Juice Bar in the minimum amount of

forty (40) hours per week. If you are a natural person, you may be the Designated Manager provided that you satisfy the provisions of this Agreement with respect to the qualifications and training of the Designated Manager. The Designated Manager or another employee who has successfully completed Juice It Up initial training program must be present at the Accepted Location whenever the JUICE IT UP Juice Bar is open for business. If you own more than one JUICE IT UP juice bar, an additional Designated Manager will be employed for each JUICE IT UP juice bar. If Juice It Up, in its sole discretion, determines that a Designated Manager is not properly performing his duties, Juice It Up will advise you and you must immediately take steps to correct the situation. **You must keep Juice It Up informed as to the identity of your Designated Manager.** Upon the termination of employment of a Designated Manager, you must appoint a successor within thirty (30) days. Any successor Designated Manager must successfully complete the ITP to our satisfaction before starting work in the JUICE IT UP Juice Bar, unless otherwise agreed by us in writing. You must pay our then-current fee for the ITP in connection with the training of a successor Designated Manager.

7.3.2. Employees

Starting immediately before the commencement of the opening assistance training and at all times thereafter, you must maintain at all times a staff of trained employees sufficient to operate the JUICE IT UP Juice Bar in compliance with Juice It Up standards. You must train your employees in accordance with our standards and the Manuals.

7.4. Signs and Other Advertising Materials

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

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

7.5. Financial Information

7.5.1. Records

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

7.5.2. Reports and Reporting Equipment

Juice It Up requires you to obtain an electronic cash register, modem, fax machine, computer, telephone, and communications and accounting software that meet specifications set out in the Manual to facilitate the creation of standardized financial records and their conveyance to Juice It Up. You must obtain and maintain at least three (3) separate dedicated telephone lines to be used in the JUICE IT UP Juice Bar, which will be used for voice, fax and data communications. You must, at your own expense, provide a modem and telephone line with which Juice It Up may poll your cash register nightly. We may require you to obtain a high-speed (dsl, T1, or other high speed connection) connection or access to the internet.

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

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

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

7.6. Insurance

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

Juice Bar premises, salary or wages of key personnel, and other fixed expenses for not less than 12 months.

In addition, you must maintain policies of worker's compensation insurance, disability insurance and any other types of insurance required by applicable law. Each insurance policy that is required under this Agreement must contain a provision that the policy cannot be canceled without ten (10) days' written notice to Juice It Up. It must be issued by an insurance company of recognized responsibility, designate Juice It Up as an additional named insured, and be satisfactory to Juice It Up in form, substance and coverage. You must deliver a certificate of the issuing insurance company evidencing each policy to Juice It Up within ten (10) days after the policy is issued or renewed and from time to time promptly on request. Failure to do so is a material breach of this agreement.

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

7.7. Financial and Legal Responsibility

7.7.1. Compliance with Law; Crisis Management Events

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

7.7.2. Payment of Indebtedness

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

7.8. Software License Agreement; Juice Net

If Juice It Up develops a proprietary software system for use by its franchisees, you agree to purchase, install, use and maintain the software. Juice It Up will use best efforts to minimize expense to you in connection with any required software.

We will have sole discretion and control over all aspects of the Juice Net, including the content and functionality thereof. We have no obligation to maintain the Juice Net indefinitely, and may dismantle it at any time without liability to you. You have the mere privilege to use the Juice Net, subject to your strict compliance with the standards and specifications, protocols and restrictions that we may establish from time to time. You

agree to sign the Juice Net terms of use attached hereto as Attachment 7, and such amendments as we may require from time to time. You acknowledge that, as administrator of the Juice Net, we can access and view any communication that any person posts on the Juice Net. You agree that the Juice Net and all communications that are posted to it will become our property, free of any claims of privacy or privilege that you or any other person may assert.

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

7.9. Local Advertising; Grand Opening

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

Unless you are an assignee of this Agreement, or you have signed this Agreement in connection with a Transfer, you must expend not less than \$1,000 to conduct a grand opening advertising and promotion program for the JUICE IT UP Juice Bar, which grand opening promotion: (a) is in addition to advertising and promotion required by under this Agreement; (b) will utilize marketing and public relations programs and media and advertising materials approved by us; (c) will be conducted in accordance with our specifications and standards; and (d) will be conducted within 30 days following you opening the JUICE IT UP Juice Bar to the public. Promptly following the conclusion of such grand opening promotion program, you will send us written notice of its completion and such documents as we may request to evidence your expenditure of at least \$1,000 to conduct such program.

8. RELATIONSHIP OF PARTIES

8.1. Interest in Marks and System

You may not at any time do or cause to be done anything contesting or impairing Juice It Up's interest in its Trade Name, Marks or System. You acquire no rights in any of these things except for your right to use them in accordance with the express terms of this Agreement. Juice It Up retains the right to grant other franchises or licenses to use the Trade Name, Marks and System upon any terms that we wish.

8.2. Independent Status

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

8.3. Display of Disclaimer

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

8.4. Confidentiality

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

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

8.5. ^Indemnification

8.5.1. Indemnification by You

You will indemnify and hold Juice It Up and its Related Parties harmless from all expenses, claims, losses, and liabilities of any kind arising from or in any way connected to (i) your development, construction or operation of the JUICE IT UP Bar, or (ii) any act or omission of yours. If Juice It Up or any of its Related Parties is made a party to a legal proceeding in connection with your act or omission, Juice It Up may hire counsel to protect its interests and bill you for all costs and expenses incurred by Juice It Up or any of its Related Parties or both, as applicable. You must promptly reimburse Juice It Up or its Related Party or Parties or both, as applicable. In spite of the foregoing, you will not be obligated to indemnify and hold Juice It Up and its Related Parties harmless for expenses, claims, losses, or liabilities based upon or alleging: 1) gross negligence and/or intentional misconduct of Juice It Up and/or Juice It Up's Related Party; and/or 2) breaches by Juice It Up or its Related Party of any agreement to which Juice It Up or its Related Party is a party. This indemnity will continue in full force and effect after and in spite of the Termination of this Agreement.

8.5.2 Indemnification by Juice It Up

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

8.6. Covenants

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

- (a) ^operate or own more than a ten percent (10%) beneficial interest in any company that is competitive with any JUICE IT UP Juice Bar and that is located within five (5) miles of any JUICE IT UP Juice Bar;
- (b) ^employ or seek to employ any person who is employed by Juice It Up or any other JUICE IT UP franchisee or otherwise induce or attempt to induce such a person to leave his or her employment;
- (c) ^interfere or attempt to interfere with any of the business relationships or advantages of Juice It Up or any other JUICE IT UP franchisee; or

(d) ^divert or attempt to divert any customer or business from Juice It Up or any other JUICE IT UP franchisee or solicit or attempt to obtain the business of any person who has been a customer of Juice It Up's franchisee.

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

8.7. Guaranty

If you are ^an Entity, each of your 10% or more owners must personally, and unconditionally, guaranty the payment and performance of each of your obligations under this Agreement and the obligations of your employees, agents and Related Parties, that are required to sign agreements in the form of ^Attachment 5. You must cause your owner to sign and deliver to us the personal guaranty attached as Attachment 6 of this Agreement.

9. TRANSFER OF FRANCHISE

9.1. Purpose of Conditions for Approval of Transfer

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

9.2. Notice of Proposed Transfer

If you would like to Transfer this franchise, you must submit to Juice It Up: a) the form of franchise purchase application currently in use by Juice It Up, completed by the prospective assignee; b) a written notice, describing all the terms and conditions of the proposed Transfer; and c) the transfer fee described in Article 6 of this Agreement. If the Transfer is not approved by Juice It Up, Juice It Up will return the transfer fee to you after deducting direct costs incurred in connection with the proposed Transfer.

9.3. Consent by Juice It Up; Right of First Refusal

Juice It Up must respond in writing to your written notice within fifteen (15) days after receiving it, or, if Juice It Up requests additional information, within the later date of fifteen (15) days after receipt of the additional information or the final day of the original fifteen (15) day period. Juice It Up may either consent to the Transfer, tell you its reason for refusing to consent, or purchase the JUICE IT UP Juice Bar from you itself upon the same

terms and conditions as those offered by the third party, except that Juice It Up may substitute a reasonable amount of cash for any non-cash consideration. Silence may not be construed as consent. If Juice It Up consents to the Transfer, then you may Transfer the interest described in the notice only to the named assignee and only upon the terms and conditions stated in the notice. Consent by Juice It Up to a particular Transfer will not constitute consent to any other or subsequent Transfer.

9.4. Conditions for Consent to Transfer

Provided that Juice It Up does not exercise the right of first refusal set forth in Section 9.3, then the consent of Juice It Up is subject to certain conditions, including but not limited to:

- (a) ^Satisfaction of Juice It Up that the proposed assignee meets all of the criteria of character, business experience, financial responsibility, net worth and other standards that Juice It Up customarily applies to new franchisees at the time of Transfer;
- (b) ^Payment of all your outstanding debts to Juice It Up;
- (c) ^Cure of all defaults under the Franchise Agreement, any other agreement(s) between Juice It Up or its Affiliate and you, and the Manual;
- (d) ^At Juice It Up's option, ^the transferee/assignee shall have either (a) assumed this Agreement by a written assumption agreement approved by us, or has agreed to do so at closing, and at closing executes an assumption agreement approved by us; provided however, that such assumption shall not relieve you (as transferor/assignor) of any such obligations; or (b) executed a replacement franchise agreement on the then-current standard form of franchise agreement^ used by us in the state in which the JUICE IT UP Juice Bar is being operated, provided, however, that the term of replacement franchise agreement shall be the remaining term of this Agreement, and, at our request, the transferor/assignor shall have executed a continuing guaranty in our favor of the performance and payment by the transferee/assignee of all obligations and debts to us and our Related Parties under the replacement franchise agreement;
- (e) At your expense, the JUICE IT UP Juice Bar shall be remodeled, modernized and redecorated and the fixtures, equipment, and signs used in the JUICE IT UP Juice Bar shall be replaced and modernized so that the JUICE IT UP Juice Bar meet the standards of appearance and function applicable to the premises of new JUICE IT UP juice bars at the time of the Transfer;
- (f) ^The prior receipt of your payment of the transfer fee described in Article 6 of this Agreement;
- (g) You completing and signing the exit questionnaire reasonably prescribed by us;

(h) Our receipt of an estoppel agreement indicating any and all causes of action, if any, that you may have against us or if none exist, so stating, and a list of all Owners having an interest in this Agreement or in you, the percentage interest of Owner, and a list of all officers and directors, in such form as we may require;

(i) ^Completion by the assignee of the Juice It Up orientation and initial training program, to Juice It Up's satisfaction; and

(i) ^You and any Related Parties that are parties to an agreement with us have signed a general release of known and unknown claims in a form satisfactory to Juice It Up with respect to past dealings with Juice It Up and its Related Parties;

9.5. Changes of Ownership Considered Not To Be Transfers

As used in this Agreement, the term "Transfer" does not mean an assignment to ^

^

^^ any of your employees under any employee stock option plan or stock purchase plan, provided that any share certificate distributed under such a plan is marked with a legend describing the restrictions and conditions of Transfer required by this Agreement.

9.6. Transfer Upon Death

If you are an individual and die during the term of this Agreement we will give your heirs or beneficiaries up to sixty (60) days within which to demonstrate to Juice It Up's satisfaction that they meet all of the criteria of character, business experience, financial responsibility, net worth and other standards that Juice It Up requires of new franchisees at that time. If Juice It Up approves your heirs or beneficiaries as assignees of the franchise, Juice It Up will waive any transfer fee in connection with the Transfer. If Juice It Up advises your heirs or beneficiaries in writing that Juice It Up will not approve them as assignees of the franchise, or if Juice It Up fails to approve or disapprove the Transfer within sixty (60) days following your death, your heirs or beneficiaries may have one hundred twenty (120) additional days from the date of disapproval of the Transfer or the end of the sixty (60) day period, whichever is first, within which to find and notify Juice It Up of a proposed Transfer to a qualified assignee in conformity with the provisions of Sections 9.2, 9.3, and 9.4 of this Agreement. If your heirs or beneficiaries do not advise Juice It Up of a qualified assignee within the specified period, the franchise will automatically terminate at the end of the period unless a written extension of time has been granted by Juice It Up.

9.7. Assignment by Juice It Up

Juice It Up may assign this Agreement or any rights or obligations created by it at any time without your consent provided that the assignee expressly agrees in writing to assume Juice It Up's obligations under this Agreement.

9.8. Assignment to a Controlled Entity

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

- (a) Upon our request, your delivery to us of a true, correct and complete copy of the transferee Entity's articles of incorporation or articles of organization, bylaws, operating agreement, partnership agreement, and other organizational documents, and we have accepted the same;
- (b) The transferee Entity's articles of incorporation or articles of organization, bylaws, and operating agreement, as applicable, shall provide that its activities are confined exclusively to operating the JUICE IT UP Juice Bar;
- (c) The each individual original franchisee directly owns the same legal and beneficial ownership of the Equity and voting rights of the transferee as such person(s) did immediately prior to the Transfer to the transferee Entity;
- (d) Such Entity is in good standing in its jurisdiction of organization and each other jurisdiction where the conduct of its business or the operation of its properties requires it to be so qualified;
- (e) Such Entity conducts no other business than the operation of JUICE IT UP juice bars;
- (f) Such Entity assumes all of the obligations under this Agreement pursuant to written agreement, the form and substance of which shall be acceptable to us, provided that no such assignment will relieve the original party of any of its obligations under this Agreement;
- (g) Each individual comprising you, and all present and future owners of 10% or more (directly or indirectly), in the aggregate, of the Equity or voting rights of you shall execute a written guaranty, in a form prescribed by us, personally, irrevocably and unconditional guaranteeing, jointly and severally, with all other guarantors, the full payment and performance of all of the obligations to us and our Related Parties under this Agreement;
- (h) At our request, you must, and must cause each of your Related Parties who have executed a franchise agreement and each direct or indirect parent or subsidiary of such Related Party, to execute and deliver to us a general release, on a form prescribed by us of any and all known and unknown claims against us and our

Related Parties and their officers, directors, agents, shareholders and employees;
and

- (i) You must reimburse us for all direct and indirect costs and expense we may incur in connection with the transfer, including attorneys' fees.

10. TERMINATION OF FRANCHISE

10.1. Termination by Consent of the Parties

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

10.2. Termination by Juice It Up

10.2.1. Notice of Default

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

10.2.2. Events of Default

Upon the occurrence of any of the following defaults, Juice It Up at its option, may terminate this Agreement:

- (a) If you fail to submit to Juice It Up in a timely manner any information you are required to submit under this Agreement;
- (b) If you fail to begin operation of a JUICE IT UP Juice Bar by the Start Date of this Agreement, or if you fail to operate your JUICE IT UP Juice Bar in accordance with this Agreement and the Manual;
- (c) If you materially default in the performance of any obligation under this Agreement or any other agreement with Juice It Up or its Related Party, except for a default or

termination of any Development Agreement consisting solely of your failure to meet the development schedule thereunder;

- (d) ^If you (or any other person required to undergo training) fails to successfully complete any aspect of the applicable training program;
- (e) ^If you fail to make any payment when due under this Agreement or any other agreement between you and Juice It Up or a Related Party of Juice It Up;
- (f) ^If you misuse the Marks or the System or engage in conduct which reflects materially and unfavorably upon the goodwill associated with them or if you use in a JUICE IT UP Juice Bar any names, marks, systems, logotypes or symbols that Juice It Up has not authorized you to use;
- (g) ^If you or any of your Related Parties has any direct or indirect interest in the ownership or operation of any business that is confusingly similar to a JUICE IT UP Juice Bar or uses the System or the Marks, or if you fail to give Juice It Up a signed copy of the Nondisclosure and Noncompetition Agreement for each of your Related Parties within ten (10) days after the Related Party assumes that status with you;
- (h) ^If you attempt to assign your rights under this Agreement in any manner not authorized by this Agreement;
- (i) ^If you or your Related Party has made any material misrepresentation in connection with the acquisition of a JUICE IT UP Juice Bar or to induce Juice It Up to enter into this Agreement;
- (j) ^If you act without Juice It Up's prior written approval or consent in regard to any matter for which Juice It Up prior written approval or consent is expressly required by this Agreement;
- (k) ^If you cease to operate the JUICE IT UP Juice Bar, unless: (i) operations are suspended for a period of no more than one hundred eighty (180) days and (ii) the suspension is caused by fire, condemnation, or act of God;
- (l) ^If you fail to permanently correct a breach of this Agreement or to meet the standards set out in the Manual after being twice requested in writing by Juice It Up to correct the problem in any twelve (12) month period;
- (m) ^If Juice It Up makes a reasonable determination that the operation of the JUICE IT UP Juice Bar poses a threat to public health or safety;
- (n) ^Except as otherwise required by the United States Bankruptcy Code, if you become insolvent, are adjudicated a bankrupt, or file or have filed against you a petition in bankruptcy, reorganization or similar proceeding; or

- (o) ^If you are convicted of a felony or any criminal misconduct which is relevant to the operation of the JUICE IT UP Juice Bar.

10.3. Termination by You

You may terminate this Agreement ^due to a material default by Juice It Up of its obligations hereunder, which default is not cured by Juice It Up within 60 days^ after our receipt of prompt written notice by you to ^us detailing the alleged default with specificity; provided, that if the default is such that it cannot be reasonably cured within such 60 day period, we shall not be deemed in default for so long as it commences to cure such default within 60 days and diligently continues to prosecute such cure to completion. Your termination will be valid only if the conditions of the next section of this Agreement, entitled "Rights and Obligations After Termination," are met in full within the specified time periods.

10.4. Rights and Obligations After Termination

Upon termination of this Agreement for any reason, the parties will have the following rights and obligations:

- (a) ^Juice It Up will have no further obligations under this Agreement;
- (b) ^You must give Juice It Up a final accounting for the JUICE IT UP Juice Bar, pay Juice It Up within thirty (30) days after Termination all payments due to Juice It Up, and return the Manual and any other property belonging to Juice It Up to Juice It Up.
- (c) ^You must immediately and permanently stop using the Marks or any confusingly similar marks, the System, or any advertising, signs, stationery, or forms that bear identifying marks or colors that might give others the impression that you are operating a JUICE IT UP Juice Bar;
- (d) ^You must promptly sign any documents and take any steps that in the judgment of Juice It Up are necessary to delete your listings from classified telephone directories, disconnect or, at Juice It Up's option, assign to Juice It Up all telephone numbers that have been used in the JUICE IT UP Juice Bar, and terminate all other references that indicate you are or ever were affiliated with Juice It Up. By signing this Agreement, you irrevocably appoint Juice It Up your attorney-in-fact to take the actions described in this paragraph if you do not do so yourself within seven (7) days after Termination of this Agreement.
- (e) ^You must maintain all records required by Juice It Up under this Agreement for a period of not less than three (3) years after final payment of any amounts you owe to Juice It Up when this Agreement is Terminated.
- (f) ^Juice It Up has an option to purchase any or all of the physical assets of the JUICE IT UP Juice Bar, including its equipment, supplies and inventory, during a period of sixty (60) days following the effective date of Termination, valued at the lower of cost or fair market value. Juice It Up must send written notice to you within thirty (30) days after Termination of this Agreement of its election to exercise the option to

purchase. If the parties do not agree on a price within the option period, the option period may be extended for up to fifteen (15) business days to permit appraisal by an independent appraiser who is mutually satisfactory to the parties. If the parties fail to agree upon an appraiser within the specified period, each must appoint an appraiser and the two appraisers thus appointed must agree on a third appraiser within ninety (90) days after Termination who must determine the price for the physical assets of the JUICE IT UP Juice Bar in accordance with the standards specified above. This determination will be final and binding upon both Juice It Up and you.

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

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

(h) ^Juice It Up has an option to replace you as lessee or owner of the premises of the JUICE IT UP Juice Bar.

If you rent the premises of the JUICE IT UP Juice Bar, Juice It Up may assume the lease in return for its assumption of future obligations under the lease. Upon exercise of this option by Juice It Up, you will be fully released and discharged from future rents and other future liabilities under the lease if the terms of the lease permit it, but not from any debts to the lessor that already exist on the date when the option is exercised.

If you own the premises of the JUICE IT UP Juice Bar, Juice It Up may purchase the premises from you in consideration of the fair market value of the property. Juice It Up must send written notice to you within thirty (30) days after Termination of this Agreement of its election to exercise the option to purchase and must be prepared to close the transaction within sixty (60) days after the fair market value has been determined. If Juice It Up and you fail to agree upon the fair market value of the property within the option period, each must appoint an appraiser and the two appraisers thus appointed must agree on a third appraiser within ninety (90) days

after Juice It Up has given notice of its election to purchase. The appraisers, or a majority of them, must determine the fair market value of the premises of the JUICE IT UP Juice Bar. This determination will be final and binding upon both Juice It Up and you.

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

11. MISCELLANEOUS PROVISIONS

11.1. Construction of Contract

Section headings in this Agreement are for reference purposes only and will not in any way modify the statements contained in any section of this Agreement. Each word in this Agreement may be considered to include any number or gender that the context requires. If there is any conflict between this Agreement and the Manual, this Agreement will control. As used in this Agreement, the words "include," "includes" or "including" are used in a non-exclusive sense. Unless otherwise expressly provided herein to the contrary, any consent, acceptance, approval or authorization of Juice It Up which you may be required to obtain hereunder may be given or withheld by Juice It Up in its sole discretion, and on any occasion where Juice It Up is required or permitted hereunder to make any judgment, determination or use its discretion, including any decision as to whether any condition or circumstance meets Juice It Up's standards or satisfaction, Juice It Up may do so in its sole subjective judgment and discretion. Neither this Agreement nor any uncertainty or ambiguity herein shall be construed or resolved against the drafter hereof, whether under any rule of construction or otherwise. On the contrary, this Agreement has been reviewed by all parties and shall be construed and interpreted according to the ordinary meaning of the words used so as to fairly accomplish the purposes and intentions of all parties hereto. Juice It Up and you intend that if any provision of this Agreement is susceptible to two or more constructions, one of which would render the provision enforceable and the other or others of which would render the provision unenforceable, then the provision shall be given the meaning that renders it enforceable.

11.2. Governing Law, Venue, and Waiver of Jury

This Agreement is made in the State of California. This Agreement and its provisions shall be governed by and construed and interpreted under the laws of the State of California, without giving effect to any conflict of laws principles, except (1) the provisions of Section 8.6 of this Agreement shall be governed by the laws of the state in which the JUICE IT UP Juice Bar is located; (2) the provisions of the California Franchise Investment

Law and California Franchise Relations Act shall not apply unless they would be otherwise applicable without this Agreement's designation of governing law; and (3) trademark matters will be governed by the Lanham Act.

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

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

11.3. Notices

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

11.4. Amendments

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

11.5. Waiver

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

11.6. Integration

This Agreement and any exhibits or attachments to it are the entire agreement between the parties concerning the franchise it grants. All ^prior and contemporaneous agreements and representations, other than those included in the offering circular, are superseded by it.

11.7. Limitation of Actions

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

11.8. Severability

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

11.9. Approval

If you are ^an Entity, all officers, managers, general partners and ^Owners with a ten percent (10%) or greater interest ^ must approve this Agreement, permit you to furnish the financial information required by Juice It Up, and agree to the restrictions placed on them, including restrictions on the transferability of their interests in the franchise and ^franchised juice bars and limitations on their rights to compete

11.10. General Release

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

11.11. Submission of Agreement

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

11.12. ^Acceptance by Juice It Up

This Agreement will not be binding on Juice It Up unless and until it has been signed by an authorized officer of Juice It Up.

[remainder of page intentionally left blank]



11.13. ^DISCLAIMER OF REPRESENTATIONS

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

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

FRANCHISOR

JUICE IT UP FRANCHISE CORPORATION

^By: _____
Frank N. Easterbrook,
Chief Executive Officer
17915 Sky Park Circle, Suite J
Irvine, CA 92614



FRANCHISEE

_____ [name]

By: _____
Name: _____
Its: _____

Address: _____
