

EUPHORIA SMOOTHIES & NUTRITIONAL SUPPLEMENTS, LTD. PROPRIETARY LICENSED RIGHTS AGREEMENT

THIS IS A CONTRACT. PLEASE READ IT CAREFULLY. BY INDICATING YOUR ACCEPTANCE BELOW, YOU ACCEPT ALL THE TERMS AND CONDITIONS OF THIS PROPRIETARY LICENSED RIGHTS AGREEMENT.

This Agreement is made in North Bay, Ontario between **EUPHORIA SMOOTHIES & NUTRITIONAL SUPPLEMENTS, LTD.**, (Euphoria or "We") and "Operator" or "You" effective as of the date we process your order/payment.

We are engaged in the business of selling a variety of distinctive specialty beverages, smoothies, power smoothies, gourmet stuffed pretzels, bubble tea and nutritional supplement products, components and ingredients, and complementary products (collectively, "Euphoria Products"), in association with the following "Licensed Rights": methods of preparing, serving, and merchandising such products using standards, recipes, specifications, procedures, components, ingredients, and techniques that We have developed, and may continue to develop from time to time in our sole discretion.

You operate a quick service restaurant facility ("Licensed Store") and wish to offer Euphoria Products in accordance with the Licensed Rights pursuant to the terms of this Agreement. We are willing to authorize the store identified on the signature page of this Agreement, to sell Euphoria Products in accordance with the Licensed Rights, pursuant to the terms of this Agreement. As part of this Agreement, You and Euphoria have agreed to the following:

SERVICES BY EUPHORIA

Euphoria will loan you a copy of its typical specifications and layouts for the equipment, fixtures, furnishings and signs to be used to incorporate Euphoria Products into Licensed Stores. Operator is required to develop this layout into final plans and specifications and will be required to acquire, if applicable, all necessary architectural, engineering and building seals and permits for approval and construction purposes at its own expense. Euphoria will loan Operator a copy of its proprietary recipes, menu model, ideal food cost matrix, inventory control matrix, access to Euphoria Intranet and a copy of Euphoria manual setting forth for the other elements of the Licensed Rights relating to the methods of preparation, serving and merchandising of the Euphoria Products in accordance with Euphoria standards, specifications, components, ingredients and techniques. Euphoria will identify the names of approved suppliers for Euphoria Products and their components and ingredients and associated products such as paper goods and other supplies. Euphoria will provide a Licensed Stores training program, via online Intranet system, which a suitable number of Operator's training personnel shall be required to complete prior to the scheduled opening date of any Licensed Store.

TRADEMARK LICENSE

Euphoria is the owner of the trademarks, trade names, service marks and symbols outlined in this Agreement (including but not limited to EUPHORIA SMOOTHIES), (hereinafter called the "Marks"). As part of this Agreement, We hereby grant you the non-exclusive license to use the Marks only in the Licensed Store and only on and in connection with Euphoria Products and for this purpose to affix the Marks to or on packaging, advertising and promotional materials sold, used or distributed in connection with the Euphoria Products. You hereby agree to limit your use of the Marks to the Licensed Store and to the Euphoria Products, according to processes, specifications and other quality standards reasonably established or approved by Euphoria for the Euphoria Products in connection with which the Marks are used. We shall have the right to approve Packaging, Promotional Items and Advertising bearing the Marks prior to use. All rights in the Marks other than those specifically granted herein are reserved to Euphoria for its own use and benefit. Upon the expiration or termination of the term of this License Agreement, all rights to use the Marks in the manner provided for in this Agreement shall revert automatically to Euphoria, and you shall immediately discontinue all use of the Marks.

TERM AND RENEWAL

Unless sooner terminated as hereinafter provided, this Agreement shall expire ten (10) years from the effective date of this Agreement (i.e. the purchase date of the license). This Agreement shall automatically renew for an unlimited number of additional terms of one (1) year each unless: (1) Operator gives Euphoria written notice of its election not to renew not less than sixty (60) days prior to the expiration of the then current term; or (2) at the expiration of the then-current term Operator is in default of any provision of this Agreement. This Agreement shall automatically terminate with the expiration or earlier termination of Operator's lease of, contract to operate its food operation at Licensed Store.

FEES

Operator shall pay Euphoria an Initial Fee for each Licensed Store upon execution and delivery of this Agreement. All such fees are non-refundable. Operator shall have no obligation to pay any ongoing royalty to Euphoria in consideration to the right to operate as an authorized seller of Euphoria Products and licensee of Licensed Rights. Operator agrees that it shall purchase Euphoria Products and the ingredients and components of Euphoria Products as needed directly from Euphoria and authorized distributors, at such prices and on such terms as Euphoria and distributors establish. Operator acknowledges and agrees that Euphoria makes money on the sales of Euphoria Products and Product ingredients and components. Operator is required to purchase Euphoria Products on a monthly basis in order to retain the rights granted hereunder. The minimum monthly order required for Euphoria Express store is \$1200 and for Elite Euphoria store is \$2400 to retain the rights granted hereunder.

LIMITATIONS UPON USE

Operator had no part in the creation or development of Euphoria trademarks, service marks and trade names. Euphoria is the exclusive owner of the Licensed Rights and of the standards, specifications, architectural details, shop drawings, procedures, recipes, specifications, techniques and other concepts embodied therein. Operator is a licensee and will use the Licensed Rights only in conjunction with the sale of the Euphoria Products that Operator is authorized to sell and strictly in accordance with the terms of this Agreement and any unauthorized use of the Licensed Rights is and shall be deemed an infringement of Euphoria

rights. Operator shall not use the Licensed Rights in association with the sale, advertisement, marketing, distribution or promotion of any food item, product or service that is not approved in writing by Euphoria. Except as expressly provided by this Agreement, Operator shall acquire no right, title or interest to the Licensed Rights; all goodwill associated with the Licensed Rights shall inure exclusively to Euphoria benefit and any and all improvements in the Licensed Rights developed by Operator shall be and become the sole and absolute property of Euphoria. Operator will not at any time take any action whatsoever to question or contest the validity, right, title or interest of Euphoria in and to the Licensed Rights and the goodwill associated therewith.

Operator shall have NO right to use the name "Euphoria", or other marks or words confusingly similar, in their corporate or trade name.

We may change the Licensed Rights, ingredients and Euphoria Products periodically, and when We do, you must promptly conform to the revised requirements at your cost.

The use of the Licensed Rights granted hereunder is non-exclusive and Euphoria retains the right, in its sole discretion: (1) To continue to construct and operate other Euphoria outlets of all types, and to license, franchise and otherwise permit others to do so, and to use the Licensed Rights in any location (including locations in close or immediate proximity to the Licensed Stores), and to license, franchise, and otherwise permit others to do so; (2) To develop, use, and to license others to use, the rights to any trade names, trademarks, service marks, trade symbols, emblems, signs, slogans, insignia, patents or copyrights for use with franchised or Licensed Rights for the sale of Euphoria Products or services (including but not limited to those that are part of the Licensed Rights licensed hereunder) without granting Operator any rights therein; (3) To develop, merchandise, sell and license others to sell the Euphoria Products and other Euphoria Products to the public through groceries and any other outlets anywhere; and (4) To offer to other licensees and franchisees of Euphoria various promotions, programs, assistance and benefits unavailable to Operator.

Operator shall sell Euphoria Products only to retail customers at the Licensed Stores and shall not sell Euphoria Products at any unapproved location, temporary or permanent, or otherwise exceed the Scope of License, without the prior written consent of Euphoria. Operator shall not use the Licensed Rights associated with any Euphoria Products that Operator is not authorized to sell. Operator shall not sell any products that are similar to or in competition with any of the Euphoria products.

Euphoria or its designated representative has the right to inspect and review the quality of service, food products and ingredients used by Operator and Licensed Stores and the method of preparation of all Euphoria Products sold from the Licensed Stores; to conduct periodic inspections of Licensed Stores and Euphoria Products therein to assure Operator's compliance with Euphoria quality standards; to examine the orders prepared, offered for sale and served by Operator and Licensed Stores, and to take any action it deems necessary to maintain the quality and standards of the Euphoria Products and Licensed Rights.

Within fifteen (7) days after requested by Euphoria, Operator shall provide Euphoria with a report detailing sales of Euphoria Products by each Licensed Store in such form and detail as requested by Euphoria.

ASSIGNMENT

Operator shall neither sell, assign, donate, transfer, convey, nor encumber this Agreement, the Licensed Rights or any other right or interest hereunder, not suffer or permit any such assignment, transfer or encumbrance to occur by operation of law or otherwise, without the prior written consent of Euphoria.

CONFIDENTIALITY

During the term of this Agreement and for a period of two years after termination of this Agreement for any reason, Operator, any persons controlling, controlled by or under common control with Operator, and any managerial employee employed for or by a Licensed Store, will not, without Euphoria prior written consent, sell or serve any products which are substantially similar to or competitive with the Euphoria Products, whether on a sale or complimentary basis; and at all times treat as confidential such information as Euphoria may designate from time to time for confidential use with the Euphoria Products or the Licensed Rights (as well as all other trade secrets, if any, and confidential information, knowledge and know-how concerning the modification or operation of a Licensed Store that may be imparted to, or acquired by, Operator from time to time in connection with this Agreement) and to use diligent efforts to keep such information confidential. Operator acknowledges that the unauthorized use or disclosure of such confidential information (and trade secrets, if any) will cause incalculable and irreparable injury to Euphoria. Operator accordingly agrees that it shall not at any time, without Euphoria prior written consent, disclose (except to such employees or agents as must have access to such information in order to modify or operate a Licensed Store or account for its revenues and expenses) or use or permit the use of (except as may be required by applicable law or authorized by this Agreement) such information, in whole or in part, or otherwise make the same available to any unauthorized person or source. These obligations and restrictions shall remain in full force and effect following the termination or expiration of this Agreement.

INDEMNIFICATION

Operator shall defend, indemnify and hold Euphoria harmless from and against any liability or damage, including reasonable attorneys' fees, that Euphoria may incur as a result of claims, demands, costs or judgments, of any kind or nature, by anyone whomsoever, arising out of, or otherwise connected with this Agreement, the license granted hereunder, the Licensed Rights or the acquisition, construction, renovation, financing, equipping, ownership, inspection, repair, maintenance or operation of a Licensed Store, except claims for which Euphoria gross negligence is established as the sole cause. Euphoria may, but is not obligated to, undertake the defense of any such claim or demand and supervise all settlement negotiations related thereto, provided, however, that if it does so, Euphoria shall pay the legal fees it incurs in connection with such defense and settlement. If a proposed settlement would result in liability or financial contribution by Operator, Euphoria will not settle the claim, demand or proceeding without Operator's approval. Operator acknowledges that Euphoria election to undertake the defense or settlement of a claim or demand subject to indemnification hereunder will in no way be construed as diminishing or extinguishing Operator's obligation to indemnify and hold Euphoria harmless.

TERMINATION

Euphoria may terminate this Agreement in its entirety (in Euphoria sole discretion) immediately upon giving notice to the Operator (1) If Operator misuses the Licensed Rights, or fails to use the Licensed Rights in accordance with their terms or in accordance

with this Agreement, or otherwise materially impairs the goodwill associated therewith or Euphoria rights therein, or if Operator shall use in conjunction with any of the Euphoria Products any names, marks, Licensed Rights, insignia or symbols not authorized by Euphoria, (2) If Operator shall file or have filed against it a case in bankruptcy, reorganization or similar proceeding under the bankruptcy laws of United States and Canada; or if the bank accounts, property or receivables of Operator are attached and such attachment proceedings are not dismissed within a thirty (30) day period; or if execution is levied against the business or property of Operator or if suit to foreclose any lien or mortgage against a Licensed Store or equipment thereof is instituted and not dismissed within thirty (30) days,(3) If Operator receives from Euphoria three (3) or more written valid notices of default or notices of violations of this Agreement, or (4) If Operator fails to begin offering Euphoria Products for sale from the Licensed Store within twelve (12) months of the effective date of this Agreement.

Upon termination of this Agreement for any reason, or upon expiration of the term hereof, Operator agrees as follows: (1) To cease immediately selling Euphoria Products and cease to use or permit the use of the Licensed Rights at the Licensed Store (2) To return to Euphoria all materials, manuals, plans and specifications, designs, records, samples, models, programs, handbooks or drawings related to or concerning Euphoria operations, the Licensed Rights and the Euphoria Products; (3) To cease immediately (i) acting in any way as an authorized vendor of the Euphoria Products or licensee of Euphoria, and (ii) the use any of Euphoria confidential information, trade secrets, signs, symbols, recipes, formulas, food mixes or other materials constituting the Euphoria Products or the Licensed Rights at the Licensed Store; (4) To immediately pay us all amounts due to us; and (5) To promptly destroy or surrender to Euphoria all stationery, letterheads, forms, printed materials, promotional displays and advertising containing any aspect of or reference to the Euphoria Products or the Licensed Rights. If Operator shall fail to make such changes, Euphoria or its agents may enter each affected Licensed Store and make such changes at the Operator's expense.

ENFORCEMENT

Due to the irreparable harm that could be caused by the Operator's or a Licensed Store's violation of any of the terms of this Agreement, in addition to any other relief available at law or equity, Euphoria or its designee shall be entitled to obtain without bond restraining orders or temporary or permanent injunctions in order to enforce, among other items, the provisions of this Agreement relating to the Licensed Rights and Operator's obligations upon termination or expiration of this Agreement and to prohibit any act or omission by Operator or its employees, or Licensed Stores, that constitutes a violation of applicable law or threatens the Licensed Rights. Operator's and Licensed Stores' only remedy if such an injunction is entered will be the dissolution of the injunction, if appropriate, and Operator waives and hold Euphoria harmless from all damage claims if the injunction is wrongfully issued.

Except insofar as Euphoria elects to enforce this Agreement by judicial process, injunction or specific performance as otherwise provided herein, all disputes relating to this Agreement or the relationship between the parties shall be submitted to and settled by arbitration in accordance with the Commercial Arbitration Rules of the American / Canadian Arbitration Association or any successor association. The expenses of the arbitration (other than attorneys fees) shall be paid entirely by the losing party.

If Euphoria enforces this Agreement in a judicial proceeding, Euphoria shall be entitled to reimbursement of its costs and expenses including, without limitation, reasonable attorneys' fees, court costs and other litigation expenses, whether incurred prior to or in preparation of such judicial proceeding.

GOVERNING LAW

This Agreement is accepted by Euphoria in the Province of Ontario and shall be governed by and interpreted in accordance with Ontario law, which shall prevail in the event of any conflict of law. Euphoria and Operator irrevocably submit themselves to exclusive personal jurisdiction and venue in the state and federal courts of the judicial districts in which Euphoria principal place of business is located within the Province of Ontario and hereby waive any objection to either the personal jurisdiction or venue of such courts.

IN WITNESS WHEREOF, the parties hereto have executed this License Agreement
as of the _____ day of _____, 200_.

Operator

By -----

Store Location -----

EUPHORIA SMOOTHIES AND NUTRITIONAL SUPPLEMENTS, LTD.

By -----