

AREA DEVELOPMENT AGREEMENT

THIS AREA DEVELOPMENT AGREEMENT (the "Agreement") is made and entered into this ___ day of _____, 20___, (the "Effective Date") by and between:

SHRI CANE FRESH BEVERAGES PRIVATE LIMITED, a company incorporated under the Companies Act, 1956, and having its principal office at Flat No. L-12, No. 10 Surveyor Street, Basavangudi, Bangalore – 560 004, (hereinafter called as "THE FRANCHISOR or The Company", which expression shall unless it is repugnant to the context be deemed to include its successors in interest and permitted assigns)

AND

_____ (hereinafter called "the Developer" or "the FRANCHISEE") which expression shall unless repugnant to the context or meaning thereof, include its heirs, legal representatives, executors, administrators, successors and permitted assigns.

RECITALS

- A. Company owns and intends to license certain proprietary and other property rights and interests in and to the "Shri Cane Fresh- Life is Great Make it Sweet" trademark and service mark, and such other trademarks, trade names, service marks, logo types, insignias, trade dress, designs, and commercial symbols which Company may from time to time authorize or direct Developer to use in connection with the operation of "Shri Cane Fresh" fresh cane juice outlets (the "Marks").
- B. Company has developed and continues to develop a system for the operation of fresh cane juice outlets, kiosks and merchandizing of Shri Cane Fresh Authorized Products, which system features distinctive signs, recipes, and various Trade Secrets and other confidential information, and in some cases also includes architectural designs, trade dress, uniforms, equipment specifications, layout plans, inventory, record-keeping and marketing techniques (the "System").
- C. Company desires to expand and develop its system of "Shri Cane Fresh" fresh cane juice outlets, and seeks sophisticated and efficient multi-unit franchisees who will develop numerous "Shri Cane Fresh" fresh cane juice outlets within designated areas.
- D. Developer desires to build and operate "Shri Cane Fresh" fresh cane juice outlets, and Company desires to grant to Developer the right to build and operate said "Shri Cane Fresh" fresh cane juice outlets in accordance with the terms and upon the conditions contained in this Agreement.

WHEREFORE IT IS AGREED

1. GRANT OF AREA DEVELOPMENT FRANCHISE

Upon the terms and subject to the conditions of this Agreement, Company hereby grants to Developer, and Developer hereby accepts, the right and obligation during the Term hereof, to develop "Shri Cane Fresh" fresh cane juice outlets solely at Venues within the Development Area.

From time to time, Company may request updates, status reports, or other information from Developer regarding development of the Market Area. Developer shall respond promptly, accurately and completely to such requests within a reasonable time, but in no event more than 30 days after the request by Company. Without limiting the generality of the foregoing, the information requested may relate to demographics, market economics, real estate values, competition and other conditions in the Development Area.

No Trademark License: No right or license is granted to Developer hereunder to use the Marks or the System or any other trademarks, trade names, service marks, logotypes, insignias, trade dress or designs owned by Company, such right and license being granted solely pursuant to Franchise Agreement(s) executed pursuant to the Area Development Agreement for individual locations within the agreed geographical area.

2. DEFINITIONS

- 2.1 "**Authorized Products**" means fresh cane juice and other food items and ancillary products, as specified by Company from time to time in Company's Manuals, or as otherwise directed by Company in writing, for sale at the Developer's "Shri Cane Fresh" Outlets, prepared and served in strict accordance with Company's recipes, quality standards and specifications, including specifications as to ingredients, brand names, preparation and presentation.
- 2.2 "**Competitive Activities**" shall mean to, own, operate, lend to, advice, be employed by, or have any financial interest in any business that engages in the fresh cane juice outlets by "Shri Cane Fresh".
- 2.3 "**Development Area**" shall mean and refer to the geographical area set forth in **Annexure "A"** which is annexed hereto and by this reference made a part hereof
- 2.4 "**Development Period**" shall mean each of the time periods during which Developer shall have the right and obligation to construct, equip, open and thereafter continue

to operate “Shri Cane Fresh” fresh cane juice outlets in accordance with the Minimum Development Obligation.

2.5 **“Shri Cane Fresh Branded Product”** is any product now existing or developed in the future that bears or is packaged under any of the Marks.

2.6 **“Shri Cane Fresh” fresh cane juice outlet”** means a full service location or a kiosk, operated under the Marks and in accordance with the System and specializing in the sale of Authorized Products, pursuant to a validly executed Franchise Agreement.

2.7 **“Effective Date”** means the date indicated in the first paragraph of this Agreement.

2.8 **“Franchise Agreement”** means the Then-current form of agreement prescribed by Company and used to grant to Developer (as “Franchisee”) the right to own and operate a single “Shri Cane Fresh” fresh cane juice outlet in the Development Area, as amended from time to time (references in this Agreement to “Developer’s Franchise Agreements” will mean Franchise Agreements issued to Developer as “Franchisee” under those Franchise Agreements).

2.9 **“Gross Sales”** of each of Developer’s “Shri Cane Fresh” fresh cane juice outlets means gross revenues (excluding allowances and sales taxes) received or receivable by Developer as payment, whether in cash or for cheque, for all the fresh cane juice food, and other goods, services, and supplies sold or prepared in the “Shri Cane Fresh” fresh cane juice outlets, or which are promoted or sold under any of the Marks.

2.10 **“Lease”** means the lease or sublease or other agreement or instrument pursuant to which Developer obtains the right to occupy a “Shri Cane Fresh” fresh cane juice location and Premises.

2.11 **“Manuals”** means Company’s Front Line Team Member Training Guide; training software; Shri Cane Fresh Operations Manual and Support Manual, and related manuals now or hereafter created by Company for use in connection with the operation of a “Shri Cane Fresh” fresh cane juice outlets, as the same may be amended and revised from time to time, including all bulletins, supplements and ancillary manuals.

2.12 **“Marks”** shall have the meaning set forth in Recital A.

- 2.13 **“Minimum Development Obligation”** shall mean the Developer’s right and obligation to construct, equip, open and thereafter continue to operate at Venues within the Development Area not less than the cumulative number of Shri Cane Fresh outlets set forth in **Annexure “B,”** which is annexed hereto and by this reference made a part hereof, and within each of the Development Periods specified therein.
- 2.14 **“Permits”** means and include all applicable franchises, licenses, permits, registrations, certificates and other operating authority required by Applicable Law.
- 2.15 **“Term”** shall have the meaning set forth in Section 5 including any extensions thereof.
- 2.16 **“Trade Secrets”** shall have the meaning set forth in Section 9.5
- 2.17 **“System”** shall have the meaning set forth in Recital B.
- 2.18 **“Venue”** shall mean all types of locations
- 2.19 **“Week”** shall refer to the 7 day period ending on Sunday of each calendar week, or such other reporting period hereafter specified by Company.

3. DEVELOPER’S DEVELOPMENT OBLIGATION

Minimum Development Obligation

- 3.1.1. Developer shall construct, equip, open and thereafter continue to operate at Venues within the Development Area not less than the cumulative number of Shri Cane Fresh outlets within each of the Development Periods specified in **Annexure “B”**.
- 3.1.2. Developer shall execute a new Franchise Agreement for each subsequently opened “Shri Cane Fresh” fresh cane juice outlets.
- 3.1.3. Force Majeure: Should Developer be unable to meet the Minimum Development Obligation solely as the result of “Force Majeure,” including, but not limited to strikes, material shortages, fires, floods, earthquakes, and other acts of God, or by force of law, which result in the inability of Developer to construct or operate “Shri Cane Fresh” fresh cane juice outlet(s) in all or substantially all of the Development Area, and which

Developer could not by the exercise of due diligence have avoided, Developer may request that Company extend the affected Development Periods by the amount of time during which such Force Majeure shall exist. Company will not unreasonably decline to extend the applicable Development Period(s) in such event, provided that Developer shall have promptly (in any event not more than 30 days after commencement of the Force Majeure) submitted its request therefor in writing and promptly furnished Company such information concerning the circumstances as Company may reasonably require.

4. EXCLUSIVITY

4.1 During the Term of this Agreement, subject to Sections 3.1 Company shall not operate or grant a license or franchise to any other person to operate “Shri Cane Fresh” fresh cane juice outlets at any site within the Development Area.

4.2 Company expressly reserves the exclusive, unrestricted right, in its sole and absolute discretion, directly and indirectly, through its employees, affiliates, representatives, licensees, assigns, agents and others, to own or operate and to franchise or license others (which may include its affiliates and joint ventures in which it or its affiliates are participants) to own or operate “Shri Cane Fresh” fresh cane juice outlets (i) at any location outside the Development Area, including immediately adjacent to the Development Area, and (ii) at any site or location which is not a full service Outlet or a kiosk even if located within the Development Area, and regardless of its proximity to any “Shri Cane Fresh” fresh cane juice outlet developed or under development or consideration by Developer.

4.3 In addition, Company expressly reserves the exclusive, unrestricted right, in its sole and absolute discretion, directly and indirectly, through its employees, affiliates, representatives, licensees, assigns, agents and others, (i) to own or operate and to franchise or license others (which may include its affiliates and joint ventures in which it or its affiliates are participants) to own or operate Shri Cane Fresh, restaurants and other businesses which operate under names other than “Shri Cane Fresh” at any location, and of any type or category whatsoever, and whether within or outside the Development Area, and regardless of its proximity to any “Shri Cane Fresh” fresh cane juice outlets developed or under development or consideration by Developer; and (ii) to produce, promote, license, distribute and market Shri Cane Fresh Branded Products, and products bearing other marks, including other food and beverage products, clothing, souvenirs and novelty items, at or through any location or outlet, including grocery stores and convenience stores (including those which may be located within the Development Area), and through any distribution

channel, at wholesale or retail, including by means of mail order catalogs, direct mail advertising, the Internet, and other distribution methods.

5. TERM OF AREA DEVELOPMENT AGREEMENT

5.1 Term: The Term of this Agreement shall commence on the Effective Date and, unless sooner terminated in accordance with the provisions herein, or extended as provided in Section 5.2, shall continue for a period of three years (3) years.

5.2 Renewal: The Term of this Agreement may be extended further by the Company on receiving a written request by the Developer three (3) month prior to the expiration of the term of this Agreement and the Developer will accept such further terms upon the Company's than prevailing terms and conditions. If the Company on its discretion refuses to renew the Agreement, than the Company, and its affiliates may construct, equip, open and operate, and license or franchise others to construct, equip, open and operate additional "Shri Cane Fresh" fresh cane juice outlets in the Development Area, without any restriction.

6. PAYMENTS BY DEVELOPER

6.1 Franchise Agreements for Each 'Shri Cane Fresh' Outlets: Notwithstanding the terms of Company's Area Development, the Developer shall execute a separate Franchising Agreement pursuant to this Agreement for each "Shri Cane Fresh" fresh cane juice outlet opened in the Development Area, and the definition of "Gross Sales" set forth herein shall apply to all Franchise Agreements executed by Developer notwithstanding any inconsistent definition in such Franchise Agreements.

7. EXECUTION OF INDIVIDUAL FRANCHISE AGREEMENTS, TRAINING

7.1 Site Approval, Submission of Offering Circular, Execution of Franchise Agreement.

7.1.1 After Developer has located a site for construction of a "Shri Cane Fresh" fresh cane juice developer, Developer shall submit to Company such information regarding the proposed site.

7.1.2 If Company shall not reject the site in writing within 30 days, or within 30 days after a receipt of such additional information, whichever is later, the site shall be deemed preliminarily accepted by Company. Company's acceptance of a site proposed by Developer will not be unreasonably withheld or delayed.

7.1.3 Promptly after Company's preliminary acceptance of each site:

- (a) Company shall, if required by Applicable Law and if it has not done so already, transmit to Developer an Offering letter and one execution copy of the Franchise Agreement pertaining to the approved site. Immediately upon receipt of the Offering Circular, Developer shall return to Company a signed copy of the Acknowledgment of Receipt of the Offering letter; and
- (b) Developer shall sign and return the Franchising Agreement, and Developer shall pay to the Company the Fee therefor as provided in the applicable Franchise Agreement.
- (c) Company shall, promptly upon receipt of said documents and the Fee, execute and return to Developer one copy of the Franchise Agreement.

8. ASSIGNMENT AND SUBFRANCHISING

- 8.1. Assignment By Company: This Agreement is fully transferable by Company, in whole or in part, without the consent of Developer and shall inure to the benefit of any transferee or their legal successor to Company's interests herein; provided, however, that such transferee and successor shall expressly agree to assume Company's obligations under this Agreement. Without limiting the foregoing, Company may (i) assign any or all of its rights and obligations under this Agreement to a subsidiary or affiliated entity; (ii) sell its assets, its Marks, or its System outright to a third party (including or subject to this Agreement); (iii) go public; (iv) engage in a private placement of some or all of its securities; (v) merge, acquire other corporations, or be acquired by another corporation; or (vi) undertake a refinancing, recapitalization, leveraged buy-out or other economic or financial restructuring. Company shall be permitted to perform such actions without liability or obligation to Developer who expressly and specifically waives any claims, demands or damages arising from or related to any or all of the above actions (or variations thereof). Company shall have no liability for the performance of any obligations contained in this Agreement after the effective date of such transfer or assignment.
- 8.2. Sub-franchising by Developer: Developer shall not offer, sell, or negotiate the sale of "Shri Cane Fresh" franchises to any third party, either in Developer's own name or in the name and on behalf of Company, or otherwise sub-franchise, subcontract, share, divide or partition this Agreement, and nothing in this Agreement will be construed as granting Developer the right to do so **without Company's prior written consent**.
- 8.3. Assignment by Developer: This Agreement has been entered into by Company in reliance upon and in consideration of the individual or collective character,

reputation, skill, attitude, business ability, and financial capacity of Developer or, if applicable, its Owners who will actively and substantially participate in the development, ownership and operation of the "Shri Cane Fresh" Outlets. Accordingly, except as otherwise may be permitted herein, neither Developer nor any of Developer's Owners shall directly or indirectly sell, assign, transfer, convey, give away, pledge, mortgage, or otherwise encumber any direct or indirect interest in this Agreement or in all or substantially all of Developer's assets, voluntarily or involuntarily, in whole or in part, by operation of law or otherwise (an "Assignment"), **without Company's prior written consent.**

8.4. Developer shall not in any event have the right to pledge, encumber, hypothecate or otherwise give any third party a security interest in this Agreement in any manner whatsoever without the express prior written permission of Company.

9. NON-COMPETITION, NON-SOLICITATION, TRADE SECRETS

9.1 In Term: Neither Developer, nor any officer, director, or direct or indirect Owner of a Developer shall in any capacity, either directly or indirectly, through one or more subsidiaries or affiliated companies engage in any Competitive Activities, at any location, whether within or outside the Development Area, unless Company shall consent thereto in writing; provided that, with Company's prior written consent.

9.2 Personnel: During the Term of this Agreement, Developer shall not, without the prior written consent of Company, directly or indirectly: (a) employ or attempt to employ any person who at that time is employed by Company, an affiliate of Company, or any other franchisee or area developer, including, without limitation, any Company manager, assistant manager, ("Personnel"); (b) employ or attempt to employ any Personnel who within six (6) months prior thereto had been employed by Company, an affiliate of Company, or any other franchisee or area developer; or (c) induce or attempt to induce any Personnel to leave his or her employment with Company, an affiliate of Company, or any other franchisee or area developer.

9.3 The prohibitions set forth in Section 9 above shall also apply during the one (1) year period after the expiration or termination of this Agreement.

9.4 During the Term of this Agreement, Company shall not, without the prior written consent of Developer, directly or indirectly: (a) employ or attempt to employ any person who at that time is employed by Developer or an affiliate of Developer; or (b) induce or attempt to induce any person to leave his or her employment with Developer or an affiliate of Developer.

9.5 Trade Secrets

- 9.5.1 Company possesses and continues to develop, and during the course of the relationship established hereunder, Developer shall have access to, proprietary and confidential information, including recipes, secret ingredients, specifications, procedures, concepts and methods and techniques of developing, marketing and operating Outlets, restaurants and other retail outlets featuring fresh cane juice and other food and beverage products (the "Trade Secrets"). Certain of the Trade Secrets may be disclosed to Developer in Operating Manuals, bulletins, supplements, confidential correspondence, or other confidential communications, and through the Company's training program and other guidance and management assistance, and in performing
- 9.5.2 Company's other obligations and exercising Company's rights under this Agreement or the Franchise Agreements executed pursuant hereto. "Trade Secrets" shall not include information which: (a) has entered the public domain or was known to Developer prior to Company's disclosure of such information to Developer, other than by the breach of an obligation of confidentiality owed (by anyone) to Company; (b) becomes known to Developer from a source other than Company and other than by the breach of an obligation of confidentiality owed (by anyone) to Company; or (c) was independently developed by Developer without the use or benefit of Company's Trade Secrets. The burden of proving the applicability of the foregoing will reside with Developer.
- 9.5.3 Developer shall acquire no interest in the Trade Secrets other than the right to use them in developing and operating "Shri Cane Fresh" fresh cane juice Outlets pursuant to the Franchise Agreements executed during the Term thereof. Developer's duplication or use of the Trade Secrets in any other endeavor or business shall constitute an unfair method of competition. Developer shall: (i) not use the Trade Secrets in any business or other endeavor other than in connection with such "Shri Cane Fresh" fresh cane juice outlets; (ii) maintain absolute confidentiality of the Trade Secrets during and after this Agreement's Term; (iii) make no unauthorized copy of any portion of the Trade Secrets, including without limitation, all or any part of the Manuals, bulletins, supplements, confidential correspondence, or other confidential communications, whether written or oral; and (iv) operate and implement all reasonable procedures prescribed from time to time by Company to prevent unauthorized use and disclosure of the Trade Secrets, including without limitation, restrictions limiting disclosure to certain employees and use of non-disclosure and non-competition provisions as Company prescribes in

employment agreements with employees who may have access to the Trade Secrets. Promptly upon Company's request, Developer shall deliver executed copies of such agreements to Company. The provisions of this Section 9.5 shall be in addition to and not in lieu of any other confidentiality obligation of Developer, or any other person, whether pursuant to another agreement, or pursuant to Applicable Law.

10. TERMINATION

10.1 Termination Pursuant to a Material Breach of This Agreement: This Agreement may be terminated by Company in the event of any material breach by Developer of this Agreement by giving 15 days written notice.

10.2 Termination by Reason of a Material Breach of Other Agreement: This Agreement may be terminated, at the election of Company, in the event of the termination by reason of a material breach by Developer of an individual Franchise Agreement or any other agreement between Company and Developer, subject to the notice and the opportunity to cure, if any, specified in the Franchise Agreement or other such agreement.

10.3 Effect of Termination

10.3.1 Upon the expiration of the Term, or upon the prior termination of this Agreement:

10.3.2 Developer shall have no further right to construct, equip, own, open or operate additional "Shri Cane Fresh" fresh cane juice outlets which are not, at the time of such termination or expiration, the subject of a then existing Franchise Agreement between Developer and Company which is in full force and effect; and

10.3.3 Company and its affiliates may construct, equip, open, own or operate, or franchise or license others to construct, equip, open, own or operate "Shri Cane Fresh" fresh cane juice outlets in the Development Area, except as may be expressly provided to the contrary in any Franchise Agreement executed pursuant to this Agreement.

11. GENERAL CONDITIONS AND PROVISIONS

11.1 Relationship of Developer And Company: It is expressly agreed that the parties intend by this Agreement to establish between Company and Developer the relationship of franchisor and franchisee. It is further agreed that Developer has no authority to create or assume in Company's name or on behalf of Company, any obligation, express or implied, or to act or purport to act as agent or representative on behalf of Company for any purpose whatsoever. Neither Company nor

Developer is the employer, employee, agent, partner or co-venturer of or with the other, each being independent. Developer agrees that he will not hold himself out as the agent, employee, partner or co-venturer of Company. All employees hired by or working for Developer shall be the employees of Developer and shall not, for any purpose, be deemed employees of Company or subject to Company control. Each of the parties agrees to file its own tax, regulatory and payroll reports with respect to its respective employees and operations, saving and indemnifying the other party hereto of and from any liability of any nature whatsoever by virtue thereof.

11.2 Indemnity by Developer: Developer hereby agrees to protect, defend and indemnify Company, and all of its past, present and future direct and indirect Owners, subsidiaries, affiliates, officers, directors, employees, attorneys and designees and hold them harmless from and against any and all costs and expenses, including attorneys' fees, court costs, losses, liabilities, damages, claims and demands of every kind or nature on account of any actual or alleged loss, injury or damage to any person or Business Entity or to any property arising out of or in connection with Developer's operation of "Shri Cane Fresh" fresh cane juice outlet pursuant hereto, except to the extent resulting from the negligence or intentional misconduct of Company.

11.3 Survival of Covenants: The covenants contained in this Agreement which, by their terms, require performance by the parties after the expiration or termination of this Agreement shall be enforceable notwithstanding said expiration or other termination of this Agreement for any reason whatsoever.

11.4 Successors and Assigns: his Agreement shall be binding upon and inure to the benefit of the successors and assigns of Company and shall be binding upon and inure to the benefit of Developer and his or their respective heirs, executors, administrators, successors and assigns, subject to the prohibitions against Assignment contained herein.

11.5 Joint and Several Liability: If Developer consists of more than one person or business entity, or a combination thereof, the obligations and liabilities of each such person or business entity to Company are joint and several.

11.6 Force Majeure: The Company shall not be liable to the Developer for any loss to the Developer caused by the failure of the Company to observe the terms and

conditions of this Agreement and on his part to be observed and performed where such failure is occasioned by any cause beyond the Company's reasonable control.

11.7Governing Law and Jurisdiction: This Agreement shall be governed by Indian law in every particular formation and interpretation and shall be deemed to have been made in India. Any proceedings arising out of or in connection with this Agreement shall be brought before the court of competent jurisdictions in Bangalore only.

11.8Counterparts: This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which together shall be deemed to be one and the same instrument.

In WITNESS WHEREOF, the parties hereto have executed this Agreement as on the day and year first above written.

ANNEXURE A: DEVELOPMENT AREA

ANNEXURE B: MINIMUM DEVELOPMENT OBLIGATIONS

Witnesses:

1. _____

Signature (Franchisor) _____
Swaroop R., (Managing Director)
For the Company

2. _____

Signature (Franchisee) _____

ANNEXURE A: DEVELOPMENT AREA

The Development Area shall be within the jurisdiction of _____, _____ Dist.,
_____ state.

ANNEXURE B: MINIMUM DEVELOPMENT OBLIGATIONS

The minimum number of Franchisees to be opened by the Franchisee required by the Minimum Development Obligation shall be __ FRANCHISES within three years from the effective date of this agreement.